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## Executive Committee Minutes

Friday, January 22, 2010

1:30 PM – 3:00 PM

1100 San Leandro Blvd.

Conference Room E

**COMMISSIONERS PRESENT:** Chair: Pamela Simms-Mackey, M.D., Vice Chair: Helen Mendel, CMD (via phone)

**STAFF PRESENT:** Mark Friedman, Janis Burger, Nancy Lee, Patricia Zapanta, Christine Hom

Chair Pamela Simms-Mackey called the meeting to order at 1:49PM.

### AGENDA ITEM

#### 1. Public Comment

There was no Public Comment.

#### 2. Approval of Minutes from the December 4, 2009 meeting - Action

Executive Committee Action: The Executive Committee approved the minutes from December 4, 2009 upon motion by Vice Chair Mendel, seconded by Chair Simms-Mackey and unanimously carried (2 in favor, 0 opposed).

#### 3. Contract Authorizations - Action

Patricia Zapanta, Director of Finance and Administration presented the Contract Authorizations to the Executive Committee. She stated that the Executive Committee is being asked to recommend the following contracts to the Commission for approval:

- The Center to Promote Health Care Access, Inc. – an amended contract amount of \$858,678.00 for FY 2009-10
- Family Resource Network – an aggregate contract amount of \$201,000.00 for FY 2009-10
- Center for the Early Intervention on Deafness (CEID) – a contract in the amount of \$106,250.00 for FY 2009-11

Executive Committee Action: The Executive Committee recommended the Contract Authorizations to the Commission for approval upon motion by Vice Chair Mendel, seconded by Chair Simms-Mackey and unanimously carried (2 in favor, 0 opposed).

#### 4. Employee Salary Guidelines Revision - Action

Patricia Zapanta, Director of Finance and Administration presented the Employee Salary Guidelines Revision to the Executive Committee.

Ms. Zapanta stated that First 5 would like to modify the current Employee Salary Guidelines by adding a Senior Associate salary level to enable the agency to address current staffing and organizational issues. Ms. Zapanta stated that this modification would allow for salary growth for employees that might otherwise be at the top of their salary range with no advancement potential and allow for cost savings produced by utilizing staff currently on payroll rather than recruiting and hiring external staff to fulfill program needs. The Senior Associate level has a salary range of \$47,753 - \$61,273.

Chair Simms-Mackey asked if there is staff that would be promoted to the Senior Associate level. Ms. Janis Burger, Deputy Director responded that the modification to the Employee Salary Guidelines will allow for staffing flexibility and growth and those taking on extra responsibilities would be possibly reclassified.

Executive Committee Action: The Executive Committee recommended the Employee Salary Guidelines Revision to the Commission for approval upon motion by Vice Chair Mendel, seconded by Chair Simms-Mackey and unanimously carried (2 in favor, 0 opposed).

#### 5. 2009-10 Budget Modification - Action

Ms. Zapanta presented the 2009-10 Budget Modification to the Executive Committee.

Ms. Zapanta stated that regarding revenue and available funds:

- “Prop 10 Tobacco Tax” is reduced from \$14,222,218 to \$14,000,000 to reflect the current year’s actual trend based on revenues received
- “Income from Alameda County Agencies” is increased to reflect income to be received due to two Substance Abuse Mental Health Services Administration (SAMHSA) grants
- “Grants” is increased to reflect the adjustment of the Early Care and Education federal earmark, and funding from two State grants
- “Other Sources” is increased to reflect the confirmation of a contract from First 5 Contra Costa County
- “Carry Over Restricted Funds” is increased by \$35,000 to reinstate the unspent balance of a private grant from Washington Mutual not included in the original 2009-10 revenue budget
- “Sustainability fund” is decreased as a result of new and additional revenue

Vice Chair Mendel asked how much money is left in the First 5 Sustainability Fund. Ms. Zapanta responded that there is approximately \$45 million remaining in the Sustainability Fund. Vice Chair Mendel asked how the grant funds from Washington Mutual will be spent. Ms. Nancy Lee, Director of Early Care & Education responded that the funds will be used for higher education grants. Vice Chair Mendel suggested funding a project similar to Spruce Up

for Kids Day to fund improvements to child care centers. Chair Simms-Mackey stated that the savings in the sustainability fund could be also be used to make one-time-only grants.

Ms. Zapanta stated that regarding Expenditures:

- “Personnel” includes staff salaries budgeted based on actual costs and unfilled positions budgeted at the top of the range. Benefits are budgeted at 50% of salaries.
- Family Support Services expenditure budget shows a net decrease of \$371,000
- Early Care and Education budget changes are mainly in the Program Contracts/Grants/MOUs section
- Community Grants division shows a net decrease of \$30,222
- Support Strategies Training line item increases \$24,300 to cover new costs for the Early Connections program
- Evaluation & Technology’s training expenses decrease by \$5,000
- Administration General Expenses Equipment Purchase line item increases by \$10,000 for office space reconfiguration and Space Rental increases by \$37,500
- Sustainability Fund is projected to decrease by \$6,947,507 due to increases in revenue

Ms. Zapanta stated that the fiscal impact of the budget modification is an increase of \$1,132,004 to revenue/available funds and expenses, bringing both to \$27,581,298.

Vice Chair Mendel suggested adding a footnote disclosure on the proposed expenditures document to tie the alphabetical notes to the document.

Executive Committee Action: The Executive Committee recommended the 2009-10 Budget Modification to the Commission for approval with inclusion of footnote disclosures on the expenditures document upon motion by Vice Chair Mendel, seconded by Chair Simms-Mackey and unanimously carried (2 in favor, 0 opposed).

## 6. 2009-10 Financial Report (July 1, 2009 – December 31, 2009) - Information

Ms. Patricia Zapanta presented the 2009-10 Financial Report (July 1, 2009 – December 31, 2009) to the Executive Committee.

Ms. Zapanta stated that as of December 31, revenue was \$8,233,627 or 31% of the revenue projection due to reasons including:

- the tobacco tax allocation is received 2 months in arrears
- increased income is due from Alameda County agencies (for the two new federal grants)
- fiscal leveraging revenue is due to First 5 from the last fiscal year

Ms. Zapanta also stated that total expenses are \$9,482,053 which is 35.85% of the budget amount of \$26,449,293. Ms. Zapanta stated that revenue and expenses are appropriate for this time in the fiscal year.

## 7. 2009-10 Investment Report (July 1, 2009 – December 31, 2009) – Information

Ms. Zapanta presented the 2009-10 Investment Report (July 1, 2009 – December 31, 2009) to the Executive Committee.

Ms. Zapanta stated that at the end of the second quarter of 2009-10, the market value of the portfolio was \$40,927,147, an increase of \$643,247. Ms. Zapanta stated that at some point in the future, First 5 may have to sell a portion of the investment portfolio to meet agency operational needs because of decreased revenue received from Prop 10 funds.

Ms. Zapanta also reported that the agency is now incurring a loss of \$18,413 under Investment Activity due to gain (loss) on disposal. Usually the gains balance out the expenses, but this is the first time that it does not and a loss is realized.

CEO Mr. Mark Friedman, stated that he attended the annual meeting held by the Alameda County Treasurer's Office on January 19th. Mr. Friedman stated that the Alameda County Treasurer estimates returns to be .66% by the end of the fiscal year and that currently, First 5 Alameda County is receiving 3.3% and 3.7% from MBIA and Chandler Asset Management, respectively. Mr. Friedman stated that the Alameda County Treasurer is not investing in corporate bonds and being very conservative with regards to investing.

Ms. Zapanta stated that Chandler Asset Management will be presenting at the Commission meeting next week.

Chair Simms-Mackey stated discussion on agenda items 6 and 7, Financial Report for July 1 – December 31, 2009 and Investment Report for July 1, 2009- December 31, 2009 would not be necessary at the Commission meeting because the Executive Committee had thoroughly reviewed both documents.

Mr. Friedman stated that in an effort to assist with placing the California Cancer Research Act on the November 2010 ballot, community partners would be mobilized to send letters and faxes to legislators in support of the Act.

## 8. Adjournment

Chair Simms-Mackey adjourned the meeting at 2:34 PM.



**To:** First 5 Alameda County Executive Committee

**From:** Teddy Milder, Evaluation and Technology Director

**Date:** March 19, 2010

**Subject:** Web-based Application Hosting and Network Services

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For the past 10 years, First 5 Alameda County has contracted with Alameda County Information Technology Department to provide web-based application hosting and network services. Before renewing the FY 2011-12 contract, the evaluation and technology division solicited detailed bids from three additional data centers that have the capacity to provide hosting and network services that meet our requirements, including, but not limited to, HIPAA compliance, flexible access for our software developers, ability to provide secure data extracts to our partners, support and cost. In addition to the bids, staff interviewed and further probed each vendor to be sure all requirements were being addressed. Attached is a detailed comparison of the four bids.

After careful review, First 5 Alameda County recommends that hosting and network support be migrated to The Center to Promote Health Care Access, Inc. (The Center), who will soon be changing their name to Social Intervention Solutions (SIS). The Center is an Oakland based 501c3 organization that has developed all of First 5 Alameda County's web-based applications in addition to One-E-App. They provide hosting services for One-E-App for many counties in California and other states and their Data Center is located in Sacramento. The Center will provide enhanced customer service and support due to their intimate knowledge of our business and technology needs, and offers significant cost savings.

