



FIRST 5 ALAMEDA COUNTY COMMISSION MEETING AGENDA

Thursday, May 27, 2010

First 5 Alameda County
1100 San Leandro Blvd., Suite 120
San Leandro, CA 94577
Conference Room A

9:00 AM – 11:30 AM

Commissioners: *Chair:* Pamela Simms-Mackey M.D., *Vice Chair:* Helen Mendel, CMD, Yolanda Baldovinos, Alex Briscoe, Keith Carson, Gilda Gonzales, Rosemary Obeid, Deborah Roderick Stark, Albert Wang, M.D.

1. Public Comment
2. Approval of Minutes from March 25, 2010 and April 30, 2010 – Action

PROGRAM

3. School Readiness Evaluation Update – Information
4. Retreat Update– Information
5. Campaign to Save Child Care– Action
6. Low Income Investment Fund Presentation - Information

INFRASTRUCTURE

7. 2010-11 Budget Proposal – Final Reading – Action
8. Contract Authorizations – Action
9. 2010-11 Strategic Plan Review – Information
10. Approval of First 5 California Annual Report– Action
11. ACERA 401(h) Account Authorization – Action
12. 2009-10 Financial Report (March 31, 2010) – Information
13. 2009-10 Investment Report (March 31, 2010) – Information

MISCELLANEOUS

14. Staff Announcements
15. Communication from Commissioners
16. Adjournment



FIRST 5 ALAMEDA COUNTY COMMISSION MEETING MINUTES

Thursday, March 25, 2010

First 5 Alameda County
1100 San Leandro Blvd., Suite 120
San Leandro, CA 94577
Conference Room A

9:00 AM – 11:30 AM

Commissioners: *Chair:* Pamela Simms-Mackey M.D., *Vice Chair:* Helen Mendel, CMD, Alex Briscoe, Rosemary Obeid, Albert Wang, M.D.

Chair Simms-Mackey called the meeting to order at 9:05 AM.

1. Public Comment

There was no Public Comment.

2. Approval of Minutes from January 28, 2010 - Action

Commission Action: The Commission approved the January 28, 2010 minutes upon motion by Vice Chair Mendel, seconded by Commissioner Briscoe and unanimously carried (5 in favor, 0 opposed).

3. Early Childhood Mental Health Awareness Day Proclamation - Action

Deputy Director Janis Burger stated that First 5 Alameda County (F5AC) is currently receiving two federal grants from the Substance Abuse Mental Health Services Administration (SAMHSA) for Project LAUNCH and Early Connections. Ms. Burger stated that SAMHSA is sponsoring an Early Childhood Mental Health Awareness Day on May 6, 2010. Ms. Burger stated that the Commission is being asked to proclaim May 6, 2010 as Early Childhood Mental Health Awareness Day and that Alameda County Behavioral Health Care Services and Public Health Department will be asking the Alameda County Board of Supervisors to make the same proclamation.

Commission Action: The Commission approved the Early Childhood Mental Health Awareness Day Proclamation upon motion by Vice Chair Mendel, seconded by Commissioner Wang and unanimously carried (5 in favor, 0 opposed).

4. Web Based Hosting and Network Services – Information

Director of Evaluation & Technology Teddy Milder presented the Web Based Hosting and Network Services agenda item to the Commission.

Commissioner Wang asked if F5AC feels confident that the same level of services will be received from The Center to Promote Health Care Access (The Center) as from Alameda County Information Technology Department (ITD). Ms. Milder responded that one of the

main challenges in working with ITD is that F5AC developers had limited access to make changes to the individual databases held by ITD and that working with The Center will afford F5AC greater access to making changes more quickly and easily. Commissioner Briscoe stated that the grand total of the first year hosting and set up costs from The Center is less than one year of hosting costs from ITD and that F5AC should share this information with Commissioner Carson as Alameda County continues to consider centralization of their information technology services.

5. Contract Authorizations – Action

Director of Finance and Administration Patricia Zapanta presented the Contract Authorizations to the Commission.

- The Center to Promote Health Care Access (soon to be renamed Social Interest Solutions) – Increase contract amount to \$864,668.40 for FY 2009-10
- Schacht & Associates – Increase contract amount to \$59,432.00 for FY 2009-11
- Hayward Unified School District – Increase contract amount to \$130,000.00 for FY 2009-10
- Asian Health Services – Aggregate contract amount of \$167,000 for FY 2009-11

Commission Action: The Commission approved the following contract upon motion by Vice Chair Mendel, seconded by Commissioner Wang and unanimously carried (5 in favor, 0 opposed).

- Schacht & Associates

Commission Action: The Commission approved the following contracts upon motion by Vice Chair Mendel, seconded by Commissioner Wang and unanimously carried with Commissioner Briscoe abstaining from the vote (4 in favor, 0 opposed, 1 abstained).

- Hayward Unified School District
- Asian Health Services

Commission Action: The Commission approved the following contract upon motion by Commissioner Obeid, seconded by Commissioner Wang and unanimously carried with Chair Simms-Mackey and Commissioner Briscoe abstaining from the vote (3 in favor, 0 opposed, 2 abstained).

- The Center to Promote HealthCare Access, Inc. (soon to be known as Social Interest Solutions)

6. 2010-11 Budget Proposal – First Reading – Action

Ms. Zapanta presented the 2010-11 Budget Proposal – First Reading to the Commission.

Commissioner Wang stated that on the Proposed Revenue spreadsheet, under “Federal Grants”, the variance should be shown as negative and not as positive.

Commissioner Obeid asked whether AB212 funding would be committed for FY 2010-11. Director of Early Care & Education (ECE) Nancy Lee stated that the Alameda Child Care Planning Council believes they will receive AB212 funding from the state and that the funds will be contracted to F5AC.

Commissioner Obeid asked for clarification regarding the proposed reduction in higher education scholarship funding within the ECE division budget. Ms. Lee responded that \$50,000 would be reduced from the proposed Mills College budget to increase funding for the California State University East Bay contract to support students in the BA cohort.

Commissioner Briscoe stated that the new Workforce Development Coordinator at Alameda County Behavioral Health Care Services is working with the community colleges, and that F5AC staff should connect with him to discuss the County's efforts.

Commission Action: The Commission approved the 2010-11 Budget Proposal – First Reading upon motion by Vice Chair Mendel, seconded by Commissioner Wang and unanimously carried (5 in favor, 0 opposed).

7. Ethics / Conflict of Interest Training - Information

CEO Mark Friedman presented James Harrison, legal counsel from Remcho, Johansen and Purcell to present the Ethics/Conflict of Interest Training to the Commission.

PROGRAM

8. Your Family Counts Program Presentation – Information

Family Support Services Director Deborah Bremond introduced Beth Hoch, SPT Program Administrator and Leslie Brouillette from Alameda County Public Health Department (PHD), Your Family Counts (YFC) program to present.

Chair Simms-Mackey commended F5AC and PHD staff on the presentation and the successful collaboration between both agencies.

Commissioner Briscoe stated that the Your Family Counts program is doing extraordinary work and asked if the families being served are on MediCal. Ms. Brouillette stated that the vast majority of families being served are on MediCal. Commissioner Briscoe asked if the majority of families served are low income. Ms. Hoch responded that the majority of families served are considered high-risk and dealing with issues such as domestic violence.

Commissioner Briscoe asked how consistent screening practices are within other 0-5 home visiting programs. Ms. Bremond responded that one of the reasons F5AC developed this model is because AC Public Health Nursing was receiving too high a volume of families and could not do the types of screening appropriate for children. Ms. Bremond added that YFC program serves fewer families than in the 1-3 home visiting program but the families are

receiving more intensive services. Ms. Milder added that the other programs are not systematically using all three screening tools but may do more informal screenings.

Commissioner Briscoe said that a direct MediCal billing method should be explored. Ms. Bremond stated services are cost neutral because F5AC funding allows services to be leveraged through EPSDT funding and as tobacco revenue declines, the amount F5AC is able to contribute for others programs to leverage becomes less.

9. Project LAUNCH and Early Connections Update – Information

Deputy Director Janis Burger introduced Rachel Arthur, the new F5AC Local Wellness Coordinator. Ms. Burger stated that this is the second year of SAMHSA Project LAUNCH funding and that F5AC is able to serve and follow children age 0 through age 8 in East Oakland.

Ms. Bremond stated that through the SAMHSA Early Connections federal grant, the first strategic planning meeting was held on March 24, 2010 and that the first year of the grant supports program planning.

10. State Commission & Association Updates – Information

Mr. Friedman stated that First 5 California was among a collaborative of organizations that sponsored a Watercooler Conference in Sacramento on March 24th – 25th. Ms. Lee stated that the focus of the conference was sharing and communicating the impact of early care and education programs for policy making.

Mr. Friedman stated that funding for the Early Start Regional Center was vetoed in the last state budget. Mr. Friedman stated that county commissions are looking to the state commission to make a major commitment in contributing funds to offset that area.

11. Legislation and Public Policy Updates – Information

Mr. Friedman spoke to the passage of HealthCare reform bill passed by Congress and its impact on Alameda County families.

Commissioner Briscoe stated a preliminary analysis of the uninsured in Alameda County was conducted and that the new legislation is largely a financial bill, not a service and delivery bill.

Mr. Friedman stated that Senator Cox filed a FPPC complaint against the F5 Association for actions during the Prop1D campaign alleging the Association was late in reporting. Mr. Friedman stated that during the middle of the campaign season, the requirement was changed allowing for online reporting, which the Association did.

INFRASTRUCTURE

12. 2009-10 Financial Report (July 1, 2009 – February 28, 2010) – Information

Ms. Zapanta presented the 2009-10 Financial Report (July 1, 2009 – February 28, 2010) to the Commission.

Ms. Zapanta stated that 8 months in to fiscal year, revenue and expenses are on target.

13. 2009-10 Investment Report (July 1, 2009 – February 28, 2010) – Information

Ms. Zapanta presented the 2009-10 Investment Report (July 1, 2009 – February 28, 2010) to the Commission.

Ms. Zapanta stated that one of F5AC's money managers MBIA Municipal Investors has changed its name to Cutwater Asset Management.

Commissioner Obeid asked if the \$41 million held by the money managers represents F5AC's entire sustainability fund. Ms. Zapanta responded that the \$41 million represents the agency's entire reserve or sustainability fund.

MISCELLANEOUS

14. Staff Announcements

There were no Staff Announcements.

15. Communication from Commissioners

Commissioner Briscoe stated that Alameda County is exploring imposing two additional fees, one on medical marijuana dispensaries and a second imposing a tax on sweetened beverages.

16. Adjournment

Chair Simms-Mackey adjourned the meeting at 11:03 AM.



FIRST 5 ALAMEDA COUNTY COMMISSION RETREAT MINUTES

Friday, April 30, 2010

First 5 Alameda County
1000 San Leandro Blvd., Suite 100
San Leandro, CA 94577

9:00 AM – 1:30 PM

Commissioners Present: *Chair:* Pamela Simms-Mackey M.D., *Vice Chair:* Helen Mendel, CMD, Yolanda Baldovinos, Alex Briscoe, Gilda Gonzales, Rosemary Obeid, Deborah Roderick Stark

Chair Simms-Mackey called the meeting to order at 9:04 AM.

1. Welcome and Introductions

CEO, Mark Friedman, welcomed the Commissioners and introduced Jara Dean-Coffey, from JDC Partnerships, the facilitator for the day. He stated that Ms. Coffey is very experienced in working with First 5s and in the whole world of human services.

Ms. Jara Dean-Coffey gave an overview of the flow of the day. She reviewed the retreat objectives and the Commission's charge.

2. Public Comment

There was no public comment.

3. Context for Today Including Assumptions

Mr. Friedman stated that today gives an opportunity to identify how to leverage First 5's most effective and sustainable work. He stated that there are trends state wide in funding for First 5 that includes the decline in revenue, the SCHIP 60 cent tobacco tax which has led to a decline, and also the recession has affected tobacco sales. Mr. Friedman stated that it was always known that Prop. 10 funding would be a declining revenue source and this reality causes a look at what the core priorities are and what the implications will be for future programs. Mr. Friedman stated that every First 5 has to do this kind of analysis, and that First 5 Alameda wants to make sure that this process is transparent to make sure staff and community partners are aware as things move forward. Mr. Friedman stated that today will be setting a framework for future implementation.

