

SUMMARY ACTION MINUTES

REGULAR MEETING FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

Wednesday, April 7, 2021, 9:00 A.M.

Orange County Transportation Authority Conference Center
550 South Main Street
Orange, California

RAMIN BASCHSHI, MD
Chair

KENNETH MCFARLAND
Vice Chair

SANDRA BARRY
Chair Pro Tem

DEBRA BAETZ
Commissioner

DOUG CHAFFEE
Commissioner

CLAYTON CHAU, MD
Commissioner

JACKIE FILBECK
Commissioner

YVETTE LAVERY, MPA, MBE
Commissioner

SUSAN MCCLINTIC
Commissioner

ATTENDANCE: Commissioners Barry, Chaffee, Chau, Filbeck, Lavery, McClintic, McFarland and Light
(Alternate for Baetz) (All Members participated via Zoom)

EXCUSED: Commissioners Baetz and Baschshi

PRESENT: PRESIDENT/CEO
COMMISSION COUNSEL
CLERK OF THE COMMISSION

Kimberly Goll (Participated via Zoom)
Cassie Trapesonian (Participated via Zoom)
Jamie Ross, Deputy (Participated via Zoom)

PLEDGE OF ALLEGIANCE

Pledge of Allegiance led by Commission Counsel Cassie Trapesonian

PRESENTATION: (Item 1)

1. Receive Presentation on Dental Transformation Initiative (DTI) – Orange Country Local Dental Pilot Project

RECEIVED

SUMMARY ACTION MINUTES

PUBLIC HEARING: (Items 2 - 3)

2. Conduct Public Hearing, receive the First 5 California 2019/2020 Annual Report and the California State Controller's results of Audit Oversight of County Commissions

C.O. **CLOSED PUBLIC HEARING**

561234789 10 **APPROVED AS RECOMMENDED**

x x

3. Conduct Public Hearing, receive report and adopt resolution: approve updated Strategic Plan for 2021/22 through 2025/26

C.O. **CLOSED PUBLIC HEARING**

871234569 10 **APPROVED AS RECOMMENDED**

xxx

RESO: 21-005 C&FC

CONSENT CALENDAR: (Items 4 - 5)

451236789 10 **APPROVED AS RECOMMENDED**

xxx

4. Appoint new Technical Advisory Committee member

5. Adopt resolution authorizing annual membership payment to the First 5 Association of California and authorize payments for professional association memberships and sponsorships

RESO: 21-006 C&FC

REGULAR ITEMS: (Items 6 - 12)

6. Program close-out update and approval of First 5 Orange County funds for DTI partners close-out activities

641235789 10 **APPROVED AS RECOMMENDED**

xxx

7. Adopt resolution acknowledging receipt of the Children and Families Commission of Orange County Investment Policy Statement and affirm delegation of authority to the Orange County Treasurer as the First 5 Orange County Treasurer for Fiscal Year 2021/2022

471235689 10 **APPROVED AS RECOMMENDED**

xxx

RESO: 21-007 C&FC

8. Receive Financial Update

541236789 10 **APPROVED AS RECOMMENDED**

xxx

9. Adopt resolution authorizing amendment to agreement with Children's Home Society of California

481235679 10 **APPROVED AS RECOMMENDED**

xxx

RESO: 21-008 C&FC

SUMMARY ACTION MINUTES

10. Adopt resolutions to approve funding to renew support of the Engaged Neighborhoods work and Approve Entering into MOU with Medical Legal Partnership – Boston
541236789 10 **APPROVED AS RECOMMENDED**
xxxx *RESO: 21-009 C&FC*
(Commissioner Filbeck abstained from discussion and vote on this item and declared her affiliation with Anaheim Elementary School District. Pursuant to Government Code Section 1091.3, Commissioner Filbeck left the meeting during this item.)

11. Adopt resolution authorizing agreements and amendments to agreement with designated individuals and organizations to provide consultant services
851234679 10 **APPROVED AS RECOMMENDED**
xxx *RESOS: 21-010 - 013 C&FC*

12. Approve amendment to agreement with Woodruff, Spradlin & Smart
421356789 10 **APPROVED AS RECOMMENDED**
xx

PRESIDENT/CEO REPORT: (Item 13)

13. Receive the Executive Officers Report
- a. Financial and Quarterly Investment report
 - b. Policy and Communications Update
 - c. Equity Update
 - d. Updates on OCAEYC Project Partnership
 - e. 2021 Commissioner recruitment and application process
- RECEIVED**

PUBLIC & COMMISSION COMMENTS:

PUBLIC COMMENTS: None

COMMISSION COMMENTS:

Commissioner Filbeck – Oral Re.: Honor and privilege to work with Commissioner Barry.

Commissioner McFarland – Oral Re.: Honor and privilege to be on the Commission.

ADJOURNED: 10:33 A.M.