Submitted by:

Reviewed by:

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Teddy Milder,  
Evaluation and Technology Director

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Mark Friedman,  
Chief Executive Officer



### Web-Based Applications and Office Network Hosting Comparison

DataCenter	NaviSite	Verio NTT	The Center to Promote Health Care Access	Alameda County ITD
Office Location	Andover, MA	Centennial, CO	Oakland, CA	Oakland, CA
DataCenter Location	San Jose, CA	San Jose, CA	Sacramento, CA	Oakland, CA
ECC Equipment	NO	NO	YES	NO
Secure Certificates	YES	YES	YES	YES
Data Dumps	Only 3/ receiving end has to have the same firewall	N/A	FTP	FTP/ VPN's
Support	24/7/365	24/7/365	24/7/365	24/7/365
<b>Infrastructure</b>	See Below	See Below	Blade Servers	See Below
<b>Development Servers</b>				
WebServer	HP-DL360 G5	HP ProLiant DL360 G6	Virtual Environment	Existing Servers
SQL Server	HP-DL360 G5	HP ProLiant DL360 G6	Virtual Environment	Existing Servers
<b>Internet Web Tier</b>				
Enterprise ISA 1		HP ProLiant DL360 G6	Virtual Environment	Existing Servers
Enterprise ISA 1		HP ProLiant DL360 G6	Virtual Environment	Existing Servers
WebServer	HP-DL360 G5	HP ProLiant DL360 G6	Virtual Environment	Existing Servers
WebServer	HP-DL360 G5	HP ProLiant DL360 G6	Virtual Environment	Existing Servers
SQL Server	HP-D360 G6	HP ProLiant DL360 G6	Virtual Environment	Existing Servers
SQL Server	HP-D360 G6	HP ProLiant DL360 G6	Virtual Environment	Existing Servers
SAN	200GB	250GB	2TB	Existing Servers
<b>Application Server</b>				
AD Server For Cluster		HP ProLiant DL360 G6	Virtual Environment	Existing Servers
FaxPress	HP-DL360 G5	HP ProLiant DL360 G6	Virtual Environment	Existing Servers
Application Server	HP-DL360 G5	HP ProLiant DL360 G6	Virtual Environment	Existing Servers
MS Exchange	Hosted email	Hosted email	Virtual Environment	Existing Servers
<b>Total One Time Cost</b>	<b>\$7,687.50</b>	<b>\$4,055.00</b>	<b>\$80,990.40</b>	
<b>Total Monthly Recurring</b>	<b>\$12,487.29</b>	<b>\$15,075.00</b>	<b>\$2,332.50</b>	<b>\$13,632.00</b>
<b>Total Hosting Per Year</b>	<b>\$149,847.48</b>	<b>\$180,900</b>	<b>\$27,990</b>	<b>\$163,584.00</b>
<b>Grand Total 1st Year setup and hosting</b>	<b>\$157,534.98</b>	<b>\$184,955.00</b>	<b>\$108,980.40</b>	
<b>Every Year after</b>	<b>\$149,847.48</b>	<b>\$180,900.00</b>	<b>\$27,990.00</b>	<b>\$163,584.00</b>



**To:** First 5 Alameda County Executive Committee  
**From:** Patricia Zapanta, Finance and Administration Director  
**Date:** March 19, 2010  
**Subject:** 2010-11 Budget Proposal – First Reading

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#### **ACTION REQUESTED**

To review the following 2010-11 Budget Proposal and to give feedback for clarifications or changes in preparation for presentation to the Commission on March 25<sup>th</sup>.

#### **BACKGROUND**

Each First 5 agency is required by statute to pass a Strategic Plan that outlines the use of the tobacco tax funds to serve children age 0-5 and their families. The First 5 Alameda County Commission has approved a four-year Strategic Plan for FY 2009-13. The Strategic Plan was prepared after extensive program and needs assessment and community and stakeholder input. This budget proposal covers the second year of that period, 2010-11, and includes the strategies and programs outlined in the Strategic Plan.

This presentation is the first reading of the 2010-11 budget proposal. Staff will prepare the second and final reading for the May Executive and Commission meetings, and will incorporate in the interim any changes directed by the Commission as well as new information, if any, related to the Tobacco tax and other revenue streams. In addition, the presentation in May will include the list of contracts that exceed \$25,000 which require Commission authorization.

As is the practice of First 5 Alameda County, changes that occur in the course of the fiscal year will be formally incorporated into the budget during the mid-year Budget Modification in January 2011.

This document provides a fiscal summary of revenue projections. In addition, the document will provide each program's total expenses. The total program costs include:

- First 5 staff salaries and benefits
- Grants, contracts, and stipends
- Training expenses
- General expenses (overhead)

**CURRENT BUDGET PROPOSAL**

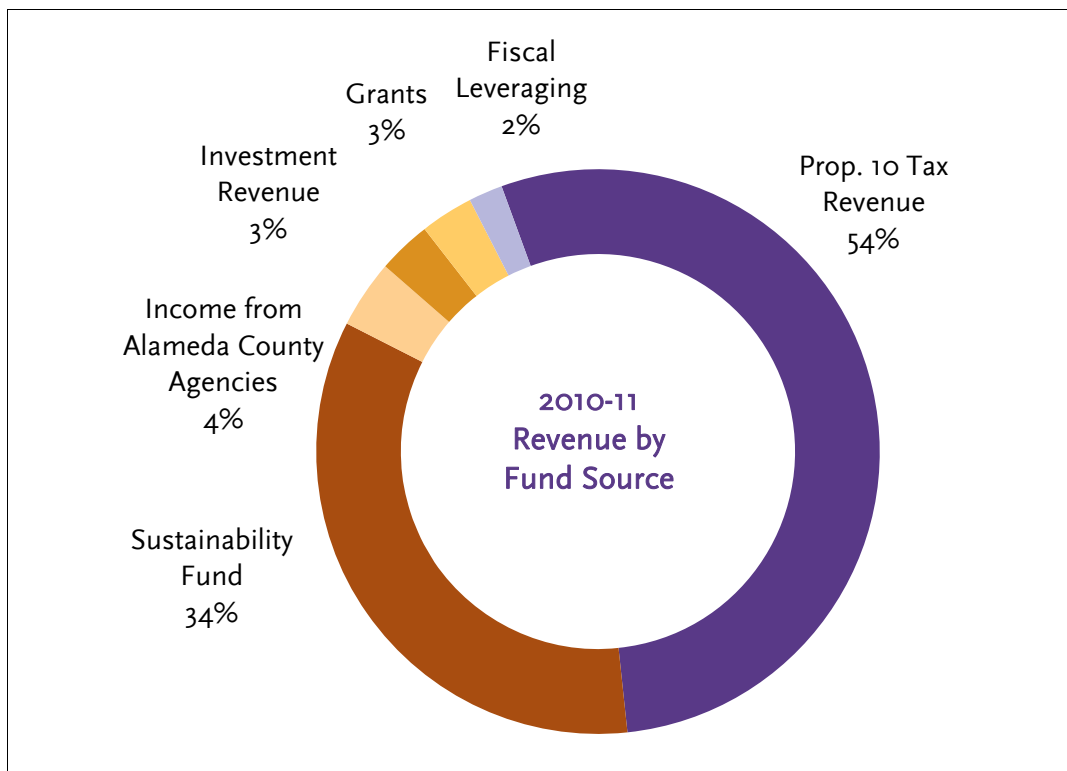
The following Revenue and Expense projections are presented with a comparison to the current year 2009-10 budget, approved in January 2010. All Program areas are presented after the distribution of allocable administrative costs. Allocable costs will shift slightly when the final budget is presented in May, based on all changes. The Expense spreadsheet gives the Expense data by division.

**REVENUE AND AVAILABLE FUNDS 2010-11**

The 2010-11 Revenue and Available funds decrease from \$27,581,298 in the current year to \$25,950,186. Consistent with the Long Range Financial Plan, funds from the Sustainability Fund are budgeted to close the gap between decreasing Tobacco Tax revenue and projected expenses.

The primary reason for the decline in revenue is that approximately \$2 million in income for School Readiness, CARES and Health Access for All combined are no longer being funded by First 5 California. It was decided that these are no longer part of their legacy programs and therefore, funding opportunities to local county commissions were discontinued. In addition, State AB 212 funds from the Child Care Planning Council for stipends and training for school age providers have not yet been committed and have therefore not been included in the budget. In 2009-10, AB 212 revenue was budgeted at \$986,320.

**2010-11 REVENUE BY FUND SOURCE**



LINE ITEM	2009-10 APPROVED	2010-11 PROPOSED	RATIONALE
Prop 10 Tobacco Tax	\$14,000,000	\$14,000,000	Tobacco tax revenue projection is based on assessment of current year trend through December 2009 and First 5 California projections for county commissions.
Income from Alameda County Agencies	\$2,225,983	\$984,028	<p>The SAMHSA (Substance Abuse Mental Health Services Administration) Project LAUNCH federal grant for a place-based strategy designed to promote the healthy development of young children within the targeted East Oakland community from Alameda County Public Health Department (PHD) was committed for \$608,237.</p> <p>The SAMHSA Early Connections federal grant for a six-year project that creates an infrastructure for a system of care for children ages 0-5 and their families from Alameda County Behavioral Health Care Services (BHCS) was committed in the amount of \$251,300. Balances for the Screening, Assessment, Referral &amp; Treatment (SART) Pathways data collection system (\$99,020) and Strategic Plan Coordinator (\$25,471) are also included in this category.</p> <p>State AB212 funds from General Services Agency Child Care Planning Council have not yet been committed.</p>
Grants	\$2,777,240	\$779,309	<p>The Federal Grant amount consists of the balance of reimbursable amount of the Early Care and Education federal earmark for the development of a cohort model at a community college (\$53,570) and a \$476,000 federal earmark for the SART program.</p> <p>The State Grant was decreased to \$0 to show discontinued funding from State First 5 for School Readiness, Comprehensive Approaches to Raising Educational Standards (CARES) and for Health Access for All.</p> <p>A new Private Grant from The Long Foundation was committed for \$249,739 to expand the School Readiness program.</p>
Fiscal Leveraging	\$350,000	\$510,000	Includes Medi-Cal Administrative Activities (MAA) and Title IV-E. Projection is based on conservative estimates of actual invoices submitted for MAA and actual receipts for Title IV-E in 2009-10.
Investment Revenue	\$ 1,125,000	\$ 863,000	To be conservative and to reflect the sustained low interest rates of recent years, investment revenue is estimated to be 2% assuming a decreased fund balance due to partial liquidation of the investment portfolio.
Other Sources	\$120,568	\$0	The Contra Costa Hospital Outreach Coordinator contract has not been negotiated with First 5 Contra Costa County for 2010-11.
Sustainability Fund	\$6,947,507	\$8,813,849	This amount is consistent with the Long Range Financial Plan approved in June 2009 which allows up to approximately \$9 million in Sustainability Funds to maintain programs.

## EXPENDITURES 2010-11

The following Expense information compares the current 2009-10 budget with the proposed 2010-11 budget. The budget will be approved at the division level, which is shown on the attached spreadsheet. The budgets will be managed at the program level. The budget narrative will provide more detail on each Program. In addition, the chart shows the various funding streams for each Program as well as the Strategies to which they are mapped.