Commissioner Gonzales stated that months ago the commission did a significant amount of work around a 4 year strategic plan. Ms. Gonzales stated that a very significant framework was established for moving forward and she presumed that there would have been some operationalizing of that plan. She stated that she assumed today's retreat would be drilling down and informing that work. Mr. Friedman responded that this retreat is the next stage of that work.

Mr. Friedman stated that staff has been operationalizing the strategic plan and are 9 months into implementing the vision and decisions the commission made, however the organizational changes haven't been in place to a large degree, so the hope is that today will provide the direction for planning over the coming months.

Commissioner Gonzales stated that she was hoping to see much more integrated and consistent organizational changes, and that visually things seem separate from the strategic planning process.

Janis Burger, Deputy Director, responded that these options are really to help shape where the agency wants to be in fiscal year 2013-2014. She stated that direction is needed now on where we want to be from a policy perspective. The work that is being done now within the next 2 years of the strategic plan will help staff make these financial and policy decisions to make these strategic reductions. Ms. Burger stated that the basic assumptions formed the frame work for developing the options. The program budget will be reduced by 4.6 million in 2011. She stated that trimming from every program is not an effective way to make reductions. Decisions have to be made about what to continue and what not to continue. She stated that the intent is to work together to reduce disparities in the county.

Commissioner Alex Briscoe arrived at 9:21AM

4. Long Range Financial Planning and Implications

Patricia Zapanta, Director of Finance and Administration, presented the Long Range Financial Plan. She stated that in alignment with the Strategic Plan the commission approved a slope scenario long range financial plan, which will make systematic administrative and program reductions at 20% every two years beginning in 2011.

Commissioner Gonzales asked for an explanation of the \$1 million dollars for the reduction of workforce. Ms. Zapanta responded that Commissioner Baldovinos recommended the funds to support the reduction in workforce be transparent and included in the long range financial plan. Commissioner Baldovinos stated that the policy was revised and the calculation should be revised to reflect the accurate amounts. Ms. Zapanta stated that the recalculation was done recently and still amounted to approximately \$1 million dollars.

Commissioner Baldovinos recommended moving the \$1 million dollars down to the reserve section of the plan. She stated that the amount is not really an expense that is expected to happen in 2011. She recommended moving the amount down to the reserve so that there is a true picture of the annual expenses and with the \$1 million in the reserve column it will contribute to the fund balance requirement. Ms. Zapanta responded that the long range plan will be presented to the Commission with a narrative in June.

Commissioner Stark asked if there is any information about the legacy programs and if they will be structured as they were in the past. Ms. Burger responded that they approved the CARES at the last State Commission meeting but limited information has been released about the structure and implementation. She stated that there is currently no clear direction from the state and what their intentions are. Mr. Friedman stated that in the past the matching

fund programs were reserved for First 5 county commissions but in the future everyone including nonprofits, government entities, and colleges will be able to compete for funding.

Nancy Lee, Director of Early Care and Education stated that the details in the staff recommendation that was approved were somewhat vague but did say that grant applications must be in collaboration between local county commissions and other players in the county including the colleges, and school districts. She stated that there is still limited information in terms of the funds that will be available and what the parameters will be.

Ms. Coffey stated that this was the perfect segue to the projections for purpose of discussion and moving into the working assumptions and implications.

Ms. Burger stated that the declining revenue means that future investments must be strategic and First 5 can no longer continue to do everything that they have been doing. She stated that there is a lot less money to work with, which means there is a need to be more focused. Staff is now looking at more innovative and collaborative ways to continue doing some of the work that is being done. She stated that the current direct services levels of funding cannot be sustained by First 5 dollars, and there are a lot of opportunities to align with other community, state, and federal initiatives. She stated that creating integrated systems of care creates efficiencies in a time of limited resources.

5. Environment Landscape: What's happening in the Field

Ms. Coffey stated that she wanted to share with the Commission what's happening in the field in Alameda County. She stated that there is a lot of interest being pushed by the Obama administration around social change work and now that there is enough data, history, and legacy, there's a real reassessment on what needs to be done in order to make a sustained difference. There are conversations happening at the federal level and new initiatives such as Promise Neighborhoods, Oakland Today, which is based on the Harlem Children Zone Model, there's the Social Innovations Fund that's being released by the Federal Government that is really pushing social innovation. She stated people are really looking at the size and scale of an investment that one needs to make in order to see "it tip" or to actually see the numbers change in poverty, educational equity, and infant mortality. She stated that conversations are happening around structural change and really working across systems.

Ms. Coffey stated that some of the work that First 5 Alameda has done like working with Behavioral Health and Social Services speaks to the systems change work that's already happening in Alameda County and now the rest of the state and the feds are actually catching up with the work Alameda has already started to do.

Ms. Burger reported on emergent thinking around the neighborhood based strategies.
Ms. Bremond reported on funding and collaborative opportunities in family support.
Ms. Lee reported on funding and collaborative opportunities in early care and education.
Ms. Milder reported on opportunities for school readiness.

Commissioner Briscoe asked the First 5 Commission to take a position on the impact of federal health care reform and the issue of health care transition from fee for services to

managed care, a local single payer for medical preferably. Mr. Friedman stated that we can agendaize this issue for the May or June Commission meeting. Commissioner Briscoe stated that he and the Alliance would like to present their argument. Commissioner Simms-Mackey states that out of fairness the commission should allow for the other party to present their argument as well.

6. Process for Option Development

Ms. Burger stated that the process for developing the 3 options was built on assumptions and implications. She stated that staff reviewed strategic planning documents, situational analysis, updated program summaries, and programmatic investments. The process also included information from the environmental scan for Project Launch, in East Oakland and convening a staff workgroup to develop and review recommendations, and obtained Commissioner input. She stated that staff reviewed potential for other funding streams, identified partners and community initiatives that support and can potentially sustain First 5 programmatic investments. They also considered potential for impacting county-wide systems change.

Commissioner Gonzales stated that she would like to see documentation identifying the partners and community initiatives that can potentially sustain First 5 programmatic investments. Ms. Burger responded that staff can do that.

7. Recommendation and Options

Ms. Milder presented the 3 options. Option 1, County –wide early childhood systems, plus training, plus 1 targeted neighborhood strategy. Option 2, County –wide early childhood systems plus 2 targeted neighborhood strategies, and option 3, maintain 1-2 direct service programs plus continuing grant commitments.

Ms. Milder stated that the assumption is that First 5 will have to maintain grant commitments. She stated that the approach was a result based approach and that staff did not want to reengineer or retool the outcomes or goals that the commission worked so hard to finalize, but to maintain the organizational frame of systems, providers, families, and children that Commissioner Stark provided. Ms. Coffey stated that it is important to clarify that staff has given a lot of thought to what they believe are the best investments for the commissions work to date in terms of moving forward. She stated that there will now be a dialogue around what staff and the commission think is the best way to move forward.

8. Public Comment

There was no public comment.

9. Commission Discussion and Recommendation

Chair Simms-Mackey reported Commissioner Wang’s written comments. Commissioner Wang stated that it was his assumption that all of the options are funding neutral meaning that each of the options have the same price tag, and he stated that he preferred option one because option one provided sustainability, leveraging, and systems change.

Commissioner Mendel stated that in her opinion if all of the options have the same price tag she would lean more toward option 2, so that there are two neighborhoods being targeted, which would provide a better way to look at results. She stated that First 5 could potentially be criticized for focusing on only one neighborhood. Ms. Burger responded that although the options are funding neutral, in option two there would be less funding for each neighborhood.

Commissioner Gonzales stated that she is not bought into focusing on one or two neighborhoods, and is more interested in reaching a vast geographical area with really known and strong community partners. She stated that in many cases there are neighborhoods that are undocumented that actually have the highest disparities. She stated that she is not willing or bought into any one of the scenarios just yet, and would like to get a better sense of combining options one and two, and how much staff First 5 has internally and what programs get pushed out into the community. She stated that she sees this as an opportunity to start laying very clear and intentional ground work.

Commissioner Stark stated that she leans toward option 1 because she believes that it contributes to broad systems work, and that the training mechanism will build capacity county wide. She stated that she also likes the idea of focusing on more than one neighborhood and stated that if there is already funding in East Oakland through Project Launch, it would be a good idea to direct resources to another neighborhood. She stated that she would select option 1 and select a different target neighborhood. Ms. Burger stated that the funding through Project Launch is not enough to focus, and provide the best services in East Oakland. Commissioner Stark stated that she would rather focus on at least 2 neighborhoods however she does not want to lose the training component offered in option 1.

Commissioner Baldovinos stated that she would like to see First 5 continue to be the glue in the county. She stated that she would like to see the services continued that First 5 is currently providing that no other agency in the county is able to provide. She stated that defining First 5's role and legacy is important. Mr. Friedman responded that it is true First 5 has more flexibility than most community partners and needs to maintain the ability to do innovative things that community partners have trouble doing because of categorical funding.

Commissioner Obeid stated that she needs clarity on where in the options the county wide strategies exist and would like to know how much funding is going into the neighborhood based versus into the county wide strategies. She stated that she needs more clarification about what it means to develop a county wide early childhood vision and what goes into that. She asked how First 5 will distinguish themselves from being the direct service provider that it's been in the past to being more of a facilitator. She stated she would like to hear more discussion about First 5 being a place to actively respond to all of the funding opportunities that will come and more discussion about how First 5 will touch all of the families in Alameda County that have a need. She stated that she does lean toward option 1 versus the other options because it at least has the county wide training component.

Commissioner Briscoe stated that he selects Option 1 if First 5 is going to become more of a funder and best practices group. He stated that there will be a need to develop more of a culture of advocacy.

Chair Simms-Mackey stated that as the First 5 Commission it is necessary to give direction to staff first so that they can identify, and address community partners. She stated that it is important to focus the process first then go back and assess who we already have relationships with and work on developing new relationship in the community. She stated that she would like to see First 5 retain services such as trainings that touch a lot of people with limited amount of funding. She stated that she would really like to see a second neighborhood identified, so that there is the option for comparison.

Ms. Burger stated that as staff moves in this direction and begins to cost things out with a better sense of direction, there may be options down the road to potentially focus on two neighborhoods. She stated that the important thing to consider is the cost and being able to provide enough services in the neighborhood to show impact on the kid's outcomes.

Commissioner Baldovinos stated that she would like to see two neighborhoods. She stated that agencies often select Oakland to provide services when there are other cities with increasing disparities, she stated that south county actually has a greater percentage of families receiving services from her agency than Oakland.

Ms. Coffey stated that in terms of process staff needs a strong sense of where each commissioner might be in terms of the three options. She asked the Commissioners if they were ready to take a formal vote. Commissioner Gonzales stated that she hears a common theme for options 1 and 2 and motioned to remove option 3 from the voting.

Ms. Burger reported a broad proportional sense of the dollar amounts for each option. She stated that approximately \$6 million would be spent on systems change, and \$9.5 million to spend on the neighborhood based strategy in option 1, and for option 2, \$5 million on systems change, and \$5.25 million on each of the two neighborhoods.

Commissioner Gonzales stated that she doesn't want to be limited to providing services in only one neighborhood. She stated that it was already determined that First 5 alone can not address all the ills of a neighborhood, so First 5's role as the glue or support to the agencies in the community is really important. She stated that she has reservations about being anchored into one neighborhood with such a huge investment. She stated that she would like to see the community partnerships throughout the county continued.

Commissioner Stark stated that the issue with the county wide approach is that we won't have the ability to create the full pipeline for kids. She stated that what the neighborhood based approach does is it pulls together all of the programs that First 5 has been working on and really concentrates them so that the children that we are providing services to get the full comprehensive services from birth to grade 3, and First 5 is not providing those services alone.

Ms. Coffey stated that other First 5 county commissions are having the same conversations in the context of their full strategic plan, however Alameda is in the midst of their plan forcing staff to provide the commission with some option to continue to hold this strategic plan true at this moment and reallocate funds, a way to leverage and build on what is already in place.

