

MEETING DATE:
March 28, 2024 1:15pm



Facilitator: Eric Harrold

FINANCIAL PLANNING COMMITTEE MEETING AGENDA

This is an In Person Meeting for Committee Members

2750 Gateway Oaks Drive, Suite 330

Sacramento, CA 95833

Commission Members: Beth Hassett (Chair), Aiyana Evans, Scott Moak

Advisory Committee Members: Walter Wyniarczuk, Silvia Rodriguez (Vice-Chair)

1. Call to Order/Roll Call
2. Public Comments on Off-Agenda Items
3. Approve Draft Action Summary of January 25, 2024
4. Public Hearing: Review and Approval of the FY 2024-25 Recommended Budget and Ten-Year Financial Plan
5. Committee Member Comments

Community/Public May Join By Zoom:

<https://saccounty-net.zoomgov.com/j/1607991233?pwd=OFBOekxoaTI5Tk5bU5RV1EweXVJUT09>

Meeting ID: 160 799 1233

Passcode: 342953

Phone in: 1-669-900-6833

Using the same meeting id and password as above.

FIRST 5 SACRAMENTO COMMISSION
2750 Gateway Oaks Dr., Suite 330
Sacramento, CA 95833

FINANCIAL PLANNING COMMITTEE

DRAFT ACTION SUMMARY

Thursday, January 25, 2024 – 1:30 PM

Members Present: Beth Hassett (Chair) Scott Moak

Advisory Committee Members Present: Robin Blanks-Guster (Alternate) Walter Wyniarczuk

Staff Present: Julie, Gallelo, Eric Harrold, Stephanie Wills, Troy Coronado;

Absent: Silvia Rodriguez (Vice-Chair)

1. Welcome/Call to order and Roll Call
Action: The meeting was called to order at 1:37pm. Quorum was established.
2. Public Comments on Off-Agenda Items
Action: None
3. Approve Draft Action Summary of October 26, 2023
Motion moved by Walter Wyniarczuk; 2nd by Scott Moak
Action: AYES: Hassett, Moak, Wyniarczuk, Blanks-Guster
4. Nominate and Elect Chair and Vice Chair
Beth Hassett was nominated and elected as Chair. Silvia Rodriguez was nominated and elected as Vice Chair.
Motion moved by Robin Blanks-Guster; 2nd by Scott Moak
Action: AYES: Hassett, Moak, Wyniarczuk, Blanks-Guster
5. Receive Staff Updates
Eric Harrold gave an update on First 5 Staff including:
Stephanie Wills being promoted to ASO 2, replacing Katie Cline.
Sheng Yang is our newest ASO 1, she will be supporting new and leveraged funding.
Elena Enriquez is our newest Sr. Office Assistant she will be supporting the MAA claiming and Evaluation.
6. Review and Comment on Quarterly Financial Statements
Action: Members reviewed Quarterly Financial Statements

7. Committee Member Comments
Action: None

Adjourned:2:11PM

Respectfully submitted,

Stephanie Wills, Clerk
First 5 Sacramento Commission

**FIRST 5
Sacramento Commission**

For the Agenda of:
April 8, 2024

To: Commission Members

From: Julie Gallelo, Executive Director

Subject: Public Hearing: Approval of the Fiscal Year 2024-25
Recommended Budget and Ten-Year Financial Plan

Contact: Eric Harrold, Chief of Administration 876-5868

RECOMMENDATIONS:

Approve the Fiscal Year (FY) 2024-25 Recommended Budget and Ten-Year Financial Plan.

BACKGROUND:

Sacramento County Code Section 2.99.130, First 5 Sacramento Commission Budget, states "The Commission's proposed budget for any fiscal year shall be submitted to the County for review and comment prior to its adoption by the Commission." The FY 2024-25 Recommended Budget package was submitted to the County Executive's Office on February 26, 2024, for review and comment.

FY 2024-25 is the first year of the Commission's 2024 Strategic and Implementation Plans. The three-year strategic plan reflects the Commission's priorities, goals, strategies, outcomes, and investments. The implementation plan provides detail to the strategic plan by estimating expenditures for administration, evaluation, and program costs including direct service contracts. While overall funding was not reduced for the new strategic plan, funding was reduced for direct service contracts by an average of \$333 thousand annually with a total of \$11.6 available each year for community based organization (CBO) contracts. The reduction was necessary for increased operational costs and new staff positions working to support leveraged grants. The 2024 Strategic Plan funds the Commission's priorities with allocations available for CBO contracts as follows:

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2024 Priorities	2024 Outcomes	2024 Goals	FY 24-25 Allocation
Racial Equity	Racial Equity, Diversity, Inclusion and Cultural Responsiveness (REDI+CR) is strong across all priority areas F5 Sac has invested in underserved communities	<ol style="list-style-type: none"> 1. Update, implement, and evaluate First 5 Sacramento’s REDI+CR Plan 2. Build capacity of non-traditional partners/smaller community-based organizations 3. Fund new and non-traditional partners to effectively address community-led plans to support young children and families 	\$1,746,494
Health & Well-Being	<p>Children are born healthy and achieve optimal physical and mental well-being</p> <p>Children’s basic needs are met so they can reach optimal development</p>	<ol style="list-style-type: none"> 1. Increase whole-child and family-centered services to support the well-being and safety of children and fortify family strengths 2. Reduce perinatal health disparities for parents and infants through culturally responsive programs and services 3. Strengthen children’s social-emotional development and increase early detection of developmental and behavioral health concerns among infants and toddlers while improving access to early intervention services. 	\$8,499,606
Child Care Quality Support	Children are connected to affordable, quality child care and early learning	<ol style="list-style-type: none"> 1. Ensure coordinated county-wide effort that effectively advocates for the prioritized needs of the child care community 2. Increase providers’ access to and engagement with quality child care supports 	\$582,165

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Parent Partnership	Parent/caregiver expertise is lifted up across all priority areas	<ol style="list-style-type: none"> 1. Cultivate parent/caregiver leadership in Sacramento County 2. Allow parents to have decision-making power within First 5 Sacramento's programs, policies, and practices 	\$349,299
Systems Improvement	<p>Leveraged dollars support children prenatal through age 5 and their families</p> <p>Systems serving children prenatal through age 5 and their families are integrated, interconnected, equitable, and accessible</p> <p>Advocacy and systems change work has improved the lives of children and families</p>	<ol style="list-style-type: none"> 1. Build public will and leverage resources in support of children's well-being and development 2. Develop integrated and coordinated services between public agencies and community-based organizations 3. Advocate for systems improvements 4. Increase utilization of medical, dental, and mental health service 	\$465,732
Total			\$11,643,296

The Commission considers other actions to augment the strategic plan and enhance services. These actions help sustain or add value to program services and are responsible for \$7.1 million in revenue for FY 24-25. Leveraged grants include funding for home visiting, parent leadership training, safe sleep baby, and building strong families.

The FY 2024-25 Recommended Budget follows the direction provided in the 2024 Implementation Plan, as well as separate Commission actions.

DISCUSSION:

(Attachment 1 – Budget Highlights)

The FY 2024-25 Recommended Budget includes \$22.1 million in total appropriations. These are financed by \$18.5 million in revenues, a \$1 million carryover fund balance, and a reserve fund release of \$2.6 million.

The Recommended Budget reflects a \$415,818 (1.8%) decrease in total appropriations, a \$284,144 (1.6%) increase in revenues, and a decrease of \$364,691 (12.3%) release of reserves from the prior year Adopted Budget.

Prior Year Variances (FY 23-24 vs. FY 24-25)

Expenditures:

\$(415,818) Net decrease to expenditures including:

- \$98,034 • Increase in Salary and Benefits to include a 3% cost of living adjustment, vacation buy back, auto allowance, and two vacancies that filled at higher steps.
- \$59,687 • Increase to allocated costs provided by “seller” departments.
- \$(573,539) • Offset decrease to direct service contracts as approved in the 2024 Implementation Plan and other actions approved by the Commission in leveraged funding grants. Contracts are currently being negotiated or in the RFP process and, therefore, staff can only compare total amounts at this time.

Revenues:

\$284,144 Net increase to revenues including:

- \$687,022 • Increase to Proposition 10 as a result of the State's revised projections that include the CECET excise tax and increases in Sacramento's birthrate, which determines the distribution rate among the counties.
- \$(65,923) • Reduction to Medi-Cal Administrative Activities (MAA) to acknowledge declining claims as certain new grant funds are not certified public expenditures and ineligible for reimbursement.
- (144,277) • Reduction to Refugee Family Support as current contract is ending.
- (203,800) • Reduction to Parent Partnership leveraged grant.
- \$11,122 • Net changes to Interest and other operating grants.

Reserve Balance

Ten-Year Financial Plan

The Ten-Year Financial Plan (Attachment 2) reflects the funding level set by the 2024 Implementation Plan approved by the Commission. The plan includes the latest Proposition 10 estimates provided by the California Department of Finance. Proposition 10 revenues were revised higher due to an increase in the birthrate for Sacramento, which is used to determine each county's monthly allocation.