Programs incur charges related to data systems. The costs in the current budget proposal are estimates, as data systems costs are still being negotiated. The final costs will be incorporated into the second and final presentation of the budget in May.

Consistent with legislative requirements brought about by AB 109, expense costs continue to be separated into three cost categories: Program, Evaluation and Administration. The expenses in each category are consistent with First 5 California guidelines, and those set forth in the Government Finance Officers Association's First 5 Financial Management Guide.

### Salaries and Benefits

Salaries and benefits are projected to increase from \$7,687,977 to \$7,758,115, an increase of \$70,138. There are no new budgeted positions; the increase is due to projected merit increases for staff who have not reached the limits of their salary ranges.

Salaries are budgeted based on actual amounts. Benefits are budgeted at 50% of salaries. Consistent with direction from the Commission, the approved benefit package has remained mostly consistent with the Alameda County benefit package, including membership in the Alameda County Employee's Retirement Association (ACERA), health and dental benefits, life insurance and a flexible benefit of \$1,500 to offset health, life insurance or flexible spending account costs. In an effort to reduce expenses, the taxable technology and professional development benefit of \$800 per staff member was eliminated. The 50% allocation is based on actual cost estimates that are revised periodically as needed.

Personnel in the Program divisions provide programmatic oversight, training and technical assistance in best practices to all program providers, including child care and community-based service contractors and grantees. Approximately \$1,700,000 in Salaries and benefits costs fund service delivery personnel who provide services directly to families.

## Family Support Services

The total Family Support Services (FSS) budget proposal for 2010-11 is \$8,356,322, compared to \$8,527,385 in the current year, a net decrease of \$171,062.

PROGRAM	2009-10 BUDGET	2010-11 PROPOSAL	FUNDING SOURCES	STRATEGY
Prenatal and postpartum home visiting for newborns: Your Family Counts	\$1,545,457	\$1,545,763	Tobacco Tax, Targeted Case Management (TCM), Medi-Cal Administrative Activities (MAA), Other Sources	Home-Based Family Support
Lactation	\$358,053	\$369,905	Tobacco Tax, Miscellaneous Income	Child Health Promotion
Intensive Family Support: Special Start: high risk families with infants discharged from the Neonatal Intensive Care Unit (NICU)	\$3,218,049	\$3,218,558	Tobacco Tax, Targeted Case Management (TCM)	Home-Based Family Support
Intensive Family Support: Pregnant and Parenting Teens	\$1,359,700	\$1,235,039	Tobacco Tax, Targeted Case Management (TCM)	Home-Based Family Support
SART Training and Screening: Pediatric Strategies Includes Reach Out and Read (\$30,000)	\$1,012,268	\$940,961	Tobacco Tax, Medi-Cal Administrative Activities (MAA)	Coordinated Children's SART (Screening, Assessment, Referral & Treatment )  Reach Out and Read is in the Community Based School Readiness strategy
Early Childhood Mental Health /Community Building Efforts * Includes Early Childhood Mental Health Harris Training	\$205,335	\$205,845	Tobacco Tax	Mental Health Consultation is in the Child Health Promotion strategy  Harris Training is in the Provider Capacity Building strategy
Specialty Provider Services – Mental Health / Child Development	\$740,439	\$751,659	Tobacco Tax, Medi-Cal Administrative Activities (MAA)	Provider Capacity Building
Family Support Services Provider Training	\$88,083	\$88,592	Tobacco Tax	Training is in Training Institute in the Provider Capacity Building strategy
<b>Total Family Support Services</b>	<b>\$8,527,385</b>	<b>\$8,356,322</b>		

### Early Care and Education

The Early Care and Education (ECE) budget proposal for 2010-11 is \$6,037,341, compared with \$7,055,040, a decrease of \$1,017,699. The decrease is primarily due to the absence of AB212 funding in the current proposal. Any development related to AB212 which is approximately \$900,000 in revenue and expenses will be reflected in the May budget recommendation.

PROGRAM	2009-10 BUDGET	2010-11 PROPOSAL	FUNDING SOURCES	STRATEGY
College And University Education	\$4,308,458	\$3,239,070	Tobacco Tax, Federal Grant	Integrated Child Care Quality Support System
Training for Consultants	\$164,125	\$149,777	Tobacco Tax	Integrated Child Care Quality Support System
Community-Based Training and Coordination	\$859,736	\$958,233	Tobacco Tax	Integrated Child Care Quality Support System
Inclusion Support and Training	\$234,149	\$194,881	Tobacco Tax	Integrated Child Care Quality Support System
Child Care Capital Grants	\$815,529	\$813,389	Tobacco Tax	Integrated Child Care Quality Support System
Quality Counts	\$673,043	\$681,991	Tobacco Tax	Integrated Child Care Quality Support System
<b>Total Early Care and Education</b>	<b>\$7,055,040</b>	<b>\$6,037,341</b>		

### Community Grants

The Community Grants budget proposal for 2010-11 is \$3,171,132, compared to \$3,445,969 in the current year, a decrease of \$274,837. The decrease is due to the timing of two grant cycles in which the 2010-11 budget excludes the 5% withhold payments. The Community Grants Initiative completed the 2007-09 grant cycle in the first six months of 2009-10 and the 2009-11 new cycle began in the second six months of 2009-10.

PROGRAM	2009-10 BUDGET	2010-11 PROPOSAL	FUNDING SOURCES	STRATEGY
Community Grants	\$3,445,969	\$3,171,132	Tobacco tax	Programs will be funded in various strategy areas, depending on funding priorities selected by the Commission
<b>Total Community Grants</b>	<b>\$3,445,969</b>	<b>\$3,171,132</b>		

### Support Strategies

The Support Strategies budget proposal for 2010-11 is \$5,350,265, compared with \$5,483,593, a decrease of \$133,328.

PROGRAM	2009-10 BUDGET	2010-11 PROPOSAL	FUNDING SOURCES	STRATEGY
Cultural Access Services	\$354,227	\$274,191	Tobacco Tax, Medi-Cal Administrative Activities (MAA)	Cultural Access Services is a program that works across all strategies
Early Connections	\$262,481	\$303,399	Behavioral Health Care Services (SAMHSA Federal Grant)	Coordinated Screening, Assessment, Referral and Treatment (SART)
Project LAUNCH	\$594,548	\$583,540	Public Health Department (SAMHSA Federal Grant)	Integrates all strategies at the community level
Children's SART (Screening, Assessment, Referral and Treatment)	\$1,624,643	\$1,482,392	Tobacco Tax, Medi-Cal Administrative Activities (MAA), Behavioral Health Care Services funding for Pathways data system, Federal Grant	Coordinated Screening, Assessment, Referral and Treatment (SART)
Training/ Conference Center	\$451,298	\$374,235	Tobacco Tax, Rental Income	Provider Capacity Building
Outreach and Education Includes Parent Kit customization and distribution and Childhood Matters	\$209,839	\$348,850	Tobacco Tax	Community-Based School Readiness Services  Childhood Matters is in the Community-Based School Readiness Services strategy
Tobacco and Health Education/ Services  Includes Asthma Education and Services, Oral Health Education and Tobacco Education	\$536,849	\$361,850	Tobacco Tax	Child Health Promotion
School Readiness Includes Literacy, Kindergarten Readiness and Transition	\$1,001,870	\$1,169,088	Tobacco Tax, Long Foundation Private Grant	Community-Based School Readiness Services
Child Development/ Mental Health Strategies	\$447,838	\$452,720	Tobacco Tax	Mental Health Consultation to Child Care
<b>Total Support Strategies</b>	<b>\$5,483,593</b>	<b>\$5,350,265</b>		

### Evaluation and Technology

The Evaluation and Technology (E&T) budget proposal for 2010-11 is \$1,351,359, compared to the current year budget of \$1,346,847, an increase of \$4,512.

PROGRAM	2009-10 BUDGET	2010-11 PROPOSAL	FUNDING SOURCES	NOTES
Evaluation	\$604,082	\$586,952	Tobacco Tax, Behavioral Health Care Services (SAMHSA Federal Grant), Long Foundation Private Grant	Includes internal and external evaluation activities, including annual report compilation, and ECE external evaluations (School Readiness)
Evaluation –Database	\$537,983	\$555,933	Tobacco Tax, Medi-Cal Administrative Activities (MAA)	Includes ECC Online and ECChange databases, only portions used for internal evaluation. Program costs for ECChange are charged to program budgets. No changes to program
Evaluation –Technical Assistance	\$204,782	\$208,474	Tobacco Tax, Medi-Cal Administrative Activities (MAA)	Includes provision of evaluation technical assistance to providers
<b>Total Evaluation and Technology</b>	<b>\$1,346,847</b>	<b>\$1,351,359</b>		

### Administration

The Administration budget proposal for 2010-11 is \$1,683,767, compared with \$1,722,465 in 2009-10, a net decrease of \$38,698. The net decrease is the combined result of eliminating one permanent position with benefits (\$145,778) and increasing a \$50,000 budget in Professional Services – Contracts to support Administrative and Finance functions.