She stated that this conversation isn't really about how First 5 is going to be until the end, but how First 5 is going to adjust for the next couple of years with the changes in funding.

Commissioner Obeid stated that she also has concerns about the options presented because they are a different way of investing in the community. She stated that she doesn't feel like she's made the decision to focus on a neighborhood based approach. She stated that she would like to have a discussion about ways to continue a county wide approach.

Chair Simms Mackey stated that maybe the commission needs to craft an option that would take pieces from the options presented. She stated that she would like to see some county wide approaches retained such as training. She stated that there are things that can be done creatively that can touch a lot of people in the county and continues some of the work that has been done all along. She suggested adding an additional box to option 1 that list some of the county wide things that are within the budget, that the commission would like to see retained.

Mr. Friedman stated that the other issue with retaining too many county wide efforts is that if the programs are retained, First 5 will also have to retain the staffing to run those programs. He stated that retaining county wide programs will require more staff than First 5 can retain.

Commissioner Briscoe stated that he gets the rationale for transitioning to place based from a financial perspective, but is unclear of any other perspective. Ms. Milder stated that staff would like to actually see a difference made in the county, and First 5 can't do it alone. She stated that the thought is that through partnering and saturating in a concentrated way, we will actually be able to demonstrate impact.

Ms. Coffey asked at this point how staff will move forward without enough clarity. She asked are there criteria for staff to consider as they refine options.

Commissioner Mendel stated that as a business person she would like to have staff bring to the commission a list of the top programs, how effective have those programs been, which one's would we not want to lose and why, and how much staff does it take to run that program, so that the commission has a bases to really make the best decisions. She stated that for her as the Commissioner she looks to the staff as the experts and she would like a better sense of what staff feels are the higher priority programs. Ms. Coffey stated that these options presented are staff suggestions of the highest priorities and keeping the commission at the strategy level of decision making.

Commissioner Stark stated that as Commissioner Briscoe has stated the elephant in the room is whether First 5 is place based or universal. She states that it is the Commission's responsibility as policy makers for making these decisions and convincing others that First 5 investments have been effective, and increasingly on the state level and on the federal level, First 5 has to prove that they are making an impact. She stated that an easy way to prove impact would be to have more concentrated programs, because then it can be effectively measured. She stated that while she would like to continue these universal approaches she realizes that down the road it will limit the necessary data.

Commissioner Gonzales stated that she thinks there is still a lack of a full diagnosis. She stated that there is a lack of criteria around information on Project Launch and results. Ms. Coffey stated that staff has prepared for this scenario and the Commissioner's comfort and ability to meet the challenge of making a decision today. She stated that staff will always have more breadth around these issues than commissioners, and as commissioners there might never be enough information provided to be fully comfortable with making a decision. She stated that at this point she asks the Commission what are the essential questions needed answered to move forward.

10. Next Steps

3-5 questions that would help Commissioners make the decision

Chair Simms-Mackey stated that in each commission meeting there are presentations on actual programs and the financials, then for this particular purpose the Commissioners are asked to stay on a policy level of decision making. She stated that this is challenging and she actually needs to see what programs are represented in each of the options presented, what programs are still countywide and what the price tag is. She stated that she would like to know specifically which programs would be cut when an option is selected. She stated that she doesn't want to make a decision and throw away a program that she really values and thinks has made an impact.

Commissioner Gonzales stated that she would also like to see what programs would be cut in each of the options. Ms. Burger stated that part of what is recommended is to retain the most important programs on a scaled down level, so that the core programs are not lost. Ms. Milder stated that the intention is to not have the Commissioners make the decisions based on programs, but based on goals and outcomes.

Commissioner Baldovinos stated she would like staff to give their recommendation and tell the commission why this and not that.

Commissioner Obeid stated that she would like to know specifically what the advantage is of moving to a neighborhood based approach and what the systems change piece means, and if there is an opportunity to transform the organization, so that it really benefits the entire community. She stated that she would like to know which neighborhood will be selected in the options and what the criteria is for selecting that neighborhood. She stated she would like to know if there is a semi-neighborhood approach and is there different ways to do a neighborhood approach that would still be successful.

Commissioner Gonzales stated that she would need to know more about the advantages and disadvantages of Project Launch, and what is proposed as far as the level of First 5 involvement, and more information about the other initiatives that staff presented today.

Commissioner Stark stated that she would like to know how maintaining the value of accountability plays out.

Commissioner Briscoe stated that it could be a nice illustrated approach to show what it would look like to make 20% cuts across the board and show that if you cut everything 20% across the board that would rob the strength of the programs.

11. Reflections and Closing

Ms. Coffey reviewed the retreat agenda and the Commission charge.

Chair Simms-Mackey stated that she would like to thank staff for all of their work. She stated that one of the themes that she sees coming out is that the commissioners really would like to see how staff arrived at these options and what the thought processes were. She stated that she really values staff opinion. She stated it would be helpful to hear why staff thinks the neighborhood based approach is the best option.

Commissioner Mendel stated that she would like to agree with the Chair, she too values the staff's judgment, and she wants to hear their opinions and the rational why. She stated that this will help her to make a decision.

Chair Simms-Mackey formally thanked Ms. Coffey for her work with Staff and the Commission.

12. Adjournment

Meeting adjourned at 1:23PM

Campaign To Save Child Care

Child Care Keeps California Working!

Campaign to Save Child Care!

California Child Care/Early Care and Education now placed on the endangered species list

The Governor's Budget May Revision 2010-11 proposes an unprecedented \$2.3 billion combined elimination of CalWORKS and General Fund support for California's neediest children and families (\$1.1 billion CalWORKS and \$1.2 billion General Fund). Additionally, this could result in the loss of significant federal funding. Although his proposals exempt the state's part-day preschool and ASES afterschool programs, the overall proposal will destroy California's long-established system of child care services that support the dual goals of helping parents earn and children learn. Since the end of WWII, California has recognized the value and importance of providing child care services to working families and their children. Our 68-year-old system has evolved to provide care to young children in a variety of settings – home and center based – that meet the needs of our diverse working families.

As parents, providers, directors, teachers, resource and referral programs, alternative payment providers, local planning councils, and organizations committed to quality, accessible, affordable child care, we are outraged that the Governor has proposed this massive dismantling of a child care system that provides jobs for:

- 100,000 parents¹ working and contributing to California's struggling economy
- More than 130,000 child care providers², including licensed family child care homes and paid assistants; center staff (directors, teachers, and assistants); and license-exempt child providers³ serving low-income families

The proposed massive elimination of child care services will result not only in lost employment for low income working parents and their child care teachers and providers, but also in endangered child safety and lost learning opportunities for the 200,000 young children⁴ who would be jerked from their child care programs beginning July 1, 2010. Brain research demonstrates that early education experiences – from birth to age five – are critical in determining whether a child's brain develops a proper foundation for learning and success in school and later life. Eliminating child care and early learning opportunities literally imperils our children's capacity for learning.

Rome was not built in a day, nor was our child care system. Our centers and home-based providers – the foundation of our system – cannot put their programs on pause while we wait for California’s economy to pick up. This radical budget surgery will result in the permanent loss of child care facilities, teachers and staff throughout the state, leaving California even less prepared for the economic rebound forecasted for the not-so-distant future.

The threat to dismantle the entire child care system is not only outrageous in its scope but irresponsible, leaving the child care field in limbo. This kind of anxiety pulsing throughout the state will result in hiring freezes, staff layoffs, and frozen enrollment beginning in the next few weeks. Employment opportunities for parents will be jeopardized without the guarantee of subsidized child care, creating further economic insecurity in the state. Equally devastating, our youngest children will lose access to our highest quality child care programs.

Our organizations (see attached list) stand united in our opposition to this wholesale dismantling of our child care system. We will not allow this proposal to become a negotiation tool for accepting the Governor’s January budget proposals. Beginning today, we will document and share the impact of this proposal on children, parents, providers and the communities we serve, and bring it to the immediate attention of our Assembly members and Senators. We cannot accept corporate tax breaks at the expense of young children. This is a campaign for California’s future – a future that must address economic equity and close examination of who wins and who loses in this budget scheme.

For more information about the **Campaign to Save Child Care** contact: Patty Siegel, California Child Care Resource and Referral Network (415)882-0234 patty@rrnetwork.org

May 18, 2010

¹ Estimated by dividing the total number of children in threatened programs served by two. This estimate assumes an average family size of three with one adult and two children being served.

² Number of licensed family child care home and center-based program staff impacted was calculated by applying the percentage of licensed programs serving children receiving vouchers reported in the 2006 California Early Care and Education Workforce Study to updated 2008 supply data. These estimates were combined with the number of CDE, General Child Care state-contracted centers published in the 2009 *California Child Care Portfolio* to estimate the overall number of child care providers serving children receiving vouchers or in state-contracted programs impacted by proposed budget cuts.

³ Number of license-exempt providers impacted was calculated by first applying the percentage of children served in license-exempt settings in cut programs to the total number of children losing care. Total number of providers was calculated by dividing the total number of children in license-exempt care by two. This estimate assumes license-exempt providers serve an average of two children.

⁴ Difference between maximum enrollment for FY 2009-10 revised budget and 2010-11 May Revise proposed maximum enrollment.

Campaign to Save Child Care

Initial Supporters

Advancement Project
California Alternative Payment Program Association
California Child Care Coordinators Association
California Child Care Resource and Referral Network
California Child Development Administrators Association
California Community College Early Childhood Educators
California School Age Consortium
Campus Kids Connection, Inc.
Center for the Study of Child Care Employment, University of California, Berkeley
Child Care Alliance of Los Angeles
Child Development Policy Institute
Children Now
Community Voices
Northern Directors Group
Parent Voices
Preschool California
Service Employees International Union
The American Federation of State, County and Municipal Employees
The Link to Children
ZERO TO THREE Western Office

If your organization would like to sign-on in support of this document, please contact Sarah Moore at (415) 882-0234 or sarah@rrnetwork.org



To: First 5 Alameda County Commission
From: Patricia Zapanta, Finance and Administration Director
Date: May 27, 2010
Subject: 2010-11 Budget Proposal – Final Adoption

ACTION REQUESTED

The Commission review and approve the following 2010-11 budget proposal.

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.

The Final Reading is very similar to the March presentation of the budget. Significant changes since March have been highlighted in red.

A significant revenue change since March includes the addition of a second federal appropriation of \$239,460 under Grants for the SART (Screening, Assessment, Referral & Treatment) program.

Expense changes since March include the update of all programs with revised rent charges and allocation of administrative overhead to reflect the “fully loaded cost” of each program. The final contracted costs of development and maintenance of the two data systems, ECChange and ECC Online are also included. In the Support Strategies division, there are additional expenses under the SART program that will be paid by the federal funds.

This presentation is the final reading of the 2010-11 budget. Significant future changes in program revenue or expenses, if needed, will be incorporated into the budget during the mid-year Budget Modification in January 2011.

In addition, this budget includes required authorizations for the 2010-11 contracts. Attached is a spreadsheet of contracts for which Commission approval is needed.