SUMMARY ACTION MINUTES

*** KEY ***

Left Margin Notes

1 Debra Baetz	A = Abstained
2 Sandra Barry	X = Excused
3 Ramin Baschshi, MD	N = No
4 Doug Chaffee	C.O. = Commission Order
5 Clayton Chau, MD	
6 Jackie Filbeck	
7 Yvette Lavery, MPA, MBE	Reso = Resolution
8 Susan McClinitc	Ord = Ordinance
9 Kenn McFarland	
10 Anne Light, MD (Alternate)	

(1st number = Moved by; 2nd number = Seconded by)

/s/

KENN MCFARLAND
Vice Chair

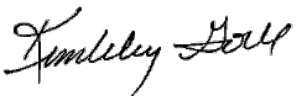
/s/

Jamie Ross, Deputy
Clerk of the Commission

Agenda Item 1
April 7, 2021

DATE: March 3, 2021

TO: First 5 Orange County, Children and Families Commission

FROM: Kimberly Goll, President/CEO 

ACTION: Receive Presentation on Dental Transformation Initiative (DTI) – Orange County Local Dental Pilot Project

First 5 Orange County has been the lead entity for the California Dental Transformation Initiative (DTI) Local Dental Pilot Project (LDPP) for Orange County, which began in July of 2017 and ended on December 31, 2020. Several community partners were part of the LDPP, including Healthy Smiles for Kids of Orange County, six Federally Qualified Health Centers (FQHC) and FQHC Look-Alikes, and two training and technical assistance organizations: California Northstate University College of Dental Medicine, and the Coalition of Orange County Community Health Centers.

The Local Dental Pilot Project included four components:

1. expansion of the Virtual Dental Home model to schools, preschools, and community sites;
2. care coordination to connect hard-to-reach families to dental services;
3. a call center for information and referral services; and
4. community forums and summits to further engage dental providers and stakeholders.

Melinda Konoske, MK Consulting Syndicate, Inc., will share key takeaways from Orange County's experience participating in this 3½-year long DTI effort including successes, learnings, and recommendations to support long-term sustainability of preventive dental services for Orange County's children. Melinda served as project manager for the DTI Local Dental Pilot Project. She has a background in early childhood development, early childhood mental health, and early care and education services, and she brings a systems-level analysis in her work with community partners. Her firm provides technical consulting services such as program management, organizational planning and development, program quality assurance and best practices, and workflow development.

RECOMMENDED ACTION:

Receive presentation on the Dental Transformation Initiative (DTI) – Orange County Local Dental Project

ATTACHMENTS:

1. Presentation slides: Orange county Local Dental Pilot Project

CONTACT: Lisa Burke

DTI Local Dental Pilot Project

April 7, 2021

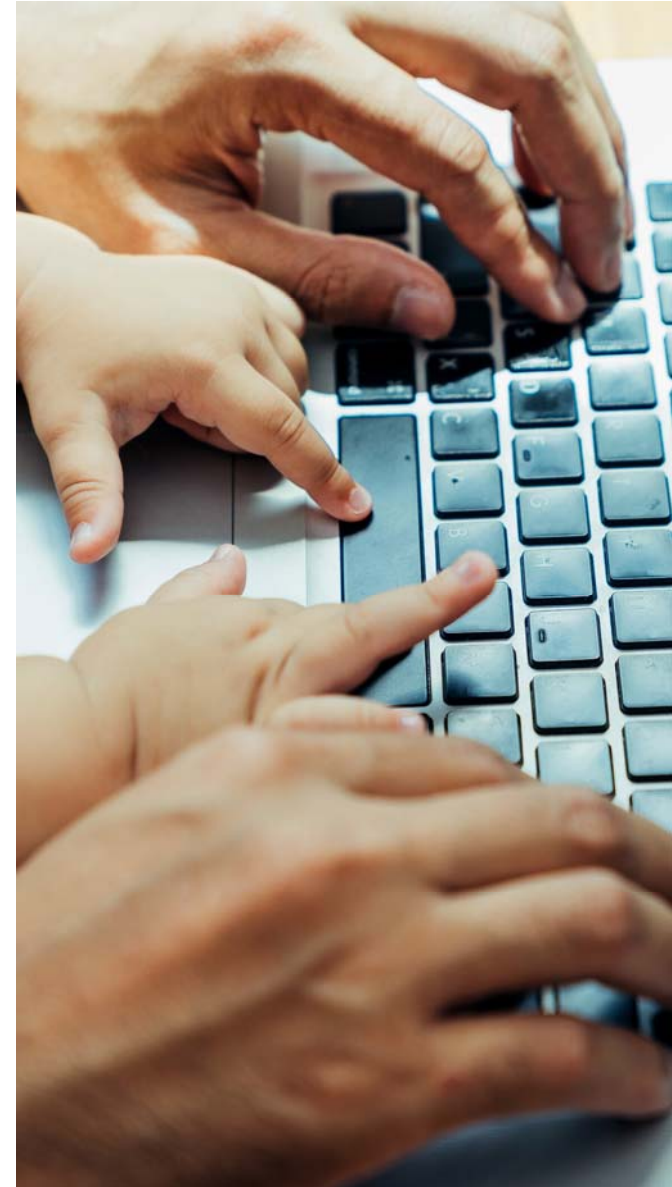
Presented by
Melinda Konoske, Consultant
MK Consulting Syndicate, Inc.