The Ten-Year Plan notes the next reduction in funding for the 2027 Strategic Plan at 28.4% which is down from 37.3% compared to the prior year report. This is due to the revised Proposition 10 revenue estimates and the estimated one million dollar fund balance carryforward.

Use of Reserve Fund

Total financing, less revenues required for a balanced budget, is \$3,637,638. Fund balance carryforward is anticipated to be \$1,031,458, reducing financing needed to \$2,606,180 in the form of a reserve release. This reserve release is \$364,691 (12.3%) less than the prior year at \$2,970,871. Projected reserve balance at FY 24-25 year end is estimated at \$13.56 million, which is an improvement on the Commission's long-term financial plan, which formerly was \$11.85 million.

FISCAL IMPACT:

The Fiscal Year 2024-25 Recommended Budget totals \$22.1 million in appropriations and is funded by revenues of \$18.5 million, a \$1 million fund balance carryforward, and a \$2.6 million reserve release. This action will leave a FY 2024-25 end-of-year reserve balance of \$13.56 million.

CONFLICT OF INTEREST:

None.

CONCLUSION:

Staff recommends approval of the Fiscal Year 2024-25 Recommended Budget and Ten-Year Financial Plan.

Respectfully submitted,

Julie Galello
Executive Director

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and Ten-Year Financial Plan

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Attachments:

1. Budget Highlights
2. Ten Year Financial Plan
3. Resolution

RESOLUTION NO. FFC-2024-XXXX

WHEREAS, First 5 Commission staff have submitted estimates of budget requirements for Fiscal Year 2024-25 and those estimates have been reviewed by the County Executive for comment; and

WHEREAS, no comments were received from the County Executive; and

WHEREAS, the First 5 Commissioners have reviewed and considered the Recommended Budget for Fiscal Year 2024-25; and

WHEREAS, recommended budget allocations appropriately conform to the intent of the Commission’s 2024 Strategic Plan; and

NOW, THEREFORE, BE IT RESOLVED AND ORDERED that the Recommended Budget for Fiscal Year 2024-25, as submitted by Staff and as revised by the First 5 Commissioners, is a proper financial program for the budget period and constitutes the Recommended Budget for Fiscal Year 2024-25; and

BE IT FURTHER RESOLVED that the Recommended Budget for Fiscal Year 2024-25 and Ten-Year Financial Plan is hereby approved and shall constitute authorization for Commission expenditures for said fiscal year.

On a motion by Commissioner _____, seconded by Commissioner _____, the foregoing Resolution was passed and adopted by the First 5 Sacramento Commission of the County of Sacramento, State of California, this 8th day of April, 2024, by the following vote, to wit:

AYES: Commissioners,

NOES: Commissioners,

RECUSAL: Commissioners,
(PER POLITICAL REFORM ACT (§ 18702.5.))

ABSENT: Commissioners,

ABSTAIN: Commissioners,

Chair, First 5 Sacramento Commission

(Seal)

Clerk, First 5 Sacramento Commission



First 5 Sacramento Fiscal Year 2024-25 Budget Highlights

Recommended Budget Totals \$ 22.15 million

► **Appropriations Broken Down by Category**

Administration	6.1%	\$ 1.36 million	Personnel	12.6%	\$ 2.79 million
Evaluation	2.4%	\$ 0.53 million	Contractors	84.5%	\$ 18.72 million
Program	91.5%	\$ 20.26 million	Services/Supplies	2.9%	\$ 0.64 million
100.0%			\$ 22.15 million		

► **Program Appropriations by Priority Area**

Health & Well-Being	39.8%	\$ 8.82 million	Programs ensure that children are born healthy and achieve optimal physical and mental well-being
Parent Partnerships	2.2%	\$ 0.48 million	Programs cultivate leadership and lift parent expertise and decision making power across all priority areas
Child Care Quality Support	2.9%	\$ 0.64 million	Programs designed to connect children to affordable, quality child care and early learning
Racial Equity	8.5%	\$ 1.88 million	Investments in underserved communities that strengthen families and build capacity of grassroots non-profits
Systems Improvement	4.3%	\$ 0.95 million	Advocacy and policy efforts to ensure that systems serving children/families are integrated, equitable and accessible
Program Management	1.6%	\$ 0.35 million	Staffing related costs that are shared by all programs
Evaluation	2.4%	\$ 0.53 million	Costs associated with documenting and analyzing qualitative and quantitative results of programs
Administration	6.1%	\$ 1.36 million	
Total Base 2024 SP Budget:		\$ 15.01 million	