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

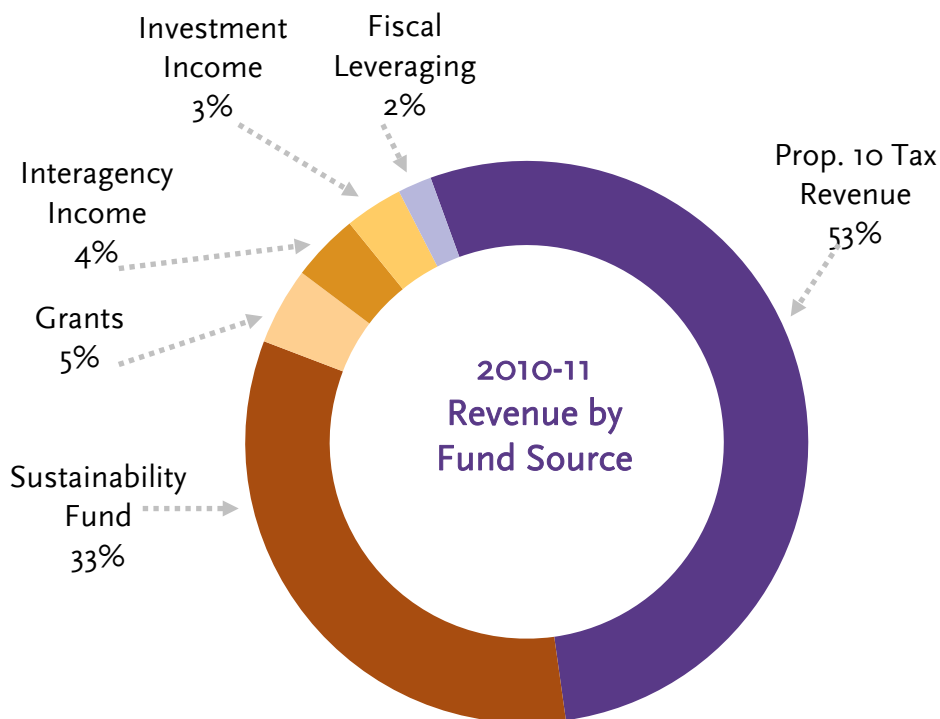
The following Revenue and Expense projections are presented with a comparison to the current year 2009-10 budget, approved in January 2010. All Program areas are presented after the distribution of allocable administrative costs. The Expense spreadsheet gives the Expense data by division.

REVENUE AND AVAILABLE FUNDS 2010-11

The 2010-11 Revenue and Available funds decrease from \$27,581,298 in the current year to **\$26,184,016**. 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 of approximately \$839,000 from the Alameda County Child Care Planning Council for training of school age providers will not be funded for 2010-11. Only \$48,000 of the AB 212 funds for stipends and Child Development Corps consultation have been committed.** 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 March 2010 and First 5 California projections for county commissions.
Income from Alameda County Agencies	\$2,225,983	\$998,111	<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 \$242,854. The balance for the SART Pathways data collection system (\$99,020) is also included in this category.</p> <p>State AB212 funds from General Services Agency Child Care Planning Council have been committed for \$48,000.</p>

LINE ITEM	2009-10 APPROVED	2010-11 PROPOSED	RATIONALE
Grants	\$2,777,240	\$640,359	<p>The Federal Grant amount consists of the balance of reimbursable amount of \$246,338 from the first federal appropriation for the SART program and the estimated reimbursement of \$239,460 from the second federal appropriation also 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 \$154,561 to expand some School Readiness sites.</p>
Fiscal Leveraging	\$350,000	\$508,000	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	\$9,174,546	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.
Carry Over Restricted Funds	\$35,000	\$0	Carry over funds from Washington Mutual were fully expended in 2009-10.

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 charts show the various funding streams for each Program as well as the Strategies to which they are mapped. Increases or decreases to program expenditures above \$25,000 are marked with an asterisk (*) with a corresponding explanation at the end of each division section.

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 **\$8,086,112**, an increase of **\$398,135**. **The increase is due to a combination of projected merit increases for staff who have not reached the limits of their salary ranges and new 3.25 FTE mainly funded by the federal appropriations and the Long Foundation private grant.**

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. **Projected increases in benefits costs due to significant increase in medical and dental insurance premiums, ACERA rate increase and the impact of the new Health Care Reform Act will be presented for Commission approval in January 2011.**

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 \$8,295,043 compared to \$8,527,385 in the current year, a net decrease of \$232,342.

PROGRAM	2009-10 BUDGET	2010-11 PROPOSAL	FUNDING SOURCES	STRATEGY
Prenatal and postpartum home visiting for newborns: Your Family Counts	\$1,545,457	\$1,541,905	Tobacco Tax, Medi-Cal Administrative Activities (MAA), Other Sources	Home-Based Family Support
Lactation	\$358,053	\$372,968	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	\$3,206,653	Tobacco Tax	Home-Based Family Support
Intensive Family Support: Pregnant and Parenting Teens	\$1,359,700	\$1,219,760*	Tobacco Tax	Home-Based Family Support
SART Training and Screening: Pediatric Strategies Includes Reach Out and Read (\$30,000)	\$1,012,268	\$919,822**	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	\$213,759	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	\$728,660	Tobacco Tax, Medi-Cal Administrative Activities (MAA)	Provider Capacity Building
Family Support Services Provider Training	\$88,083	\$91,516	Tobacco Tax	Training is in Training Institute in the Provider Capacity Building strategy
Total Family Support Services	\$8,527,385	\$8,295,043		

* Decrease due to the deletion of Emergency Fund one-time grant to Brighter Beginnings.

** Decrease due to the termination of \$81,000 Healthy Steps contract with Tiburcio Vasquez Health Center

Early Care and Education

The Early Care and Education (ECE) budget proposal for 2010-11 is \$6,205,148, compared with \$7,055,040, a decrease of \$849,892. The decrease is primarily due to the absence of AB212 funding for training of school age providers in the current proposal.

PROGRAM	2009-10 BUDGET	2010-11 PROPOSAL	FUNDING SOURCES	STRATEGY
College And University Education	\$4,308,458	\$3,282,303 *	Tobacco Tax, Federal Grant	Integrated Child Care Quality Support System
Training for Consultants	\$164,125	\$153,926	Tobacco Tax	Integrated Child Care Quality Support System
Community-Based Training & Coordination	\$859,736	\$1,058,974 **	Tobacco Tax	Integrated Child Care Quality Support System
Inclusion Support and Training	\$234,149	\$197,008 ***	Tobacco Tax	Integrated Child Care Quality Support System
Child Care Capital Grants	\$815,529	\$815,538	Tobacco Tax	Integrated Child Care Quality Support System
Quality Counts	\$673,043	\$697,399	Tobacco Tax	Integrated Child Care Quality Support System
Total Early Care & Education	\$7,055,040	\$6,205,148		

* Net decrease due to the removal of majority of AB212 funds, reduction in higher education scholarship funding (grants and Mills contract), additional funding for Merritt PDC position, and additional funding to Chabot to continue the pilot that was initially funded by the Federal grant.

** Net increase due to increased Enhanced Mentor Program expenses (increase over 2009-10 modified amount but maintenance of original 2009-10 budgeted amount), re-implementation of PIC program (ECE and ECMH collaboration) (stipends), and allowance for community consultant contracts.

*** Net decrease in ECC staffing as based on actual allocation of time.

Community Grants

The Community Grants budget proposal for 2010-11 is \$3,198,284, compared to \$3,445,969 in the current year, a decrease of \$247,685.

PROGRAM	2009-10 BUDGET	2010-11 PROPOSAL	FUNDING SOURCES	STRATEGY
Community Grants	\$3,445,969	\$3,198,284 ****	Tobacco tax	Programs will be funded in various strategy areas, depending on funding priorities selected by the Commission
Total Community Grants	\$3,445,969	\$3,198,284		

**** 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 extended the 2007-09 grant cycle in to the first six months of 2009-10 and the 2009-11 new cycle began in the second six months of 2009-10.

Support Strategies

The Support Strategies budget proposal for 2010-11 is \$5,494,328, compared with \$5,483,593, a net increase of \$10,735.

PROGRAM	2009-10 BUDGET	2010-11 PROPOSAL	FUNDING SOURCES	STRATEGY
Cultural Access Services	\$354,227	\$282,027 *	Tobacco Tax, Medi-Cal Administrative Activities (MAA)	Cultural Access Services is a program that works across all strategies
Early Connections	\$262,481	\$242,854	Behavioral Health Care Services (SAMHSA Federal Grant)	Coordinated Screening, Assessment, Referral and Treatment (SART)
Project LAUNCH	\$594,548	\$608,237	Public Health Department (SAMHSA Federal Grant)	Integrates all strategies at the community level
Children's SART (Screening, Assessment, Referral and Treatment)	\$1,624,643	\$1,713,854**	Tobacco Tax, Medi-Cal Administrative Activities (MAA), Behavioral Health Care Services funding for Pathways data system, Federal Grant , Title IV-E	Coordinated Screening, Assessment, Referral and Treatment (SART)
Training/ Conference Center	\$451,298	\$391,275 *	Tobacco Tax, Rental Income	Provider Capacity Building
Outreach and Education Includes Parent Kit customization and distribution and Childhood Matters	\$209,839	\$274,835 ***	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	\$442,345 ****	Tobacco Tax	Child Health Promotion
School Readiness Includes Literacy, Kindergarten Readiness and Transition	\$1,001,870	\$1,092,568 *****	Tobacco Tax, Long Foundation Private Grant	Community-Based School Readiness Services
Child Development/ Mental Health Strategies	\$447,838	\$446,333	Tobacco Tax	Mental Health Consultation to Child Care
Total Support Strategies	\$5,483,593	\$5,494,328		

- * 50% of salaries and benefits of staff in these programs are funded by the SAMHSA Early Connections Federal grant
- ** New SART Federal appropriation
- *** Increase is mainly due to a new contract with the Center for Early Intervention on Deafness
- **** Net decrease is due to deletion of Emergency Fund one-time grant to Dental Health Foundation
- ***** Increased expenses due to the Long Foundation private grant funding to expand School Readiness sites

Evaluation and Technology

The Evaluation and Technology (E&T) budget proposal for 2010-11 is \$1,340,652, compared to the current year budget of \$1,346,847, a decrease of \$6,195.

PROGRAM	2009-10 BUDGET	2010-11 PROPOSAL	FUNDING SOURCES	NOTES
Evaluation	\$604,082	\$596,332	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	\$533,060	Tobacco Tax, Medi-Cal Administrative Activities (MAA)	Includes ECC Online and ECChange development support and Help Desk and Evaluation related portions. Program costs for ECChange are charged to program budgets. No changes to program.
Evaluation –Technical Assistance	\$204,782	\$211,260	Tobacco Tax, Medi-Cal Administrative Activities (MAA)	Includes provision of evaluation technical assistance to providers
Total Evaluation & Technology	\$1,346,847	\$1,340,652		

Administration

The Administration budget proposal for 2010-11 is \$1,650,561, compared with \$1,722,465 in 2009-10, a net decrease of \$71,904.

PROGRAM	2009-10 BUDGET	2010-11 PROPOSAL	FUNDING SOURCES	NOTES
Administration, Finance, Human Resources, Network Support, Commission and Contracts Administration	\$1,722,465	\$1,650,561 *	Tobacco Tax, Medi-Cal Administrative Activities (MAA)	See note below
Total Administration	\$1,722,465	\$1,650,561		

* 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

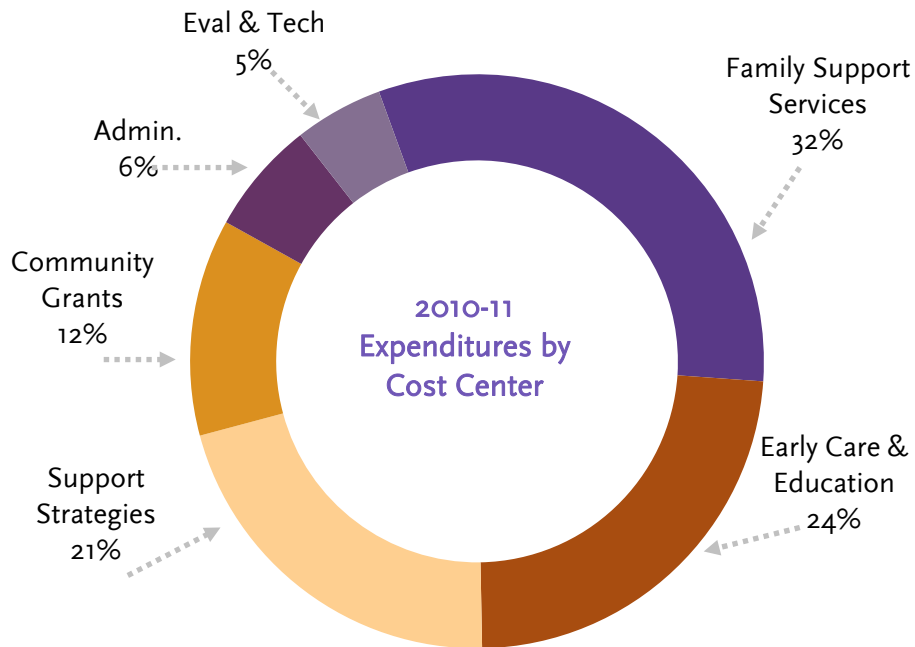
Administrative Cap

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 budget's administrative costs do not exceed the cap. They are:

2010-11 ADMINISTRATIVE CAP	
Program	88.60%
Evaluation	5.11%
Administration	6.29%
TOTAL	100.00%

2010-11 EXPENDITURES BY COST CENTER



Fiscal Impact

The fiscal impact is \$26,184,016 in expenses that will be funded by revenue and available funding of \$26,184,016. Sustainability funds are projected to cover \$9,174,546 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 2010-11.