PROGRAM	2009-10 BUDGET	2010-11 PROPOSAL	FUNDING SOURCES	COMMENTS
Administration, Human Resources, Finance, Network Support, Commission and Strategic Planning	\$1,722,465	\$1,683,767	Tobacco Tax, Medi-Cal Administrative Activities (MAA)	See note above No other changes
<b>Total Administration</b>	<b>\$1,722,465</b>	<b>\$1,683,767</b>		

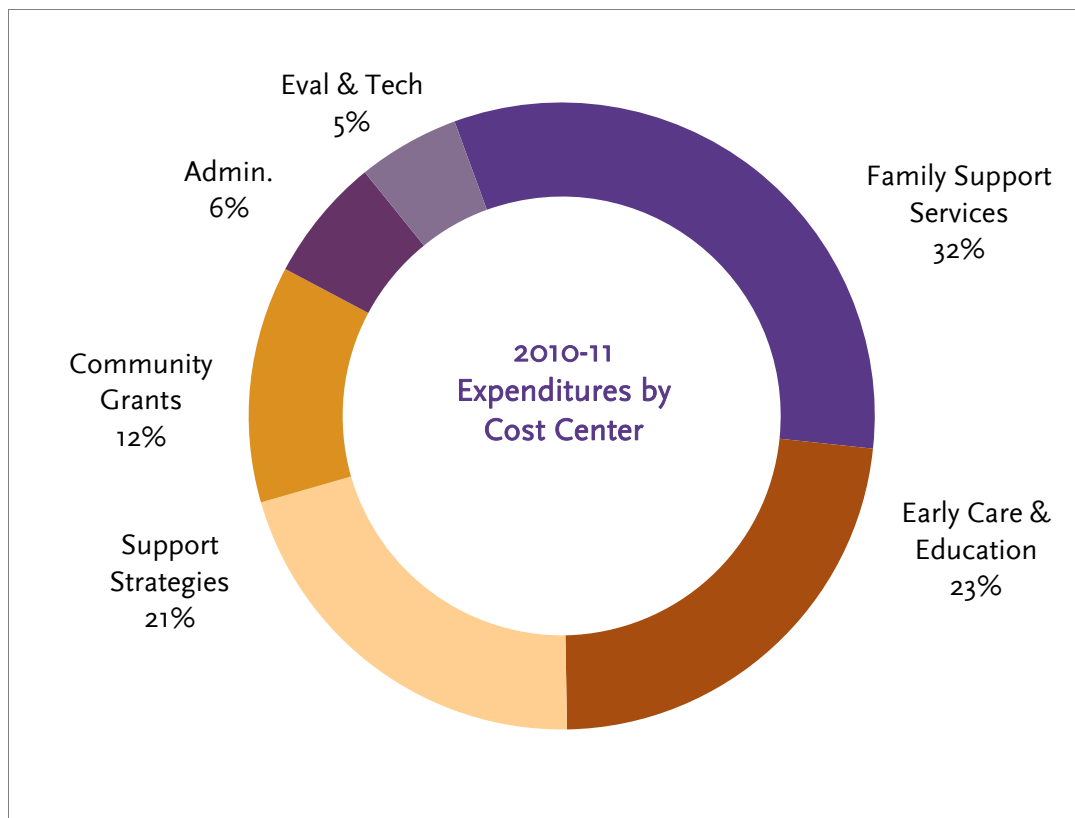
### Administrative Cap

As part of the agency Finance Policy and consistent with AB 109 and SB 35, First 5 Alameda County has set an administrative cost cap of 10%. Costs are segregated through the year into the Program, Evaluation and Administrative divisions according to guidelines and definitions set forth by First 5 California and in the Government Finance Officers Association (GFOA) First 5 Financial Management Guide.

The proposed budgets' administrative costs do not exceed the cap. They are:

2009-10 ADMINISTRATIVE CAP	
Program	88.30%
Evaluation	5.21%
Administration	6.49%
<b>TOTAL</b>	<b>100.00%</b>

### 2010-11 EXPENDITURES BY COST CENTER



### Fiscal Impact

The fiscal impact is \$25,950,186 in expenses that will be funded by revenue and available funding of \$25,950,186. Sustainability funds are projected to cover \$8,813,849 of the expenses in 2010-11.

These amounts are within the ranges set forth in the Long Range Financial Plan figures approved in June 2009. That plan projects up to \$9,554,500 in Sustainability Funds to be used to maintain programs in 2009-10.

Funding for the Reduction in Workforce designated reserve funding is reported in the Long Range Financial Plan, which was included in June 2009.

### RECOMMENDATION

To review the following 2010-11 Budget Proposal and to give feedback for clarifications or changes in preparation for presentation to the Commission on March 25<sup>th</sup>.

Submitted by:

Reviewed by:

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Patricia Zapanta  
Finance and Administration Director

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Mark Friedman  
Chief Executive Officer

**First 5 Alameda County**  
**Proposed Revenue**  
**For the Period July 1, 2010 - June 30, 2011**

Revenues	Approved FY 2009-10	Proposed FY 2010-11	Variance
<b>Prop 10 Tobacco Tax</b>	14,000,000	14,000,000	0
<b>Income from Alameda Co. Agencies</b>	2,225,983	984,028	(1,241,955)
<b>Grants</b>			
Federal	597,554	529,570	67,984
State	2,179,686	0	(2,179,686)
Private	0	249,739	249,739
	2,777,240	779,309	(1,997,931)
<b>Fiscal Leveraging</b>			
MAA	350,000	500,000	150,000
Title IV-E	0	10,000	10,000
	350,000	510,000	160,000
<b>Investment Revenue</b>	1,125,000	863,000	(262,000)
<b>Other Sources</b>	120,568	0	(120,568)
<b>TOTAL</b>	<b>20,598,791</b>	<b>17,136,337</b>	<b>(3,462,454)</b>

Available Funds			
<b>Sustainability Fund</b>	6,947,507	8,813,849	1,866,342
<b>Carry Over Restricted Funds</b>			
Washington Mutual	35,000	0	(35,000)
Total Carry Over Restricted Funds	35,000	0	(35,000)
<b>Total Available Funds</b>	<b>6,982,507</b>	<b>8,813,849</b>	<b>1,831,342</b>

<b>TOTAL REVENUES &amp; AVAILABLE FUNDS</b>	<b>27,581,298</b>	<b>25,950,186</b>	<b>(1,631,112)</b>
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**First 5 Alameda County  
Proposed Expenditure Budget  
For the Period July 1, 2010 - June 30, 2011**

	Family Support Services		Early Care & Education		Community Grants		Support Strategies		Evaluation & Technology		Administration		T o t a l		Variance
	Approved FY 2009-10	Proposed FY 2010-11	Approved FY 2009-10	Proposed FY 2010-11	Approved FY 2009-10	Proposed FY 2010-11	Approved FY 2009-10	Proposed FY 2010-11	Approved FY 2009-10	Proposed FY 2010-11	Approved FY 2009-10	Proposed FY 2010-11	Approved FY 2009-10	Proposed FY 2010-11	
<b>Personnel</b>															
Personnel	482,838	487,190	853,735	871,252	352,061	365,811	718,705	752,071	631,533	655,033	958,772	894,973	3,997,644	4,026,330	28,686
Service Delivery Personnel	1,162,877	1,179,416	0	0	0	0	0	0	0	0	0	0	1,162,877	1,179,416	16,539
Benefits	822,858	833,303	404,712	413,471	176,031	182,906	335,702	347,685	315,767	327,517	472,386	447,487	2,527,456	2,552,369	24,913
<b>Sub-total Personnel</b>	<b>2,468,572</b>	<b>2,499,909</b>	<b>1,258,447</b>	<b>1,284,723</b>	<b>528,092</b>	<b>548,717</b>	<b>1,054,407</b>	<b>1,099,756</b>	<b>947,300</b>	<b>982,550</b>	<b>1,431,158</b>	<b>1,342,460</b>	<b>7,687,977</b>	<b>7,758,115</b>	<b>70,138</b>
<b>Program Contracts/Grants/MOUs</b>															
Contracts	5,584,738	5,378,738	3,976,636	3,154,616	114,718	108,718	3,375,022	3,263,458	294,388	266,650	33,400	33,400	13,378,902	12,205,580	(1,173,322)
Grants	0	0	1,470,740	1,203,385	2,600,000	2,330,538	0	0	0	0	0	0	4,070,740	3,533,923	(536,817)
Professional Services Contracts	28,664	31,664	65,854	65,854	100,000	80,000	228,090	198,250	5,000	5,000	7,000	57,000	434,608	437,768	3,160
<b>Sub-total Program Contracts/ Grants/MOUs</b>	<b>5,613,402</b>	<b>5,410,402</b>	<b>5,513,230</b>	<b>4,423,855</b>	<b>2,814,718</b>	<b>2,519,256</b>	<b>3,603,112</b>	<b>3,461,708</b>	<b>299,388</b>	<b>271,650</b>	<b>40,400</b>	<b>90,400</b>	<b>17,884,250</b>	<b>16,177,271</b>	<b>(1,706,979)</b>
<b>Training Expenses</b>															
Copying/Printing	40,400	40,400	17,300	17,300	1,500	1,500	26,000	28,000	1,500	7,000	2,000	2,000	88,700	96,200	7,500
Equipment Rental	1,000	1,000	0	0	500	500	3,400	3,400	400	500	250	250	5,550	5,650	100
Food/Hospitality	17,500	17,500	8,150	9,650	7,000	7,000	72,250	65,500	1,500	1,500	8,500	8,500	114,900	109,650	(5,250)
Honoraria	7,500	7,500	4,000	19,700	1,000	1,000	43,480	42,480	1,000	500	0	0	56,480	71,180	14,700
Postage	2,850	2,850	6,550	6,550	1,000	1,000	4,030	3,530	2,900	3,000	3,300	3,300	20,630	20,230	(400)
Professional Services	43,500	43,500	0	0	500	500	53,500	67,000	1,500	1,500	11,000	11,000	110,000	123,500	13,500
Space Rental	1,000	1,000	3,700	3,000	1,000	1,000	2,250	1,750	0	0	1,000	1,000	8,950	7,750	(1,200)
Supplies	56,000	56,000	58,600	88,500	5,000	5,000	188,650	163,750	12,600	6,900	58,700	58,700	379,550	378,850	(700)
Travel	23,700	23,700	9,000	9,100	3,000	3,000	34,900	35,045	9,500	7,000	1,500	1,500	81,600	79,345	(2,255)
Staff Development/Training	12,775	12,775	6,500	6,000	2,000	2,000	4,000	4,500	4,500	4,000	6,000	6,000	35,775	35,275	(500)
<b>Sub-total Training Expenses</b>	<b>206,225</b>	<b>206,225</b>	<b>113,800</b>	<b>159,800</b>	<b>22,500</b>	<b>22,500</b>	<b>432,460</b>	<b>414,955</b>	<b>34,900</b>	<b>31,900</b>	<b>92,250</b>	<b>92,250</b>	<b>902,135</b>	<b>927,630</b>	<b>25,495</b>
<b>General Expenses</b>															
Communications	17,894	18,494	9,880	9,280	3,272	3,272	5,818	6,050	2,836	2,836	3,782	3,782	43,482	43,714	232
Copying/Printing	2,051	2,051	1,524	1,524	802	802	1,024	1,024	311	311	415	415	6,127	6,127	0
Equipment Leases/Rentals/Maint.	13,118	13,118	10,261	10,261	5,397	5,397	6,904	6,904	2,093	2,093	2,794	2,794	40,567	40,567	0
Equipment Purchase	8,187	8,187	6,351	6,351	3,340	3,340	24,274	4,274	1,296	1,296	11,728	11,728	55,176	35,176	(20,000)
Insurance	26,069	26,069	20,320	20,320	10,688	10,688	13,672	13,672	4,144	4,144	5,528	5,528	80,421	80,421	0
Membership and Dues	8,083	8,083	6,351	6,351	3,340	3,340	4,274	4,274	1,296	1,296	1,728	1,728	25,072	25,072	0
Postage	505	505	381	381	200	200	256	256	78	78	103	103	1,523	1,523	0
Professional Services	65,638	65,638	51,816	51,816	27,254	27,254	34,865	34,865	10,567	10,567	14,096	14,096	204,236	204,236	0
Space Rental	94,402	94,402	60,139	60,139	25,030	25,030	300,818	300,818	42,120	42,120	113,520	113,520	636,029	636,029	0
Travel	0	0	0	0	0	0	0	0	0	0	4,000	4,000	4,000	4,000	0
Depreciation	3,239	3,239	2,540	2,540	1,336	1,336	1,709	1,709	518	518	963	963	10,305	10,305	0
<b>Sub-total General Expenses</b>	<b>239,186</b>	<b>239,786</b>	<b>169,563</b>	<b>168,963</b>	<b>80,659</b>	<b>80,659</b>	<b>393,614</b>	<b>373,846</b>	<b>65,259</b>	<b>65,259</b>	<b>158,657</b>	<b>158,657</b>	<b>1,106,938</b>	<b>1,087,170</b>	<b>(19,768)</b>
<b>TOTAL</b>	<b>8,527,385</b>	<b>8,356,322</b>	<b>7,055,040</b>	<b>6,037,341</b>	<b>3,445,969</b>	<b>3,171,132</b>	<b>5,483,593</b>	<b>5,350,265</b>	<b>1,346,847</b>	<b>1,351,359</b>	<b>1,722,465</b>	<b>1,683,767</b>	<b>27,581,299</b>	<b>25,950,186</b>	<b>(1,631,113)</b>