► **Program Appropriations for Leveraged Grants**

CalWORKs	21.2%	\$ 4.69 million	Evidenced Based Home Visiting Models
Home Visiting Collaborative	4.6%	\$ 1.01 million	Collaboration and Coordination of Agencies Providing Home Visiting Services
ARPA Programs	6.2%	\$ 1.37 million	Family Support Navigators and Child Abuse Prevention Augmented Services.
Other Operating Grants	0.3%	\$ 0.06 million	Encouragement and Training for Parents to be Involved and Help Shape Services Provided to the Community
Total Leveraged Grants:		\$ 7.13 million	

Total Appropriations FY 2024-25 100.0% \$ 22.15 million

► **Revenues; Reserve Fund and Fund Balance**

First 5 Reserve Fund	\$ 3,637,638
Proposition 10	\$ 10,361,462
MAA Claiming	\$ 340,000
CBCAP	\$ 51,521
CAPIT	\$ 444,000
Intergovernmental Revenue	\$ 4,718,443
Interest Income	\$ 161,662
Other Programs	\$ 2,431,395
TOTAL FY 24/25 FUNDING	\$ 22,146,121

RESERVE BALANCE

Beginning Reserve Balance	\$	16,166,222
Available for use in FY 24/25		
Carryforward Fund Balance	\$	1,031,458
Reserve Release	\$	2,606,180
		\$ 3,637,638
Ending Reserve Balance	\$	13,560,042

\$ 18,508,483 Total Revenue

First 5 Sacramento Commission Ten Year Financial Plan
Fiscal Year 2024-25 Recommended Budget



Dollars in Thousands

RESERVE FUND	2021 Strategic Plan		2024 Strategic Plan			2027 Strategic Plan			2030 SP	
	2022-23 Actual	2023-24 Estimated	2024-25 Budget	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32
Beginning Reserve Balance	\$ 20,021	\$ 19,137	\$ 16,166	\$ 13,560	\$ 9,826	\$ 5,523	\$ 5,113	\$ 4,241	\$ 3,011	\$ 3,182
Carryforward Fund Balance	\$ 1,458	\$ 1,367	\$ 1,031	\$ -						
Reserve Release/(Prov for Reserve)	\$ 883	\$ 2,971	\$ 2,606	\$ 3,734	\$ 4,302	\$ 410	\$ 873	\$ 1,230	\$ (171)	\$ 168
Year End Reserve Balance	\$ 19,137	\$ 16,166	\$ 13,560	\$ 9,826	\$ 5,523	\$ 5,113	\$ 4,241	\$ 3,011	\$ 3,182	\$ 3,014
REVENUE										
Proposition 10	11,616	10,274	10,361	10,111	9,569	9,262	8,938	8,625	8,323	8,032
MAA Claiming	462	363	340	340	340	340	238	238	238	200
B&B CBCAP (Federal)	120	170	52	52	52	52	52	52	52	52
B&B CAPIT (State)	444	444	444	444	444	444	444	444	444	444
Interest Income	703	163	162	199	173	142	106	61	55	44
CalWORKs	4,524	4,107	4,688							
ARPA	117	1,094	1,419							
HVCC, Refugee, PLTI	421	1,279	1,043							
Total Revenue	\$ 18,408	\$ 17,895	\$ 18,508	\$ 11,146	\$ 10,578	\$ 10,240	\$ 9,777	\$ 9,420	\$ 9,111	\$ 8,772
EXPENSES										
						SP Reduction:		28.4%		
Health & Well-Being	11,301	11,253	8,824							
Parent Partnerships	0	0	478							
Child Care Quality Support	739	731	639							
Racial Equity	273	265	1,884							
Systems Improvement	36	36	950							
Program Management	312	302	347							
Evaluation	405	440	531							
Administration	1,024	1,136	1,359							
CalWORKs	4,556	4,398	4,688							
Home Visiting Collaborative	547	1,302	1,014							
ARPA Programs	188	1,338	1,370							
Other Operating Grants	0	0	62							
Future Allocations				14,880	14,880	10,650	10,650	10,650	8,940	8,940
Total Expenses	\$ 19,383	\$ 21,201	\$ 22,146	\$ 14,880	\$ 14,880	\$ 10,650	\$ 10,650	\$ 10,650	\$ 8,940	\$ 8,940

Result Area	IP Adjustments	Note
Cal WORKs HVI	\$ 4,688	Commission approved program not included in strategic planning process
ARPA - BSF/CBCAP	\$ 1,370	Commission approved program not included in strategic planning process
F5CA - HVCC	\$ 1,014	Commission approved program not included in strategic planning process
All Result Areas	\$ 193	Adjustments due to contractors electing to take different amounts in each year to allow for COLAs; Eval 6 month adjustment
Total Adjustments	\$ 7,266	
Adjusted Fiscal Year 24/25 Budget	\$ 14,880	