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

RECOMMENDATION

The Commission review and approve the 2010-11 budget proposal.

Submitted by:

Reviewed by:

Patricia Zapanta
Finance and Administration Director

Mark Friedman
Chief Executive Officer

First 5 Alameda County
Proposed Revenue and Available Funds Budget
For the Period July 1, 2010 - June 30, 2011

Agenda Item 7

Revenues	Approved FY 2009-10	Proposed FY 2010-11	Variance
Prop 10 Tobacco Tax	14,000,000	14,000,000	0
Income from Alameda Co. Agencies	2,225,983	998,111	(1,227,872)
Grants			
Federal	597,554	485,798	(111,756)
State	2,179,686	0	(2,179,686)
Private	0	154,561	154,561
	2,777,240	640,359	(2,136,881)
Fiscal Leveraging			
MAA	350,000	500,000	150,000
Title IV-E	0	8,000	8,000
	350,000	508,000	158,000
Investment Revenue	1,125,000	863,000	(262,000)
Other Sources	120,568	0	(120,568)
TOTAL	20,598,791	17,009,470	(3,589,321)

Available Funds			
Sustainability Fund	6,947,507	9,174,546	2,227,039
Carry Over Restricted Funds			
Washington Mutual	35,000	0	(35,000)
Total Carry Over Restricted Funds	35,000	0	(35,000)
Total Available Funds	6,982,507	9,174,546	2,192,039

TOTAL REVENUES & AVAILABLE FUNDS	27,581,298	26,184,016	(1,397,282)
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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	
Personnel															
Personnel	482,838	489,565	853,735	884,032	352,061	369,054	718,705	952,361	631,533	647,371	958,772	908,461	3,997,644	4,250,844	253,200
Service Delivery Personnel	1,162,877	1,173,567	0	0	0	0	0	0	0	0	0	0	1,162,877	1,173,567	10,690
Benefits	822,858	831,566	404,712	419,861	176,031	184,527	335,702	447,830	315,767	323,686	472,386	454,231	2,527,456	2,661,701	134,245
Sub-total Personnel	2,468,572	2,494,698	1,258,447	1,303,893	528,092	553,581	1,054,407	1,400,191	947,300	971,057	1,431,158	1,362,692	7,687,977	8,086,112	398,135
Program Contracts/Grants/MOUs															
Contracts	5,584,738	5,291,467	3,976,636	3,213,115	114,718	119,569	3,375,022	3,042,902	294,388	259,643	33,400	18,819	13,378,902	11,945,515	(1,433,387)
Grants	0	0	1,470,740	1,257,508	2,600,000	2,330,538	0	0	0	0	0	0	4,070,740	3,588,046	(482,694)
Professional Services Contracts	28,664	31,664	65,854	65,854	100,000	80,000	228,090	218,250	5,000	5,000	7,000	55,000	434,608	455,768	21,160
Sub-total Program Contracts/ Grants/MOUs	5,613,402	5,323,131	5,513,230	4,536,477	2,814,718	2,530,107	3,603,112	3,261,152	299,388	264,643	40,400	73,819	17,884,250	15,989,329	(1,894,921)
Training Expenses															
Copying/Printing	40,400	40,400	17,300	17,300	1,500	1,500	26,000	31,500	1,500	7,000	2,000	2,000	88,700	99,700	11,000
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	45,500	1,500	1,500	8,500	8,500	114,900	89,650	(25,250)
Honoraria	7,500	11,500	4,000	19,700	1,000	1,000	43,480	46,480	500	500	0	0	56,480	79,180	22,700
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	63,000	1,500	1,500	11,000	7,000	110,000	115,500	5,500
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	52,000	58,600	88,500	5,000	5,000	188,650	156,981	12,600	6,900	58,700	58,700	379,550	368,081	(11,469)
Travel	23,700	23,700	9,000	9,100	3,000	3,000	34,900	39,545	9,500	7,000	1,500	1,500	81,600	83,845	2,245
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)
Sub-total Training Expenses	206,225	206,225	113,800	159,800	22,500	22,500	432,460	396,186	34,900	31,900	92,250	88,250	902,135	904,861	2,726
General Expenses															
Communications	17,894	19,981	9,880	10,801	3,272	3,825	5,818	8,726	2,836	3,062	3,782	4,004	43,482	50,399	6,917
Copying/Printing	2,051	8,434	1,524	6,975	802	3,409	1,024	4,149	311	1,334	415	1,695	6,127	25,996	19,869
Equipment Leases/Rentals/Maint.	13,118	11,487	10,261	9,501	5,397	4,642	6,904	5,651	2,093	1,816	2,794	2,309	40,567	35,406	(5,161)
Equipment Purchase	8,187	20,502	6,351	16,956	3,340	8,286	24,274	35,086	1,296	3,243	11,728	4,121	55,176	88,194	33,018
Insurance	26,069	25,025	20,320	20,698	10,688	10,114	13,672	12,311	4,144	3,957	5,528	5,030	80,421	77,135	(3,286)
Membership and Dues	8,083	9,732	6,351	8,049	3,340	3,933	4,274	4,788	1,296	1,539	1,728	1,956	25,072	29,997	4,925
Postage	505	487	381	402	200	197	256	240	78	78	103	97	1,523	1,501	(22)
Professional Services	65,638	71,044	51,816	58,757	27,254	28,711	34,865	34,954	10,567	11,235	14,096	14,279	204,236	218,980	14,744
Space Rental	94,402	99,430	60,139	68,813	25,030	27,012	300,818	328,663	42,120	46,018	113,520	87,330	636,029	657,266	21,237
Travel	0	0	0	0	0	0	0	0	0	0	4,000	4,000	4,000	4,000	0
Depreciation	3,239	4,867	2,540	4,026	1,336	1,967	1,709	2,231	518	770	963	979	10,305	14,840	4,535
Sub-total General Expenses	239,186	270,989	169,563	204,978	80,659	92,096	393,614	436,799	65,259	73,052	158,657	125,800	1,106,938	1,203,714	92,241
TOTAL	8,527,385	8,295,043	7,055,040	6,205,148	3,445,969	3,198,284	5,483,593	5,494,328	1,346,847	1,340,652	1,722,465	1,650,561	27,581,299	26,184,016	(1,397,283)

Program	Contractor	2010-11 Amount	Term
Administration	Ceridian Payroll	\$ 5,000.00	2010-11
Administration	Chandler Asset Management	\$ 24,000.00	2010-11
Administration	Cutwater Asset Management	\$ 24,000.00	2010-11
Administration	Kevin Harper	\$ 15,000.00	2010-11
Administration	Pillsbury Winthrop Shaw Pittman, LLP	\$ 15,000.00	2010-11
Administration	Remcho, Johansen, & Parcell, LLP	\$ 24,000.00	2010-11
Administration	Robbins Consulting	\$ 10,000.00	2010-11
Early Care and Education	4C's of Alameda County	\$ 337,174.00	2010-11
Early Care and Education	American Education Research Corporation	\$ 20,000.00	2010-11
Early Care and Education	BANANAS, Inc.	\$ 337,174.00	2010-11
Early Care and Education	California State University East Bay - BA Program	\$ 110,000.00	2010-11
Early Care and Education	California State University East Bay - MS Program	\$ 47,000.00	2010-11
Early Care and Education	Chabot College	\$ 321,723.00	2010-11
Early Care and Education	Child Care Links	\$ 337,174.00	2010-11
Early Care and Education	City Slicker Farms	\$ 24,227.00	2010-11
Early Care and Education	East Bay Association for the Education of Young Children (EBAEYC)	\$ 10,000.00	2010-11
Early Care and Education	Las Positas College	\$ 292,000.00	2010-11
Early Care and Education	Low Income Investment Fund	\$ 765,000.00	2010-11
Early Care and Education	Melinda Martin	\$ 37,000.00	2010-11
Early Care and Education	Merritt College	\$ 135,000.00	2010-11
Early Care and Education	Mills College - MA, EdD Program	\$ 199,633.00	2010-11

Program	Contractor	2010-11 Amount	Term
Early Care and Education	Ohlone College	\$ 195,000.00	2010-11
Early Care and Education	San Francisco Community College	\$ 60,000.00	2010-11
Evaluation and Technology	Applied Survey Research	\$ 70,000.00	2010-11
Evaluation and Technology	JPD Communications	\$ 10,000.00	2010-11
Evaluation and Technology	Regents of the University of California - BA/MA Evaluation	\$ 35,000.00	2010-11
Evaluation and Technology	Social Interest Solutions (SIS)	\$ 767,990.00	2010-11
Family Support Services	Alameda County Public Health Dept. - ABCD in CHDP sites	\$ 20,000.00	2010-11
Family Support Services	Alameda County Public Health Dept. - Your Family Counts	\$ 713,076.91	2010-11
Family Support Services	Gena Lewis	\$ 3,000.00	2010-11
Family Support Services	Lucile Packard Children's Hospital - Medical Home Project	\$ 13,500.00	2010-11
Support Strategies	Alameda County Health Care Services Agency - No Wrong Door Fund	\$ 200,000.00	2010-11
Support Strategies	Alameda County Public Health Dept. - Office of Dental Health	\$ 75,000.00	2010-11
Support Strategies	Alameda County Public Health Dept. - Triage & Referral Phone Line	\$ 125,000.00	2010-11
Support Strategies	American Lung Association of California	\$ 105,000.00	2010-11
Support Strategies	Anh Tran	\$ 1,000.00	2010-11
Support Strategies	Asian Community Mental Health Services	\$ 10,000.00	2010-11
Support Strategies	Asian Health Services	\$ 20,000.00	2010-11
Support Strategies	Bananas, Inc. - Child Welfare Worker Training	\$ 20,000.00	2010-11
Support Strategies	Bananas, Inc. - Translation	\$ 1,000.00	2010-11
Support Strategies	Berkeley Unified School District	\$ 18,000.00	2010-11
Support Strategies	Castro Valley Unified School District	\$ 20,000.00	2010-11

Program	Contractor	2010-11 Amount	Term
Support Strategies	Children's Hospital & Research Center at Oakland - CEASE Smoking Project	\$ 29,000.00	2010-11
Support Strategies	Children's Hospital & Research Center at Oakland - Community Consultation	\$ 8,000.00	2010-11
Support Strategies	City of Pleasanton, Parks and Recreation Department	\$ 16,000.00	2010-11
Support Strategies	Emery Unified School District	\$ 11,000.00	2010-11
Support Strategies	Family Resource Network - Family Navigation/Community Support	\$ 181,000.00	2010-11
Support Strategies	Fremont Unified School District	\$ 50,000.00	2010-11
Support Strategies	Hayward Unified School District	\$ 110,000.00	2010-11
Support Strategies	Interactive Parenting Media (Childhood Matters)	\$ 75,000.00	2010-11
Support Strategies	International Contact	\$ 30,000.00	2010-11
Support Strategies	Interpreters Unlimited	\$ 40,000.00	2010-11
Support Strategies	Kelly Winner	\$ 2,000.00	2010-11
Support Strategies	Kidango - ECE Screening Training & Technical Assistance	\$ 75,000.00	2010-11
Support Strategies	Livermore Valley Unified School District	\$ 40,000.00	2010-11
Support Strategies	Oakland Unified School District	\$ 120,000.00	2010-11
Support Strategies	Pacific Interpreters	\$ 3,000.00	2010-11
Support Strategies	San Lorenzo Unified School District	\$ 123,000.00	2010-11
Support Strategies	San San Mynt	\$ 500.00	2010-11
Support Strategies	Shu Fang Hung	\$ 1,000.00	2010-11
Support Strategies	Teresa Matias	\$ 2,500.00	2010-11



To: First 5 Alameda County Commission
From: Patricia Zapanta, Finance and Administration Director
Date: May 27, 2010
Subject: 2009-10 and 2009-11 Contract Authorizations

REQUESTED ACTION

The Commission review and approve the following contract authorizations.