**To:** First 5 Alameda County Executive Committee  
**From:** Patricia Zapanta, Finance and Administration Director  
**Date:** March 19, 2010  
**Subject:** 2009-10 Financial Report (July 1, 2009 – February 28, 2010)

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#### REQUESTED ACTION

To review the Financial Report for the first eight months of FY2009-10 and to give feedback regarding any clarifications in preparation for presentation to the Commission on March 25<sup>th</sup>.

#### BACKGROUND

The following is a narrative report of Revenue and Expenses for the period of July 1, 2009 – February 28, 2010. Spreadsheets with Revenue and Expense information are attached. If all expenses and revenue were equally received and spent throughout the year, the revenue and expenses would be at 66.7% of the budget projection.

#### Revenue

As of February 28, revenue was \$10,607,603, or 51.5% of the revenue projection, for the reasons outlined below. Being below the budget projection at this time of year is not unusual; last year the revenue at this point was at 50.8% of the budget.

- First, the receipt of the monthly tobacco tax allocation is two months in arrears. \$7,176,111 was received for the first six months of the year, representing 51.3% of the budget projection. The December allocation has not yet been received but the amount (\$1,259,404) has been posted on the First 5 California website. If the trend of the first six months of tobacco tax revenue continues, the tobacco tax allocation at year end will be \$14,352,222. The tobacco tax revenue projection has been adjusted conservatively to \$14,000,000 in the last Budget Modification to align with actual revenue received.
- With regard to Income from Alameda County agencies, currently \$2,225,983 is budgeted which consists of \$986,320 from Alameda County Child Care Planning Council for AB212 funding for professional development and stipends for school-age providers. It also includes a \$725,510 projected revenue from Alameda County Public Health Department for the implementation of the Substance Abuse Mental Health

Services Administration (SAMHSA) Project LAUNCH, ECChange maintenance fees and 50% reimbursement of costs for a SART (Screening, Assessment, Referral and Treatment) child developmental specialist position and \$514,153 from Alameda County Behavioral Health Care Services for the SAMHSA Early Connections project that creates an infrastructure for a system of care, the SART Pathways system and reimbursement for hiring an Early Connections Strategic Plan Coordinator. Only \$72,843 has been received so far.

- As of February 28, \$67,984 has been received for the Early Care and Education higher education federal earmark for the development of a cohort model at a community college. The Federal Grants budget also consists of a \$476,000 appropriation for the Children's SART program.
- For State Grants, we received payments from First 5 California for the School Readiness grant in the amount of \$1,931,663, the last payment for the CARES program in the amount of \$232,360 and a \$15,663 reimbursement for Health Care for All program.
- There is a timing issue with regards to Fiscal Leveraging revenues. The revenue for Medi-Cal Administrative Activities (MAA) reported as of February 28 reflects income budgeted for FY 2008-09 which was not received at the time of fiscal closing. The \$350,000 budget is for 2009-10. Invoices were prepared and submitted for MAA in February 2010. It is quite challenging to project the timing of the MAA revenues which mainly depends on the situation at the State Department of Health Care Services which administers the MAA program for the State of California. Title IV-E revenues are reimbursements for child worker welfare training activities in the SART program.
- Investment revenue is \$651,914 or 57.9% of the budget projection. This projection tends to run behind all year due to the reversal of the year-end accrual, and then will catch up at year-end.
- Other Sources of revenue reported for \$50,963 is revenue from First 5 Contra Costa for reimbursement of Hospital Outreach Coordinator expenses.
- Sustainability funds are used at year-end to close the gap between revenue and expenses and are from the First 5 Alameda County Sustainability Fund reserve. The amount authorized by the Commission for use in 2009-10 is \$6,947,507.

## Expenses

Total Expenses are \$13,544,625, which is 49.11% of the budget amount of \$27,581,298. This amount is consistent with spending patterns from prior years; at this point last year Expenses were \$13,088,594 on a total budget of \$28,037,554, or 46.68% spent.

In most line items, the percentage spent is under 66.7%. Those that are not are explained below.

- Grant funds are 75.47% spent, primarily due to the payment schedules of the 2007-09 and 2009-11 grant cycles of the Community Grants Initiative.

It is important to note that General Expenses that are allocated to all programs are posted throughout the year to the Administration budget (which then appears to be going “over budget”.) However, costs are allocated across programs at year-end.

- General Expenses, Professional Services and Space Rental are slightly over spent at 69.47% and 67.88%, respectively due to some expenses erroneously charged to these accounts. Coding corrections are being done to align expenses to their appropriate budgets.

### Summary

The Revenue and Expenses are appropriate for this time in the fiscal year.

### Fiscal Impact

The Revenue and Expenses are appropriate for this time of year; there is no additional fiscal impact.

### REQUESTED ACTION

To review the Financial Report for the first eight months of FY2009-10 and to give feedback regarding any clarifications in preparation for presentation to the Commission on March 25<sup>th</sup>.

Submitted by:

Reviewed by:

\_\_\_\_\_  
Patricia Zapanta, Finance and  
Administration Director

\_\_\_\_\_  
Mark Friedman, Chief Executive Officer

**First 5 Alameda County**  
**Revenue and Available Funds**  
**For the Period July 1, 2009 - February 28, 2010**

Revenues	Budget	Actual	Variance	Percentage Received
<b>Prop 10 Tobacco Tax</b>	14,000,000	7,176,111	(6,823,889)	51.3% <b>A</b>
<b>Income from Alameda Co. Agencies</b>	2,225,983	72,843	(2,153,140)	3.3% <b>B</b>
<b>Grants</b>				
Federal	597,554	67,984	(529,570)	11.4% <b>C</b>
State	2,179,686	2,179,686	0	100.0% <b>D</b>
	2,777,240	2,247,670	(529,570)	80.9%
<b>Fiscal Leveraging</b>				
Medi-Cal Administrative Activities (MAA)	350,000	384,491	34,491	109.9%
Title IV-E Child Welfare Education	0	14,299	14,299	-100.0%
	350,000	398,791	48,791	113.9% <b>E</b>
<b>Investment Revenue</b>	1,125,000	651,914	(473,086)	57.9%
<b>Other Sources</b>	120,568	50,963	(69,605)	42.3% <b>F</b>
<b>Miscellaneous Income</b>	0	9,312	9,312	-100.0%
<b>Total Revenues</b>	<b>20,598,791</b>	<b>10,607,603</b>	<b>(9,991,188)</b>	<b>51.5%</b>

Available Funds				
<b>Sustainability Fund</b>	6,947,507	0	(6,947,507)	0.0%
<b>Carry Over Restricted Funds</b>				
Washington Mutual	35,000	0	35,000	0.0%
Total Carry Over Restricted Funds	35,000	0	35,000	0.0%
<b>Total Available Funds</b>	<b>6,982,507</b>	<b>0</b>	<b>(6,912,507)</b>	<b>0.0%</b>

<b>TOTAL REVENUES &amp; AVAILABLE FUNDS</b>	<b>27,581,298</b>	<b>10,607,603</b>	<b>(16,903,695)</b>	<b>38.5%</b>
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**Notes:**

- A - Tobacco tax revenues received include allocations up to December 2009.  
Tobacco tax revenues from the State are 2 months in arrears.
- B - A major portion of the budget is for AB212 funds from Alameda Co. General Services Agency Childcare Planning Council. This revenue is typically received at the end of the fiscal year.  
Other portions of the revenue include income from Alameda Co. PHD and BHCS.
- C - The budget consists of federal earmarks for SART and ECE higher education.
- D - Actual revenues consist of receipts from State First 5 for School Readiness, CARES and Health Care for All (please refer to details in the narrative).
- E - MAA revenues are reimbursements for invoices submitted in FY 2008-09. Title IV-E revenues are reimbursements for child welfare worker training activities.
- F - Indicates revenue from First 5 Contra Costa for Hospital Outreach Coordinator services.