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.

JDCPARTNERSHIPS – \$10,000.00

We are requesting approval of a contract in the amount of \$10,000 with jdcPartnerships to prepare the Child Development Corps AA degree evaluation (2009-13 Strategic Plan, page 10). Principal Jara Dean-Coffey will provide a presentation to the Commission on the results of the evaluation at the June meeting. jdcPartnerships has previously received two contracts, one for developing an early childhood environmental scan in East Oakland and another for planning and facilitating the First 5 Commissioner Strategic Plan retreat. **(The addition of this contract brings the aggregate contract amount to \$34,585 for which Commission approval is needed.)**

FISCAL IMPACT: None. All funds are budgeted.

ACTION REQUESTED: Recommend an aggregate FY 2009-10 contract amount of \$34,585 for jdcPartnerships.

SAN LORENZO UNIFIED SCHOOL DISTRICT - \$7,000

First 5 Alameda County currently funds San Lorenzo Unified School District (SLZUSD) 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 SLZUSD to expand the summer pre-kindergarten program to 5 additional sites bringing the total to 9 sites for the year. Funds will be used for materials, teacher prep time and outreach for the 2010 summer pre-kindergarten program. **(The recommendation of a contract amendment would increase the total contract amount from \$100,000 to \$127,000.00 for which Commission approval is needed.)**

FISCAL IMPACT: None. All funds are budgeted and will be received from the Long Foundation grant.

ACTION REQUESTED: Recommend an increased contract amount of \$127,000.00 for San Lorenzo Unified School District for FY 2009-10.

ALAMEDA COUNTY HEALTH CARE SERVICES AGENCY - \$200,000.00

At the March 20, 2009 meeting, the Commission authorized a sole source contract with Alameda County Health Care Services Agency (AC HCSA) to manage the disbursement of funds for the Children's SART "No Wrong Door" fund. This fund supports assessment and mental health treatment services for children referred to the Children's SART Linkage Line.

First 5 AC partnered with AC HCSA/Behavioral Health Care Services to release a Request for Proposals (RFP) for these services to be provided by existing Medi-Cal Early Periodic Screening Diagnosis & Treatment (EPSDT) 0-5 agencies. BHCS released the RFP on February 26, 2010; the project includes additional EPSDT funding and provides access to "No Wrong Door" funds for uninsured/underinsured children.

We are requesting approval for a sole source contract with Alameda County Health Care Services Agency (AC HCSA) to manage the disbursement of \$200,000 to agencies (2009-13 Strategic Plan, page 13). \$100,000 of these funds are enabled through a federal appropriation for SART. First 5 currently has a FY 2009-11 \$2,723,857.00 contract with AC HCSA for the Special Start program. **(The addition of a \$200,000 contract would bring the aggregate contract amount to \$2,923,857 for which Commission approval is needed.)**

FISCAL IMPACT: None. All funds are budgeted and \$100,000 will be received from the SART federal appropriation.

ACTION REQUESTED: Recommend an aggregate FY 2009-11 contract amount of \$2,923,857 for Alameda County Health Care Services Agency.

LIFELONG MEDICAL CARE – \$80,037

We are requesting approval of a sole source contract in the amount of \$80,037 with Lifelong Medical Care to implement prenatal and pediatric education and medical support through the Centering Pregnancy and Centering Parenting programs, conduct periodic developmental screenings and provide family navigation services for children in the East Oakland Project Launch service area (2009-13 Strategic Plan, page 8). Dr. Howard Daniel, a family practice provider in East Oakland whose office recently became part of the Lifelong Medical Care Clinics serves high risk families and with this funding will be able to expand and provide services based on the Lifelong Medical Care model in Berkeley. Lifelong Medical Care received a community grant extension for \$31,500 which ended in December 2009. **(The addition of this contract brings the aggregate funding amount to \$111,537 for which Commission approval is needed.)**

FISCAL IMPACT: None. All funds are budgeted and will be received from the Project LAUNCH grant.

ACTION REQUESTED: Recommend an aggregate FY 2009-11 contract amount of \$111,537.00 for Lifelong Medical Care.

PATEL & ASSOCIATES - \$32,900

We are requesting approval of a contract with Patel & Associates to conduct the fiscal year 2009-2010 financial audit and Single Federal audit for First 5 Alameda County. First 5 is required to undergo a Single Federal audit due to the receipt of federal funds in excess of \$500,000 for the fiscal year. The cost of the financial audit is \$24,900 and the cost of the Single Federal audit is \$8,000 totaling \$32,900 for which Commission approval is sought.

FISCAL IMPACT: None. All funds are budgeted.

RECOMMENDATION: Recommend a FY 2009-11 contract of \$32,900 for Patel & Associates.

Submitted by:

Reviewed by:

Patricia Zapanta,
Finance and Administration Director

Mark Friedman,
Chief Executive Officer



To: First 5 Alameda County Commission
From: Mark Friedman, Chief Executive Officer
Date: May 27, 2010
Subject: 2010-11 Strategic Plan Update

REQUESTED ACTION

The Commission review and approve the FY 2009-2013 strategic plan as required by Proposition 10 – The California Children and Families Act.

BACKGROUND

Proposition 10 the voter approved initiative that established First 5 Commissions In November of 1998 requires that each county commission review the strategic plan on an annual basis and either modify it or approve it as it is.

At this time, the Commission is in the process of reviewing potential changes for the last two years, FY 2011-2013 of the plan. These potential changes are necessitated by the faster than anticipated decline of tobacco tax allocation. However, any significant changes that are being contemplated will not go into effect until July of 2011 and will cover the period from July 2011 through June of 2013. Therefore we are not seeking any modifications for FY 2010-2011.

FISCAL IMPACT

There is no fiscal impact as the current strategic plan will remain in place.

RECOMMENDATION

The Commission review and approve the current strategic plan with no modifications.

Submitted by:

Reviewed by:

Mark Friedman
 Chief Executive Officer

Janis Burger
 Deputy Director



To: First 5 Alameda Commission
From: Patricia Zapanta, Director, Finance & Administration
Date: May 27, 2010
Subject: ACERA 401(h) Account Authorization

ACTION REQUESTED

The Commission review and approve the resolution to fund the ACERA 401(h) account with the purpose of providing tax free health benefits to retirees.

BACKGROUND

In order for the Alameda County Employees Retirement Association (ACERA) to provide tax-free health benefits to its retirees, it is required that participating agencies such as First 5 Alameda County establish and pay post retirement benefits through a 401(h) account. In 2007-08, the Commission authorized the establishment of such an account.

The 401(h) account, also called the Advance Reserve Account, is funded by a portion of regular First 5 retirement contributions. First 5 contributions are then supplemented by the Supplemental Retiree Benefits Reserve (SRBR) in the amount of the 401(h) contribution. The effect is a no-cost transaction.

For 2010-11 (and every year), it is required that the participating member agencies of ACERA authorize the required contributions to the account. The required contribution is determined by ACERA's actuary, The Segal Company, and is calculated based on the number of retirees receiving benefits in 2010-11. First 5 Alameda County currently has one retiree receiving benefits. Based on the actuary, First 5's contribution for 2010-11 is \$9,527.23. The contribution per pay period is \$366.43 beginning with pay period 10-14.

RESOLUTION

ALAMEDA COUNTY CHILDREN'S AND FAMILIES COMMISSION
 RESOLUTION APPROVING 401(h) ACCOUNT
 PURSUANT TO SECTION 31592

WHEREAS, in 1996, the Alameda County Employee's Retirement Association ("ACERA") Board of Retirement informed the Board of Supervisors that by adoption of Resolution No. 96-111, the Board of Retirement had established a health benefits account intended to satisfy the requirements of Internal Revenue Code ("IRC") Section 401(h) and the regulations thereunder (the "401(h) Account") in order to provide non-vested, tax-free health benefits to eligible County and Participating Employer retirees (collectively, the "Retirees"); and

WHEREAS, in 1996, this Board of Supervisors adopted Resolution No. R-96-634, which provided that ACERA could offer such non-taxable benefits if the County designated a portion of its contribution to ACERA for a fiscal year as a contribution to the 401(h) Account, and

WHEREAS, under Section 31592.4 and Article 5.5 of the County Employees Retirement Law of 1937 ("CERL"), assets in the Supplemental Retiree Benefit Reserves (the "SRBR") at the end of a fiscal year of ACERA may, in the immediately succeeding fiscal year, be transferred to the Advance Reserves of the Participating Employers, and treated as a contribution to ACERA by the County and as applicable by other Participating Employers to the extent that in the immediately succeeding fiscal year the County and other Participating Employers make contributions to ACERA's 401(h) Account in order to pay for retiree health benefits; and

WHEREAS, Section 31592.4 and Article 5.5 of the CERL thus permit the Participating Employers to contribute to a 401(h) Account and pay for retiree health benefits for a fiscal year without increasing the First 5 Alameda County's total contributions to ACERA for that fiscal year; and

WHEREAS, commencing with the 1996-1997 fiscal year, and for each fiscal year thereafter, the County has directed that a specified portion of its fiscal year contribution to ACERA for that year be contributed to the 401(h) Account; and

WHEREAS, in 2007 First 5 Alameda County authorized ACERA to establish and manage a 401(h) sub-account on its behalf to provide tax free health care for its retirees.

NOW THEREFORE, IT IS RESOLVED AS FOLLOWS:

1. In fiscal year July 1, 2010 – June 30, 2011, First 5 Alameda County shall contribute to ACERA \$9,527.23 to be used only for the paying of retiree medical health benefits. This contribution shall be made on the terms and conditions set forth in the Agreement between First 5 Alameda County and ACERA concerning such contributions, executed on June 28, 2007.

2. This contribution shall be designated, in writing, as being only for First 5 Alameda County's IRC § 401(h) Account, and such designation shall be made at the time of contribution.
3. Such contribution is contingent on the Board of Retirement immediately transferring, in accordance with Government Code §31592.4, an amount equal to such contribution from ACERA's SRBR account to First 5 Alameda County's advance reserve account. Such amount shall be treated as a contribution for pension and therefore shall be applied to reduce the pension contribution otherwise required by First 5 Alameda County for the fiscal year beginning July 1, 2010.
4. No party, including any existing or future First 5 Alameda County employee, retiree, spouse or dependent, shall have any vested rights, contractual rights or other rights in or to any retiree medical benefits or payment or subsidy for any such benefits nor shall any such person or ACERA have any such rights to have First 5 Alameda County contribute towards paying or subsidizing the cost of any retiree medical benefits provided by ACERA under the 401(h) Account or otherwise. First 5 Alameda County may modify or terminate, at any time and without any limitation, its decision to contribute to First 5's 401(h) Account. This modification or termination may occur even if it may affect any employee first hired prior to the date of such modification, any person who retired prior to such date, and/or any person who became a spouse or dependent of an employee or retiree prior to such date.
5. All contributions by First 5 Alameda County to its 401(h) sub-account shall be governed by requirements of the Internal Revenue Code and all administrative and other applicable rules established by ACERA governing such sub-account and ACERA's 401(h) Account.

FISCAL IMPACT

There is no fiscal impact.

Submitted by:

Reviewed by:

Patricia Zapanta, Director,
Finance & Administration

Mark Friedman, Chief Executive Officer



To: First 5 Alameda County Commission
From: Patricia Zapanta, Finance and Administration Director
Date: May 27, 2010
Subject: Financial Report for July 1, 2009 – March 31, 2010

REQUESTED ACTION

The Commission review and approve the Financial Report for the first nine months of FY 2009-10.