**First 5 Alameda County  
Budget vs. Actual Expenditures  
July 1, 2009 - February 28, 2010**

	Family Support Services		Early Care & Education		Community Grants		Support Strategies		Evaluation & Technology		Administration		T o t a l		Variance	Percentage Spent
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual		
<b>Personnel</b>																
Personnel	378,514	220,990	853,735	432,121	352,061	219,716	718,705	347,761	631,534	382,651	958,772	515,257	3,893,320	2,118,496	1,774,824	54.41%
Service Delivery Personnel	1,267,200	736,804	0	0	0	0	0	0	0	0	0	0	1,267,200	736,804	530,397	58.14%
Benefits	822,857	471,028	404,712	205,548	176,030	80,598	335,703	122,957	315,767	166,457	472,386	220,729	2,527,455	1,267,317	1,260,138	50.14%
<b>Sub-total Personnel</b>	<b>2,468,572</b>	<b>1,428,821</b>	<b>1,258,447</b>	<b>637,669</b>	<b>528,091</b>	<b>300,314</b>	<b>1,054,408</b>	<b>470,718</b>	<b>947,300</b>	<b>549,108</b>	<b>1,431,157</b>	<b>735,985</b>	<b>7,687,975</b>	<b>4,122,616</b>	<b>3,565,359</b>	<b>53.62%</b>
<b>Program Contracts/Grants/MOUs</b>																
Contracts	5,584,738	2,770,423	3,976,636	1,631,002	114,718	85,162	3,375,022	721,328	294,388	110,935	33,400	17,652	13,378,902	5,336,501	8,042,401	39.89%
Grants		185	1,470,740	890,131	2,600,000	2,181,922	0	0	0	0	0	0	4,070,740	3,072,237	998,503	75.47%
Professional Services Contracts	28,664	(2,625)	65,854	0	100,000	37,939	228,090	12,134	5,000	0	7,000	0	434,608	47,447	387,161	10.92%
<b>Sub-total Program Contracts/ Grants/MOUs</b>	<b>5,613,402</b>	<b>2,767,983</b>	<b>5,513,230</b>	<b>2,521,132</b>	<b>2,814,718</b>	<b>2,305,022</b>	<b>3,603,112</b>	<b>733,461</b>	<b>299,388</b>	<b>110,935</b>	<b>40,400</b>	<b>17,652</b>	<b>17,884,250</b>	<b>8,456,186</b>	<b>9,428,065</b>	<b>47.28%</b>
<b>Training Expenses</b>																
Copying/Printing	40,400	17,857	17,300	0	1,500	185	26,000	5,531	1,500	0	2,000	0	88,700	23,572	65,128	26.58%
Equipment Rental	1,000	0	0	0	500	0	3,400	276	400	0	250	0	5,550	276	5,274	4.98%
Food/Hospitality	17,500	11,072	8,150	3,367	7,000	4,170	72,250	8,328	1,500	602	8,500	1,952	114,900	29,492	85,408	25.67%
Honoraria	7,500	2,550	4,000	1,076	1,000	0	43,480	15,913	500	0	0	0	56,480	19,538	36,942	34.59%
Postage	2,850	554	6,550	2,001	1,000	814	4,030	274	2,900	274	3,300	380	20,630	4,297	16,333	20.83%
Professional Services	43,500	0	0	0	500	800	53,500	8,148	1,500	300	11,000	3,960	110,000	13,208	96,792	12.01%
Space Rental	1,000	(200)	3,700	0	1,000	0	2,250	416	0	0	1,000	148	8,950	364	8,586	4.07%
Supplies	56,000	16,349	58,600	27,324	5,000	9,856	188,650	48,876	12,600	6,308	58,700	25,095	379,550	133,808	245,742	35.25%
Travel	23,700	11,734	9,000	3,945	3,000	0	34,900	4,708	9,500	302	1,500	279	81,600	20,968	60,632	25.70%
Staff Development/Training	12,775	5,544	6,500	3,323	2,000	0	4,000	1,877	4,500	755	6,000	3,905	35,775	15,404	20,371	43.06%
<b>Sub-total Training Expenses</b>	<b>206,225</b>	<b>65,459</b>	<b>113,800</b>	<b>41,036</b>	<b>22,500</b>	<b>15,826</b>	<b>432,460</b>	<b>94,347</b>	<b>34,900</b>	<b>8,541</b>	<b>92,250</b>	<b>35,719</b>	<b>902,135</b>	<b>260,928</b>	<b>641,207</b>	<b>28.92%</b>
<b>General Expenses</b>																
Communications	17,894	5,036	9,880	1,381	3,272	187	5,818	1,885	2,836	482	3,782	11,701	43,482	20,673	22,809	47.54%
Copying/Printing	2,051	0	1,524	0	802	0	1,024	0	311	0	415	0	6,127	0	6,127	0.00%
Equipment Leases/Rentals/Maint.	13,118	11	10,261	0	5,397	0	6,904	0	2,093	0	2,794	25,807	40,567	25,818	14,749	63.64%
Equipment Purchase	8,187	0	6,351	0	3,340	0	24,274	0	1,296	0	11,728	1,926	55,176	1,926	53,250	3.49%
Insurance	26,069	0	20,320	0	10,688	0	13,672	0	4,144	0	5,528	48,793	80,421	48,793	31,628	60.67%
Membership and Dues	8,083	0	6,351	0	3,340	0	4,274	0	1,296	0	1,728	13,431	25,072	13,431	11,641	53.57%
Postage	505	7	381	0	200	15	256	28	78	6	103	141	1,523	196	1,327	12.88%
Professional Services	65,638	867	51,816	83	27,254	1,704	34,865	0	10,567	0	14,096	139,226	204,236	141,880	62,356	69.47%
Space Rental	94,402	70,320	60,139	42,605	25,030	18,032	300,818	210,250	42,120	30,208	113,521	60,349	636,030	431,763	204,266	67.88%
Travel	0	0	0	0	0	0	0	0	0	0	4,000	0	4,000	0	4,000	0.00%
Depreciation	3,239	0	2,540	0	1,336	0	1,709	0	518	0	963	0	10,305	0	10,305	0.00%
Short term gain or loss	0	0	0	0	0	0	0	0	0	0	0	20,415	0	20,415	(20,415)	-100.00%
<b>Sub-total General Expenses</b>	<b>239,186</b>	<b>76,241</b>	<b>169,563</b>	<b>44,069</b>	<b>80,659</b>	<b>19,938</b>	<b>393,614</b>	<b>212,163</b>	<b>65,259</b>	<b>30,696</b>	<b>158,658</b>	<b>321,789</b>	<b>1,106,939</b>	<b>704,895</b>	<b>402,043</b>	<b>63.68%</b>
<b>TOTAL</b>	<b>8,527,385</b>	<b>4,338,504</b>	<b>7,055,040</b>	<b>3,243,906</b>	<b>3,445,968</b>	<b>2,641,100</b>	<b>5,483,593</b>	<b>1,510,689</b>	<b>1,346,847</b>	<b>699,280</b>	<b>1,722,465</b>	<b>1,111,146</b>	<b>27,581,298</b>	<b>13,544,625</b>	<b>14,036,674</b>	<b>49.11%</b>



**To:** First 5 Alameda County Executive Committee  
**From:** Patricia Zapanta, Finance and Administration Director  
**Date:** March 19, 2010  
**Subject:** 2009-10 Investment Report (July 1, 2009 – February 28, 2010)

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#### REQUESTED ACTION

To review the Investment report and to give feedback on clarifications or changes in preparation for presentation to the Commission on March 25<sup>th</sup>.

#### BACKGROUND OF ACTIVITIES

In 2005-06, First 5 Alameda County transferred \$34,000,000 from the Sustainability Fund held by the Alameda County Treasurer's investment pool to outside money managers. This report is a summary of the activity and status of the investment portfolio as of February 28, 2010.

#### PORTFOLIO HIGHLIGHTS

The Investment Report shows the performance of funds that are invested in the Alameda County pool and with two money managers, Cutwater Asset Management (formerly known as MBIA Municipal Investors) and Chandler Asset Management. At 2008-09 year end, the market value of the funds with Cutwater and Chandler was \$40,283,900. At the end of eight months of 2009-10, the market value of the portfolio was \$41,346,759, an increase of \$1,062,859.

The first update concerns a name change of one of our money managers. MBIA, who practices on its thoughtful outlook of taking a long-term view on how to maximize the return of its clients' capital, has been inspired by this outlook and changed its name to Cutwater Asset Management. As a side note, a cutwater is the stainless steel strap of metal at the bow of a boat which despite currents and waves, slices through, keeping the bow focused toward its ultimate destination.

Second, one of our securities on watch since last year, a \$182,000 Household Finance note, was sold with a gain of \$5,000 in February 2010. The original strategy was to hold off on selling this instrument until its October 2011 maturity date because

disposing them last year would have resulted in a \$30,000 - \$40,000 loss. This is a situation wherein timing and strategy are crucial in managing and maintaining a profitable portfolio in a volatile market environment.

Finally, as a result of the anticipated decline in Tobacco Tax revenue receipts, First 5 Alameda County is reaching a point wherein its cash inflow may be lesser than its projected expenses or cash outlay. It is important to be aware of the possible need to liquidate portions of our portfolio to meet our obligations and to be willing and able to react quickly if this event occurs.

## **INVESTMENT REPORT**

### **Investment Income**

The first section reports on Investment Income, which is primarily determined by the interest or yield payments. For each asset, the payments are received every six months. Our money managers are purchasing assets that generate the highest possible yield, based on our Investment Policy.

The report represents eight months (July 1, 2009 – February 28, 2010) of the money managers' investment earnings (\$1,063,222) and two quarters of the Alameda County Treasurer's Office earnings (\$26,593).

The reversal of the accrual occurs each year. These are funds received in the first quarter that were actually earned, and thus credited, to the prior quarter. They were recognized as revenue in 2008-09 (\$437,901) so must be deducted from the funds recognized for the first quarter. This makes the report look very low in this period, but this is a typical occurrence. It is important to note that the 2009-10 earnings will include much of the first quarter's earnings for 2010-11.

The total Investment income after the reversal of the accrual was \$651,914.

### **Investment Fees**

Fees include eight months' worth of fees of the money managers (Cutwater and Chandler) and the fees of the account custodian (Union Bank of California). The total fees paid during this period were \$34,049.

### **Investment Activity**

The Investment Activity shows all transactions affecting our portfolio. When a money manager purchases assets, it increases the value of the portfolio. When a money manager sells an asset, it decreases the total portfolio value and increases or decreases investment earnings depending on the value of the asset at the time of the sale.