BACKGROUND

The following is a narrative report of Revenue and Expenses for the period of July 1, 2009 – March 31, 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 75% of the budget projection.

Revenue

As of March 31, revenue was \$12,078,990, or 58.6% 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 63.7% of the budget.

- First, the receipt of the monthly tobacco tax allocation is two months in arrears. \$8,444,582 was received for the first seven months of the year, representing 60.3% of the budget projection. If the trend of the first seven months of tobacco tax revenue continues, the tobacco tax allocation at year end will be \$14,148,308. 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 \$124,805 has been received so far.

- As of March 31, \$67,984 has been received for the Early Care and Education higher education federal appropriation 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 March 31 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 \$791,907 or 70.4% 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 \$60,032 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 \$15,200,644, which is 55.11% 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 \$15,452,026 on a total budget of \$28,037,554, or 55.11% spent.

In most line items, the percentage spent is under 75% except for one line item which is Grants. Grant funds are slightly over spent at 76.44% primarily due to the timing of the

payment schedules of the 2007-09 and 2009-11 grant cycles of the Community Grants Initiative program.

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.

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

The Commission review and approve the Financial Report for the first nine months of FY 2009-10.

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 - March 31, 2010

Revenues	Budget	Actual	Variance	Percentage Received
Prop 10 Tobacco Tax	14,000,000	8,444,582	(5,555,418)	60.3% A
Income from Alameda Co. Agencies	2,225,983	124,805	(2,101,178)	5.6% B
Grants				
Federal	597,554	67,984	(529,570)	11.4% C
State	2,179,686	2,179,686	0	100.0% D
	2,777,240	2,247,670	(529,570)	80.9%
Fiscal Leveraging				
Medi-Cal Administrative Activities (MAA)	350,000	384,491	34,491	109.9%
Title IV-E Child Welfare Education	0	14,299	14,299	0.0%
	350,000	398,791	48,791	113.9% E
Investment Revenue	1,125,000	791,907	(333,093)	70.4%
Other Sources	120,568	60,032	(60,536)	49.8% F
Miscellaneous Income	0	11,203	11,203	0.0%
Total Revenues	20,598,791	12,078,990	(8,519,801)	58.6%

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

TOTAL REVENUES & AVAILABLE FUNDS	27,581,298	12,078,990	(15,432,308)	43.8%
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Notes:

- A - Tobacco tax revenues received include allocations up to January 2010.
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 - March 31, 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		
Personnel																
Personnel	378,514	253,457	853,735	492,505	352,061	246,798	718,705	394,887	631,534	426,429	958,772	577,798	3,893,320	2,391,873	1,501,447	61.44%
Service Delivery Personnel	1,267,200	826,028	0	0	0	0	0	0	0	0	0	0	1,267,200	826,028	441,172	65.19%
Benefits	822,857	531,200	404,712	232,481	176,030	90,442	335,703	140,019	315,767	187,617	472,386	248,814	2,527,455	1,430,574	1,096,880	56.60%
Sub-total Personnel	2,468,572	1,610,686	1,258,447	724,986	528,091	337,240	1,054,408	534,906	947,300	614,046	1,431,157	826,612	7,687,975	4,648,476	3,039,499	60.46%
Program Contracts/Grants/MOUs																
Contracts	5,584,738	3,398,605	3,976,636	1,670,188	114,718	86,170	3,375,022	1,039,926	294,388	117,196	33,400	19,858	13,378,902	6,331,942	7,046,960	47.33%
Grants		185	1,470,740	893,981	2,600,000	2,217,451	0	0	0	0	0	0	4,070,740	3,111,617	959,123	76.44%
Professional Services Contracts	28,664	(2,625)	65,854	0	100,000	39,039	228,090	28,352	5,000	0	7,000	0	434,608	64,766	369,842	14.90%
Sub-total Program Contracts/ Grants/MOUs	5,613,402	3,396,165	5,513,230	2,564,168	2,814,718	2,342,660	3,603,112	1,068,278	299,388	117,196	40,400	19,858	17,884,250	9,508,325	8,375,925	53.17%
Training Expenses																
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	12,606	8,150	3,528	7,000	4,240	72,250	9,757	1,500	1,039	8,500	1,952	114,900	33,123	81,777	28.83%
Honoraria	7,500	2,550	4,000	1,226	1,000	0	43,480	15,913	500	0	0	0	56,480	19,688	36,792	34.86%
Postage	2,850	654	6,550	2,317	1,000	878	4,030	355	2,900	357	3,300	1,092	20,630	5,652	14,978	27.40%
Professional Services	43,500	350	0	0	500	800	53,500	8,148	1,500	450	11,000	4,000	110,000	13,748	96,252	12.50%
Space Rental	1,000	(200)	3,700	0	1,000	500	2,250	716	0	0	1,000	148	8,950	1,164	7,786	13.01%
Supplies	56,000	21,558	58,600	27,702	5,000	9,856	188,650	52,572	12,600	8,855	58,700	30,502	379,550	151,046	228,504	39.80%
Travel	23,700	12,812	9,000	4,554	3,000	281	34,900	6,096	9,500	302	1,500	373	81,600	24,420	57,180	29.93%
Staff Development/Training	12,775	5,990	6,500	3,895	2,000	1,899	4,000	807	4,500	2,100	6,000	5,094	35,775	19,784	15,991	55.30%
Sub-total Training Expenses	206,225	74,177	113,800	43,222	22,500	18,639	432,460	100,171	34,900	13,102	92,250	43,162	902,135	292,473	609,662	32.42%
General Expenses																
Communications	17,894	5,935	9,880	1,598	3,272	187	5,818	2,025	2,836	534	3,782	12,944	43,482	23,224	20,258	53.41%
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	1,716	10,261	0	5,397	0	6,904	0	2,093	0	2,794	26,009	40,567	26,009	14,558	64.11%
Equipment Purchase	8,187	0	6,351	0	3,340	0	24,274	1,272	1,296	0	11,728	4,096	55,176	5,368	49,808	9.73%
Insurance	26,069	0	20,320	0	10,688	0	13,672	0	4,144	0	5,528	52,348	80,421	52,348	28,073	65.09%
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	160	1,523	216	1,307	14.15%
Professional Services	65,638	867	51,816	83	27,254	604	34,865	0	10,567	0	14,096	149,209	204,236	150,763	53,473	73.82%
Space Rental	94,402	78,420	60,139	47,592	25,030	19,808	300,818	234,921	42,120	33,744	113,521	65,982	636,030	480,466	155,563	75.54%
Travel	0	0	0	0	0	0	0	0	0	0	4,000	2,400	4,000	2,400	1,600	60.00%
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	(4,571)	0	(4,571)	4,571	-100.00%
Sub-total General Expenses	239,186	86,945	169,563	49,273	80,659	20,614	393,614	238,246	65,259	34,284	158,658	322,008	1,106,939	749,654	357,285	67.72%
TOTAL	8,527,385	5,167,973	7,055,040	3,381,649	3,445,968	2,719,153	5,483,593	1,941,601	1,346,847	778,629	1,722,465	1,211,640	27,581,298	15,200,644	12,380,654	55.11%



To: First 5 Alameda County Commission
From: Patricia Zapanta, Finance and Administration Director
Date: May 27, 2010
Subject: Investment Report
July 1, 2009 – March 31, 2010

REQUESTED ACTION

The Commission review and approve the Investment report.

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 March 31, 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 nine months of 2009-10, the market value of the portfolio was \$41,325,167, an increase of \$1,041,267.

On May 7th, the stock market took a record plunge to almost 1,000 points and then recovered in a matter of minutes. Many experts have attributed this to investors' skepticism of Europe's efforts to contain the current debt crisis sweeping over southern European nations like Greece and Portugal as well computerized program trading glitch. Investors fear that this crisis could ripple through the global financial system, much as the meltdown in subprime mortgages did in 2007. This extreme volatility reiterates the importance of selecting and maintaining a long-term investment approach combined with stringent risk management.

A Goldman Sachs note, which was deemed questionable and was held by Cutwater, was sold recently with a gain of \$554.

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 less 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 nine months (July 1, 2009 – March 31, 2010) of the money managers' investment earnings (\$1,203,216) 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 \$791,907.

Investment Fees

Fees include nine 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 \$38,411.

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 gain on disposal of \$4,521 compared with last year's position at this time of

the fiscal year. In comparison, we reported \$226,302 net gain on disposal of our assets at the end of March 31, 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 (2.830% and 3.610%, respectively) have significantly exceeded the LAIF benchmark (.560%) as of March 31, 2010.

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

FISCAL IMPACT

The total investment earnings at the end of March 2010 are \$791,907.

REQUESTED ACTION

The Commission review and approve the Investment report.

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 - March 31, 2010**

	<u>Union Bank</u>	<u>Cutwater Asset Management</u>	<u>Chandler Asset Management</u>	<u>Total</u>
INVESTMENT INCOME:				
Interest Received	0	719,511	483,705	1,203,216
Income from Alameda County Treasurer				26,593
Reversal of 2008-09 Accrual				(437,901)
Total Investment Earnings				<u>791,907</u>
Investment Fees Paid	4,533	18,115	15,763	38,411
Net Investment Income (Net of Fees)				<u>830,318</u>
INVESTMENT ACTIVITY:				
Portfolios at 7/01/09		22,779,375	16,815,211	39,594,586
Purchases		15,282,236	4,625,767	19,908,003
Sales		(2,115,907)	(2,392,903)	(4,508,809)
Maturities		(5,524,363)	(1,520,678)	(7,045,041)
Full Call		(6,020,005)	0	(6,020,005)
Principal Pay Down		0	(26,217)	(26,217)
Gain (Loss) on Disposal		(22,260)	26,781	4,521
Net Cash Management		(905,024)	(219,935)	(1,124,958)
Portfolios at 3/31/10		<u>23,474,052</u>	<u>17,308,026</u>	<u>40,782,078</u>
COST VS. MARKET VALUE:				
Portfolios at Market 3/31/10		23,754,550	17,570,617	41,325,167
Portfolios at Cost 3/31/10		23,474,052	17,308,026	40,782,078
Unrealized Gain (Loss) at 3/31/10		<u>280,499</u>	<u>262,591</u>	<u>543,090</u>
YIELD AND BENCHMARKS:				
Cutwater Asset Management (current yield)				2.830%
Chandler Asset Management (current yield)				3.610%
Local Agency Investment Fund (LAIF) as of 3/31/10				0.560%
1-5 Government Index (total rate of return)				1.650%
Alameda County Treasurer (net of fees) as of 12/31/09				0.840%