It is important to note that, as a result of the recent economic downturn, we are currently experiencing a net loss on disposal of \$20,415 compared with last year's position at this time of the fiscal year. In comparison, we reported \$233,371 net gain on disposal of our assets at the end of February 28, 2009.

**Market Value and Unrealized Gains and Losses**

This section reports on Market Value. It shows a comparison of our portfolios based on costs and market values. Cost is the original price of an asset while market value is the price at which a security is trading and could presumably be purchased or sold. This part is a snapshot of the portfolio value, if the portfolio was liquidated. Since there is a possibility of liquidating portions of our portfolio, this section is valuable in determining the worth of our assets based on current market price.

**Yield Benchmarks**

The Yield section shows the Yield of the investment earnings, and compares those amounts to several benchmarks. In addition, the Yield helps to evaluate the money manager performance compared to each other. Cutwater and Chandler's yields (3.100% and 3.570%, respectively) have exceeded the LAIF benchmark (.608%) as of December 31, 2009.

Only the Alameda County Treasury Investment Pool is net of fees.

**FISCAL IMPACT**

The total investment earnings at the end of February 2010 are \$651,914.

**REQUESTED ACTION**

To review the Investment report and to give feedback on clarifications or changes in preparation for presentation to the Commission on March 25<sup>th</sup>.

Submitted by:

Reviewed by:

\_\_\_\_\_  
Patricia Zapanta, Director  
Finance & Administration

\_\_\_\_\_  
Mark Friedman,  
Chief Executive Officer

**First 5 Alameda County  
Investment Report  
For the Period July 1, 2009 - February 28, 2010**

	<u>Union Bank</u>	<u>Cutwater Asset Management</u>	<u>Chandler Asset Management</u>	<u>Total</u>
<b>INVESTMENT INCOME:</b>				
Interest Received	0	615,131	448,091	1,063,222
Income from Alameda County Treasurer				26,593
Reversal of 2008-09 Accrual				(437,901)
Total Investment Earnings				<u>651,914</u>
Investment Fees Paid	(3,972)	(16,088)	(13,989)	(34,049)
Net Investment Income (Net of Fees)				<u>617,864</u>
<b>INVESTMENT ACTIVITY:</b>				
Portfolios at 7/01/09		22,779,375	16,815,211	39,594,586
Purchases		12,535,562	3,856,697	16,392,259
Sales		(1,184,656)	(1,870,192)	(3,054,848)
Maturities		(4,513,333)	(1,520,678)	(6,034,011)
Full Call		(5,520,055)	0	(5,520,055)
Principal Pay Down		0	(23,256)	(23,256)
Gain (Loss) on Disposal		(30,922)	10,507	(20,415)
Net Cash Management		(704,718)	(10,108)	(714,826)
Portfolios at 2/28/10		<u>23,361,253</u>	<u>17,258,181</u>	<u>40,619,433</u>
<b>COST VS. MARKET VALUE:</b>				
Portfolios at Market 2/28/10		23,708,413	17,638,346	41,346,759
Portfolios at Cost 2/28/10		23,361,251	17,258,182	40,619,433
Unrealized Gain (Loss) at 2/28/10		<u>347,162</u>	<u>380,164</u>	<u>727,327</u>
<b>YIELD AND BENCHMARKS:</b>				
Cutwater Asset Management ( current yield)				3.100%
Chandler Asset Management ( current yield)				3.570%
Local Agency Investment Fund (LAIF) as of 12/31/09				0.608%
1-5 Government Index (total rate of return)				2.900%
Alameda County Treasurer (net of fees) as of 12/31/09				0.840%

**First 5 Alameda County  
Investment Holdings  
As of February 28, 2010**

<u>Holder</u>	<u>Asset Name</u>	<u>Shares / Units</u>	<u>Cost Basis</u>	<u>Market Value</u>	<u>Asset Type</u>	<u>S&amp;P Rating</u>	<u>Moody's Rating</u>
Chandler	BELLSOUTH CORP NT 5.200% 9/15/14	160,000.0000	\$174,262.40	\$174,864.00	Corporate Obligations	A	A2
Chandler	BERKSHIRE HATH 3.200% 2/11/15	220,000.0000	\$219,817.40	\$222,171.40	Corporate Obligations	AA+	AA2
Chandler	BK OF AMERICA BDS 3.125% 6/15/12	335,000.0000	\$347,518.95	\$349,616.05	Corporate Obligations	AAA	AAA
Cutwater	BOFA CORP NTS 7.400% 1/15/11	300,000.0000	\$321,864.00	\$315,930.00	Corporate Obligations	A-	A3
Chandler	CHEVRON CORP NTS 3.950% 3/03/14	245,000.0000	\$257,797.75	\$259,979.30	Corporate Obligations	AA	AA1
Chandler	FFCB BDS 3.000% 9/22/14	430,000.0000	\$439,698.90	\$440,212.50	Government Obligations		
Cutwater	FFCB BDS 3.150% 5/19/11	1,000,000.0000	\$1,035,960.00	\$1,031,250.00	Government Obligations	AAA	AAA
Chandler	FFCB BDS 4.500% 10/17/12	150,000.0000	\$154,407.00	\$162,282.00	Government Obligations	AAA	AAA
Chandler	FFCB BDS 4.875% 2/18/11	75,000.0000	\$80,004.22	\$78,210.75	Government Obligations	AAA	AAA
Cutwater	FFCB BDS 4.875% 4/04/12	1,000,000.0000	\$1,027,780.00	\$1,078,750.00	Government Obligations	AAA	AAA
Cutwater	FFCB BDS 5.000% 8/16/10	1,000,000.0000	\$1,033,580.00	\$1,022,190.00	Government Obligations	AAA	AAA
Chandler	FFCB BDS 5.375% 7/18/11	450,000.0000	\$488,335.95	\$478,971.00	Government Obligations	AAA	AAA
Cutwater	FFCB GLBL BDS 2.000% 1/17/12	1,000,000.0000	\$1,003,310.00	\$1,019,380.00	Government Obligations	AAA	AAA
Chandler	FHLB 3.875% 6/14/13	250,000.0000	\$247,290.00	\$267,110.00	Government Obligations	AAA	AAA
Cutwater	FHLB BDS 1.125% 6/03/11	1,000,000.0000	\$992,656.20	\$1,006,880.00	Government Obligations	AAA	AAA
Cutwater	FHLB BDS 2.000% 7/27/12	1,000,000.0000	\$1,000,000.00	\$1,005,310.00	Government Obligations		
Cutwater	FHLB BDS 3.250% 3/11/11	2,000,000.0000	\$2,001,040.00	\$2,057,500.00	Government Obligations	AAA	AAA
Chandler	FHLB BDS 3.625% 5/29/13	350,000.0000	\$342,595.40	\$371,220.50	Government Obligations	AAA	AAA
Chandler	FHLB BDS 3.625% 10/18/13	175,000.0000	\$184,985.33	\$185,664.50	Government Obligations	AAA	AAA
Chandler	FHLB BDS 4.625% 2/18/11	500,000.0000	\$531,331.00	\$520,155.00	Government Obligations	AAA	AAA
Chandler	FHLB BDS 4.875% 11/18/11	325,000.0000	\$350,857.65	\$347,343.75	Government Obligations	AAA	AAA
Cutwater	FHLB BDS S/U 1.000% 1/15/13	1,000,000.0000	\$1,000,000.00	\$1,000,310.00	Government Obligations		
Cutwater	FHLB BDS S/U 1.500% 8/24/12	500,000.0000	\$500,000.00	\$501,720.00	Government Obligations		
Chandler	FHLMC 4.500% 7/15/13	675,000.0000	\$711,770.50	\$736,803.00	Government Obligations	AAA	AAA
Cutwater	FHLMC MTN 1.875% 10/15/12	1,000,000.0000	\$1,000,820.00	\$1,007,860.00	Government Obligations	AAA	AAA
Cutwater	FHLMC MTN S/U 1.750% 1/29/15	1,000,000.0000	\$999,250.00	\$1,005,660.00	Government Obligations	AAA	AAA
Cutwater	FHLMC NTS 2.000% 9/25/12	500,000.0000	\$499,950.00	\$500,490.00	Government Obligations	AAA	AAA
Chandler	FHLMC NTS 2.500% 1/07/14	600,000.0000	\$593,947.20	\$610,902.00	Government Obligations	AAA	AAA
Chandler	FHLMC NTS 3.000% 7/28/14	425,000.0000	\$430,793.08	\$437,618.25	Government Obligations	AAA	AAA
Chandler	FHLMC NTS 3.250% 2/25/11	150,000.0000	\$151,762.50	\$153,937.50	Government Obligations	AAA	AAA
Cutwater	FHLMC NTS 4.375% 3/01/10	1,000,000.0000	\$1,011,030.00	\$1,000,000.00	Government Obligations	AAA	AAA
Chandler	FHLMC NTS 4.500% 1/15/13	250,000.0000	\$254,817.16	\$271,640.00	Government Obligations	AAA	AAA
Chandler	FHLMC NTS 4.750% 3/05/12	275,000.0000	\$298,979.45	\$296,312.50	Government Obligations	AAA	AAA
Chandler	FHLMC NTS 5.125% 4/18/11	200,000.0000	\$210,335.20	\$210,438.00	Government Obligations	AAA	AAA
Cutwater	FHLMC NTS S/U 2.000% 4/01/14	1,000,000.0000	\$990,000.00	\$1,001,630.00	Government Obligations	AAA	AAA
Chandler	FNMA NOTES 3.875% 7/12/13	425,000.0000	\$427,212.95	\$456,212.00	Government Obligations	AAA	AAA
Chandler	FNMA NTS 2.500% 5/15/14	450,000.0000	\$442,457.55	\$456,750.00	Government Obligations	AAA	AAA
Chandler	FNMA NTS 2.875% 12/11/13	550,000.0000	\$554,188.25	\$568,562.50	Government Obligations	AAA	AAA
Chandler	FNMA NTS 3.625% 2/12/13	150,000.0000	\$148,160.85	\$159,187.50	Government Obligations	AAA	AAA
Chandler	FNMA NTS 3.625% 8/15/11	400,000.0000	\$419,114.80	\$417,252.00	Government Obligations	AAA	AAA
Chandler	FNMA NTS 5.000% 2/16/12	150,000.0000	\$163,994.25	\$162,000.00	Government Obligations	AAA	AAA
Cutwater	FNMA NTS 6.000% 5/15/11	850,000.0000	\$895,636.50	\$906,312.50	Government Obligations	AAA	AAA
Chandler	FNMA NTS 6.000% 5/15/11	235,000.0000	\$241,803.25	\$250,568.75	Government Obligations	AAA	AAA

**First 5 Alameda County  
Investment Holdings  
As of February 28, 2010**

<u>Holder</u>	<u>Asset Name</u>	<u>Shares / Units</u>	<u>Cost Basis</u>	<u>Market Value</u>	<u>Asset Type</u>	<u>S&amp;P Rating</u>	<u>Moody's Rating</u>
Chandler	BELLSOUTH CORP NT 5.200% 9/15/14	160,000.0000	\$174,262.40	\$174,864.00	Corporate Obligations	A	A2
Cutwater	FNMA NTS S/U 1.000% 1/29/13	750,000.0000	\$750,000.00	\$750,472.50	Government Obligations		
Cutwater	FNMA NTS S/U 2.000% 1/15/15	1,000,000.0000	\$1,000,000.00	\$1,004,690.00	Government Obligations		
Cutwater	G E CAP CORP MTN 5.250% 10/19/12	1,000,000.0000	\$1,029,100.00	\$1,068,240.00	Corporate Obligations	AA+	AA2
Chandler	GECC FDIC TLGP 2.125% 12/21/12	520,000.0000	\$520,494.00	\$528,455.20	Corporate Obligations	AAA	AAA
Chandler	GECC NTS 5.900% 5/13/14	240,000.0000	\$254,571.10	\$263,356.80	Corporate Obligations	AA+	AA2
Chandler	GENL DYNAMICS CORP 4.500% 8/15/10	160,000.0000	\$163,561.60	\$162,832.00	Corporate Obligations	A	A2
Chandler	GNR 2004-61-VA 5.000% 5/16/10	7,358.1100	\$7,270.73	\$7,386.29	Government Obligations	N/A	N/A
Cutwater	GOLDMAN SACHS 6.875% 1/15/11	120,000.0000	\$125,967.60	\$126,099.60	Corporate Obligations	A	A1
Chandler	GOLDMAN SACHS GR BDS 3.250% 6/15/12	490,000.0000	\$498,407.98	\$512,985.90	Corporate Obligations	AAA	AAA
Chandler	GOLDMAN SACHS GR NTS 6.000% 5/01/14	165,000.0000	\$181,843.20	\$181,089.15	Corporate Obligations	A	A1
Cutwater	HIGHMARK 100% US TREASURY MONEY MKT	396,810.2500	\$396,810.25	\$396,810.25	Cash & Cash Equivalents		
Chandler	HIGHMARK 100% US TREASURY MONEY MKT	554,351.3900	\$554,351.39	\$554,351.39	Cash & Cash Equivalents		
Chandler	IBM CORP 2.100% 5/06/13	170,000.0000	\$171,132.20	\$171,592.90	Corporate Obligations	A+	A1
Chandler	JPMORGAN CHASE & CO 2.125% 12/26/12	515,000.0000	\$507,922.36	\$523,852.85	Corporate Obligations	AAA	AAA
Chandler	JPMORGAN CHASE & CO 4.750% 5/01/13	170,000.0000	\$171,691.50	\$182,552.80	Corporate Obligations	A+	AA3
Cutwater	NATL CTY BK KEN NTS 6.300% 2/15/11	125,000.0000	\$128,517.50	\$128,772.50	Corporate Obligations	A	A2
Chandler	NORTHERN TR NTS 4.625% 5/01/14	165,000.0000	\$178,330.35	\$177,805.65	Corporate Obligations	AA-	A1
Chandler	PHILLIPS PETE 8.750% 5/25/10	145,000.0000	\$159,990.10	\$147,852.15	Corporate Obligations	A	A1
Chandler	PNC FDG CORP NTS 2.300% 6/22/12	515,000.0000	\$523,018.55	\$527,699.90	Corporate Obligations	AAA	AAA
Chandler	PROCTER & GAMBLE SR 4.600% 1/15/14	165,000.0000	\$178,399.65	\$178,402.95	Corporate Obligations	AA-	AA3
Chandler	TENN VY AUTH SER A 6.790% 5/23/12	475,000.0000	\$517,656.75	\$533,420.25	Government Obligations	AAA	AAA
Chandler	TOYOTA MTR CR CORP 5.450% 5/18/11	160,000.0000	\$167,360.00	\$168,126.40	Corporate Obligations	AA	AA1
Chandler	TVA SER C 4.750% 8/01/13	600,000.0000	\$638,422.85	\$656,610.00	Government Obligations	AAA	AAA
Chandler	U S TREAS NTS 3.375% 11/30/12	450,000.0000	\$451,371.09	\$476,788.50	Government Obligations	AAA	AAA
Cutwater	U S TREAS NTS 4.750% 3/31/11	1,370,000.0000	\$1,358,147.67	\$1,434,910.60	Government Obligations	AAA	AAA
Chandler	U S TREAS NTS 4.750% 3/31/11	200,000.0000	\$197,492.19	\$209,476.00	Government Obligations	AAA	AAA
Chandler	US BANCORP MTN 2.250% 3/13/12	510,000.0000	\$516,846.75	\$522,158.40	Corporate Obligations	AAA	AAA
Cutwater	US TREAS NTS 1.000% 7/31/11	750,000.0000	\$746,894.53	\$755,475.00	Government Obligations	AAA	AAA
Chandler	US TREAS NTS 2.500% 3/31/13	100,000.0000	\$102,523.77	\$103,477.00	Government Obligations	AAA	AAA
Chandler	US TREAS NTS 4.375% 12/15/10	75,000.0000	\$77,604.49	\$77,425.50	Government Obligations	AAA	AAA
Chandler	US TREAS NTS 4.500% 4/30/12	300,000.0000	\$298,804.69	\$323,343.00	Government Obligations	AAA	AAA
Cutwater	US TREAS NTS 4.500% 11/15/10	925,000.0000	\$931,250.97	\$952,713.00	Government Obligations	AAA	AAA
Chandler	US TREAS NTS 4.750% 5/31/12	400,000.0000	\$395,937.51	\$434,124.00	Government Obligations	AAA	AAA
Cutwater	US TREAS NTS 4.875% 7/31/11	550,000.0000	\$556,412.10	\$584,287.00	Government Obligations	AAA	AAA
Cutwater	US TREAS NTS 5.000% 2/15/11	1,000,000.0000	\$1,025,273.44	\$1,044,770.00	Government Obligations	AAA	AAA
Chandler	WACHOVIA CORP BDS 5.500% 5/01/13	175,000.0000	\$183,659.00	\$189,033.25	Corporate Obligations	AA-	A1
Chandler	WAL-MART STORES 4.125% 7/01/10	250,000.0000	\$252,412.50	\$252,492.50	Corporate Obligations	AA	AA2
Chandler	WELLS FARGO & CO 2.125% 6/15/12	515,000.0000	\$518,866.62	\$525,670.80	Corporate Obligations	AAA	AAA
<b>Total Holdings</b>			<b>\$40,619,432.62</b>	<b>\$41,346,759.23</b>			



**To:** First 5 Alameda County Executive Committee  
**From:** Patricia Zapanta, Finance and Administration Director  
**Date:** March 19, 2010  
**Subject:** Contract Authorizations

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#### REQUESTED ACTION

To review and recommend the following contract authorizations to the Commission for approval at their meeting on March 25, 2010.

#### BACKGROUND

Per our Financial Policies, Section VII, the Commission must approve contract amounts in excess of \$25,000. The following contracts require specific authorization from the Commission.

#### SCHACHT & ASSOCIATES - \$59,432.00

First 5 Alameda County is receiving \$340,480 per year for six years through the SAMHSA Early Connections federal grant to create an infrastructure for a system of care for children ages 0-5 and their families in Alameda County (2009-13 Strategic Plan, page 13). We are requesting approval of a FY 2009-11 contract amendment for Schacht & Associates to continue developing a full Strategic Plan to guide the implementation of the Early Connections program in conjunction with First 5 and Alameda County Behavioral Health Care Services staff. The recommendation of a contract amendment would bring the total contract amount to \$59,432.00 for which Commission approval is needed.

**FISCAL IMPACT:** None. All funds are budgeted and will be received from the Federal Grant.

**ACTION REQUESTED:** Recommend an increased contract amount of \$59,432.00 for Schacht & Associates for FY 2009-11.

**HAYWARD UNIFIED SCHOOL DISTRICT - \$130,000**

First 5 Alameda County currently funds Hayward Unified School District (HUSD) to provide year-round school readiness programs and transition services including summer pre-kindergarten programs to 4 sites (2009-13 Strategic Plan, page 11). We are requesting approval of a contract amendment for HUSD to expand the summer pre-kindergarten program to two additional sites bringing the total to 6 sites for the year and serving approximately an additional 36 children. The recommendation of a contract amendment would bring the total contract amount to \$130,000.00 for which Commission approval is needed.

**FISCAL IMPACT:** None. Funding will be received from the Long Foundation grant.

**ACTION REQUESTED:** Recommend an increased contract amount of \$130,000.00 for Hayward Unified School District for FY 2009-10.

**THE CENTER TO PROMOTE HEALTHCARE ACCESS, INC. - \$864,668.40**

First 5 Alameda County currently funds The Center to Promote HealthCare Access, Inc. (The Center) to support the operation, maintenance and enhancements of the ECChange web-based data system, ECCOnline and a portion of the Pathways Data System for SART(2009-13 Strategic Plan, page 21). We are requesting approval of a contract amendment for The Center to purchase and set up equipment to provide hosting and network support to First 5 beginning July 1. The recommendation of a contract amendment would bring the total contract amount to \$864,668.40 for which Commission approval is needed.

**FISCAL IMPACT:** None. Funds will be used from the First 5 Sustainability Fund which will be recovered through cost savings incurred during the first year of implementation (FY 2010-11).

**ACTION REQUESTED:** Recommend an increased contract amount of \$864,668.40 for The Center to Promote HealthCare Access, Inc. for FY 2009-10.

Submitted by:

Reviewed by:

\_\_\_\_\_  
Patricia Zapanta,  
Finance and Administration Director

\_\_\_\_\_  
Mark Friedman,  
Chief Executive Officer