**First 5 Alameda County
Investment Holdings
As of March 31, 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&P Rating</u>	<u>Moody's Rating</u>
Chandler	BELLSOUTH CORP NT 5.200% 9/15/14	160,000.0000	\$174,262.40	\$172,392.00	Corporate Obligations	A	A2
Chandler	BERKSHIRE HATH 3.200% 2/11/15	220,000.0000	\$219,817.40	\$221,878.80	Corporate Obligations	AA+	AA2
Chandler	BK OF AMERICA BDS 3.125% 6/15/12	335,000.0000	\$347,518.95	\$348,105.20	Corporate Obligations	AAA	AAA
Chandler	BK OF N Y MELLON NTS 4.300% 5/15/14	225,000.0000	\$236,775.25	\$236,855.25	Corporate Obligations	AA-	AA2
Cutwater	BOFA CORP NTS 7.400% 1/15/11	300,000.0000	\$321,864.00	\$313,920.00	Corporate Obligations	A-	A3
Chandler	CHEVRON CORP NTS 3.950% 3/03/14	245,000.0000	\$257,797.75	\$255,865.75	Corporate Obligations	AA	AA1
Cutwater	FFCB BDS 0.950% 10/26/11	1,250,000.0000	\$1,250,000.00	\$1,250,387.50	Government Obligations		
Chandler	FFCB BDS 3.000% 9/22/14	430,000.0000	\$439,698.90	\$436,450.00	Government Obligations		
Cutwater	FFCB BDS 3.150% 5/19/11	1,000,000.0000	\$1,035,960.00	\$1,028,130.00	Government Obligations	AAA	AAA
Chandler	FFCB BDS 4.500% 10/17/12	150,000.0000	\$154,407.00	\$160,921.50	Government Obligations	AAA	AAA
Chandler	FFCB BDS 4.875% 2/18/11	75,000.0000	\$80,004.22	\$77,835.75	Government Obligations	AAA	AAA
Cutwater	FFCB BDS 4.875% 4/04/12	1,000,000.0000	\$1,027,780.00	\$1,072,810.00	Government Obligations	AAA	AAA
Cutwater	FFCB BDS 5.000% 8/16/10	1,000,000.0000	\$1,033,580.00	\$1,017,810.00	Government Obligations	AAA	AAA
Chandler	FFCB BDS 5.375% 7/18/11	450,000.0000	\$488,335.95	\$476,860.50	Government Obligations	AAA	AAA
Cutwater	FFCB GLBL BDS 2.000% 1/17/12	1,000,000.0000	\$1,003,310.00	\$1,016,880.00	Government Obligations	AAA	AAA
Chandler	FHLB 3.875% 6/14/13	250,000.0000	\$247,290.00	\$265,157.50	Government Obligations	AAA	AAA
Cutwater	FHLB BDS 1.125% 6/03/11	1,000,000.0000	\$992,656.20	\$1,005,310.00	Government Obligations	AAA	AAA
Cutwater	FHLB BDS 2.000% 7/27/12	1,000,000.0000	\$1,000,000.00	\$1,004,060.00	Government Obligations		
Cutwater	FHLB BDS 3.250% 3/11/11	2,000,000.0000	\$2,001,040.00	\$2,050,000.00	Government Obligations	AAA	AAA
Chandler	FHLB BDS 3.625% 5/29/13	350,000.0000	\$342,595.40	\$370,125.00	Government Obligations	AAA	AAA
Chandler	FHLB BDS 3.625% 10/18/13	175,000.0000	\$184,985.33	\$184,843.75	Government Obligations	AAA	AAA
Chandler	FHLB BDS 4.625% 2/18/11	500,000.0000	\$531,331.00	\$517,815.00	Government Obligations	AAA	AAA
Chandler	FHLB BDS 4.875% 11/18/11	325,000.0000	\$350,857.65	\$345,413.25	Government Obligations	AAA	AAA
Cutwater	FHLB BDS S/U 1.000% 1/15/13	1,000,000.0000	\$1,000,000.00	\$1,000,000.00	Government Obligations		
Cutwater	FHLB BDS S/U 1.500% 8/24/12	500,000.0000	\$500,000.00	\$501,405.00	Government Obligations		
Chandler	FHLMC 4.500% 7/15/13	675,000.0000	\$711,770.50	\$730,053.00	Government Obligations	AAA	AAA
Cutwater	FHLMC MTN 1.875% 10/15/12	1,000,000.0000	\$1,000,820.00	\$1,004,740.00	Government Obligations	AAA	AAA
Cutwater	FHLMC MTN S/U 1.750% 1/29/15	1,000,000.0000	\$999,250.00	\$1,003,970.00	Government Obligations	AAA	AAA
Chandler	FHLMC NTS 2.500% 1/07/14	600,000.0000	\$593,947.20	\$606,954.00	Government Obligations	AAA	AAA
Chandler	FHLMC NTS 3.000% 7/28/14	425,000.0000	\$430,793.08	\$434,430.75	Government Obligations	AAA	AAA
Chandler	FHLMC NTS 3.250% 2/25/11	150,000.0000	\$151,762.50	\$153,421.50	Government Obligations	AAA	AAA
Chandler	FHLMC NTS 4.500% 1/15/13	250,000.0000	\$254,817.16	\$269,140.00	Government Obligations	AAA	AAA
Chandler	FHLMC NTS 4.750% 3/05/12	275,000.0000	\$298,979.45	\$293,906.25	Government Obligations	AAA	AAA
Chandler	FHLMC NTS 5.125% 4/18/11	200,000.0000	\$210,335.20	\$209,438.00	Government Obligations	AAA	AAA
Cutwater	FHLMC NTS S/U 2.000% 4/01/14	1,000,000.0000	\$990,000.00	\$1,000,000.00	Government Obligations	AAA	AAA
Chandler	FNMA NOTES 3.875% 7/12/13	425,000.0000	\$427,212.95	\$452,493.25	Government Obligations	AAA	AAA
Cutwater	FNMA NTS 1.850% 3/25/13	500,000.0000	\$499,330.00	\$497,815.00	Government Obligations	AAA	AAA
Chandler	FNMA NTS 2.500% 5/15/14	450,000.0000	\$442,457.55	\$452,533.50	Government Obligations	AAA	AAA
Chandler	FNMA NTS 2.875% 12/11/13	550,000.0000	\$554,188.25	\$563,920.50	Government Obligations	AAA	AAA
Chandler	FNMA NTS 3.625% 2/12/13	150,000.0000	\$148,160.85	\$158,109.00	Government Obligations	AAA	AAA
Chandler	FNMA NTS 3.625% 8/15/11	400,000.0000	\$419,114.80	\$415,376.00	Government Obligations	AAA	AAA
Chandler	FNMA NTS 5.000% 2/16/12	150,000.0000	\$163,994.25	\$160,641.00	Government Obligations	AAA	AAA

**First 5 Alameda County
Investment Holdings
As of March 31, 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&P Rating</u>	<u>Moody's Rating</u>
Chandler	FNMA NTS 6.000% 5/15/11	235,000.0000	\$241,803.25	\$249,172.85	Government Obligations	AAA	AAA
Cutwater	FNMA NTS 6.000% 5/15/11	850,000.0000	\$895,636.50	\$901,263.50	Government Obligations	AAA	AAA
Cutwater	FNMA NTS S/U 1.000% 1/29/13	750,000.0000	\$750,000.00	\$750,000.00	Government Obligations		
Cutwater	FNMA NTS S/U 2.000% 1/15/15	1,000,000.0000	\$1,000,000.00	\$1,003,440.00	Government Obligations		
Cutwater	G E CAP CORP MTN 5.250% 10/19/12	1,000,000.0000	\$1,029,100.00	\$1,073,540.00	Corporate Obligations	AA+	AA2
Chandler	GECC FDIC TLGP 2.125% 12/21/12	520,000.0000	\$520,494.00	\$526,801.60	Corporate Obligations	AAA	AAA
Chandler	GECC NTS 5.900% 5/13/14	240,000.0000	\$254,571.10	\$264,060.00	Corporate Obligations	AA+	AA2
Chandler	GENL DYNAMICS CORP 4.500% 8/15/10	160,000.0000	\$163,561.60	\$162,264.00	Corporate Obligations	A	A2
Chandler	GNR 2004-61-VA 5.000% 5/16/10	4,360.7800	\$4,308.99	\$4,366.27	Government Obligations	N/A	N/A
Cutwater	GOLDMAN SACHS 6.875% 1/15/11	120,000.0000	\$125,967.60	\$125,625.60	Corporate Obligations	A	A1
Chandler	GOLDMAN SACHS GR BDS 3.250% 6/15/12	490,000.0000	\$498,407.98	\$510,923.00	Corporate Obligations	AAA	AAA
Chandler	GOLDMAN SACHS GR NTS 6.000% 5/01/14	165,000.0000	\$181,843.20	\$180,671.70	Corporate Obligations	A	A1
Chandler	HEWLETT PACKARD CO 4.750% 6/02/14	160,000.0000	\$173,243.30	\$172,740.80	Corporate Obligations	A	A2
Chandler	HIGHMARK 100% US TREASURY MONEY MKT	360,798.2000	\$360,798.20	\$360,798.20	Cash & Cash Equivalents		
Cutwater	HIGHMARK 100% US TREASURY MONEY MKT	205,168.3400	\$205,168.34	\$205,168.34	Cash & Cash Equivalents		
Chandler	IBM CORP 2.100% 5/06/13	170,000.0000	\$171,132.20	\$171,188.30	Corporate Obligations	A+	A1
Chandler	JPMORGAN CHASE & CO 2.125% 12/26/12	515,000.0000	\$507,922.36	\$522,328.45	Corporate Obligations	AAA	AAA
Chandler	JPMORGAN CHASE SR NT 3.700% 1/20/15	175,000.0000	\$176,967.10	\$176,078.00	Corporate Obligations	A+	AA3
Cutwater	NATL CTY BK KEN NTS 6.300% 2/15/11	125,000.0000	\$128,517.50	\$128,471.25	Corporate Obligations	A	A2
Chandler	NORTHERN TR NTS 4.625% 5/01/14	165,000.0000	\$178,330.35	\$175,482.45	Corporate Obligations	AA-	A1
Chandler	PHILLIPS PETE 8.750% 5/25/10	145,000.0000	\$159,990.10	\$146,700.85	Corporate Obligations	A	A1
Chandler	PNC FDG CORP NTS 2.300% 6/22/12	515,000.0000	\$523,018.55	\$526,685.35	Corporate Obligations	AAA	AAA
Chandler	PROCTER & GAMBLE SR 4.600% 1/15/14	165,000.0000	\$178,399.65	\$177,280.95	Corporate Obligations	AA-	AA3
Chandler	TENN VY AUTH SER A 6.790% 5/23/12	475,000.0000	\$517,656.75	\$529,463.50	Government Obligations	AAA	AAA
Chandler	TVA SER C 4.750% 8/01/13	600,000.0000	\$638,422.85	\$651,936.00	Government Obligations	AAA	AAA
Chandler	U S TREAS NTS 3.375% 11/30/12	450,000.0000	\$451,371.09	\$473,661.00	Government Obligations	AAA	AAA
Chandler	U S TREAS NTS 4.750% 3/31/11	200,000.0000	\$197,492.19	\$208,540.00	Government Obligations	AAA	AAA
Cutwater	U S TREAS NTS 4.750% 3/31/11	1,370,000.0000	\$1,358,147.67	\$1,428,499.00	Government Obligations	AAA	AAA
Chandler	US BANCORP MTN 2.250% 3/13/12	510,000.0000	\$516,846.75	\$519,659.40	Corporate Obligations	AAA	AAA
Cutwater	US TREAS NTS 0.875% 2/29/12	500,000.0000	\$499,218.75	\$498,965.00	Government Obligations	AAA	AAA
Cutwater	US TREAS NTS 1.000% 7/31/11	750,000.0000	\$746,894.53	\$753,870.00	Government Obligations	AAA	AAA
Cutwater	US TREAS NTS 1.375% 3/15/13	500,000.0000	\$498,125.00	\$497,070.00	Government Obligations	AAA	AAA
Chandler	US TREAS NTS 2.500% 3/31/13	100,000.0000	\$102,523.77	\$102,742.00	Government Obligations	AAA	AAA
Chandler	US TREAS NTS 4.375% 12/15/10	75,000.0000	\$77,604.49	\$77,141.25	Government Obligations	AAA	AAA
Chandler	US TREAS NTS 4.500% 4/30/12	300,000.0000	\$298,804.69	\$321,375.00	Government Obligations	AAA	AAA
Chandler	US TREAS NTS 4.750% 5/31/12	400,000.0000	\$395,937.51	\$431,156.00	Government Obligations	AAA	AAA
Cutwater	US TREAS NTS 4.875% 7/31/11	550,000.0000	\$556,412.10	\$581,130.00	Government Obligations	AAA	AAA
Cutwater	US TREAS NTS 5.000% 2/15/11	1,000,000.0000	\$1,025,273.44	\$1,040,270.00	Government Obligations	AAA	AAA
Chandler	WAL-MART STORES 4.125% 7/01/10	250,000.0000	\$252,412.50	\$251,797.50	Corporate Obligations	AA	AA2
Chandler	WELLS FARGO & CO 2.125% 6/15/12	515,000.0000	\$518,866.62	\$522,936.15	Corporate Obligations	AAA	AAA
Chandler	WELLS FARGO BK SUB 4.750% 2/09/15	175,000.0000	\$182,084.00	\$181,730.50	Corporate Obligations	AA-	AA3
Total Holdings			\$40,782,077.71	\$41,325,167.26			