Background

- **California Medicaid Waiver (Medi-Cal 2020)**
 - Effective 12/30/15 – 12/31/20
 - Included various target outcomes that included health and dental
- **California Dental Transformation Initiative**
 - Focus on improving dental health for Medi-Cal children
 - California Department of Health Care Services (DHCS) released an RFP LDPP
 - First 5 Convened partners and submitted response
 - DHCS awarded funding to Orange County

3/31/2021



California Dental Transformation Initiative

Domain 1

- Increase preventive services utilization

Domain 2

- Implement caries risk assessment and disease management

Domain 3

- Increase continuity of care for children

Domain 4

- Local Dental Pilot Projects

Orange County Local Dental Pilot Project (Domain 4)



Orange County LDPP

- \$15,496,000 - June 30, 2017-December 31, 2020
- Lead Entity/Administrator: First 5 Orange County
- Service Providers,:
 - Federally Qualified Health Centers
 - Central City Community Health Center,
 - Families Together of Orange County
 - Korean Community Services
 - Serve the People Community Health Center
 - Southland Integrated Services, Vista Community Clinic
 - Healthy Smiles for Kids of Orange County
- Support and Technical Assistance Partners
 - California Northstate University College of Dental Medicine
 - Coalition of Orange County Community Health Centers
 - MK Consulting Syndicate, Inc.
 - My Team Effort

Orange County Local Dental Pilot Project

- **Vision**

- Every child in Orange County has access to oral health care that includes timely and consistent access to screening, preventive care, and treatment

- **Goals**

- Increase the use of preventive dental services for children, resulting in a decreased use of oral health restorative services
- Increase capacity for providing dental services within Orange County's safety net
- Increase continuity of oral health care among children, particularly those with high risk factors

LDPP Strategies

Virtual Dental Homes

- Implementation of the model at education and community sites

Care Coordination

- Provide enhanced coordination for successful engagement and ensuring continuity of care

Call Center Information & Referral

- Provide parents with referral linkages to dental providers

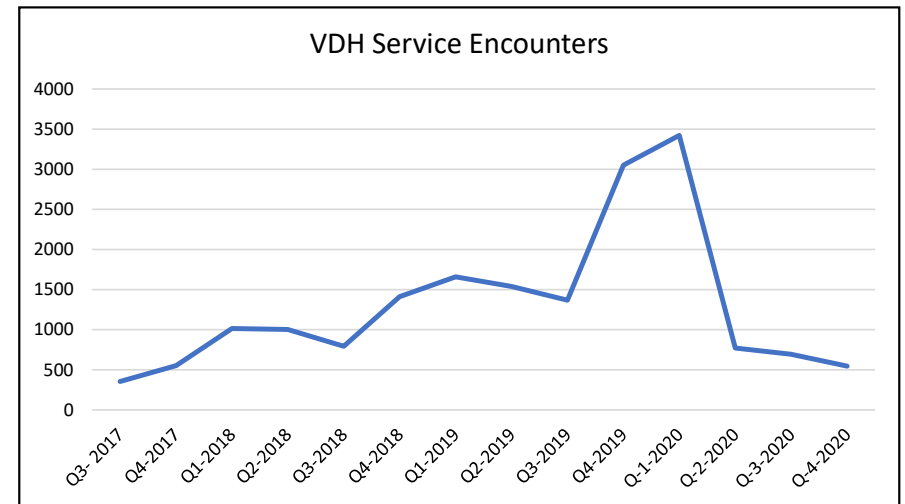
Dental Forums & Summits

- Engage dental providers to expand Medi-Cal Dental network participation and dental provider community collaboration

Program Achievements, Strengths, and Learnings

Virtual Dental Home

- Over 8,185 children received preventive dental services
- Dental Service Capacity Expanded
 - Partnerships at 104 community site locations
 - 40 additional dental chairs
 - Service delivery capacity of over 3200 encounters per quarter
 - All partners will resume services at VDH locations once community sites re-open



Virtual Dental Home



- Strengths

- Reaches families previously disconnected from services
- Fosters trusted partnerships with local community organizations and families
- Supports a whole health model of care



Virtual Dental Home



- Successful implementation must include:
 - VDH staff with unique skill sets and characteristics
 - Oral health education and outreach to the community site staff, parents, and children
 - Enhanced care coordination to address barriers for each individual family, to ensure completion of appointments and any follow up care

Care Coordination

- Oral health education provided to 62,813 individuals
- Secured *completed* appointments for 20,104 children
- **Strengths:**
 - Further supports trusted relationships
 - Provides opportunity for oral health education, reducing stigma and fear
 - Ensures linkage to care
- **Learnings**
 - Grassroots strategies in local communities are very effective towards engaging families
 - Establishing relationships with local trusted organizations leads to engagement and trust with families
 - Directly linking families to a care provider is most effective towards ensuring care completion

System Coordination

- Orange County Oral Health Collaborative began
- Educational forums engaged dentists and hygienists

- Learnings:
 - Stakeholder and provider collaboration and messaging is needed towards stronger community-based implementation
 - Improvements in Medi-Cal Dental recruitment and education are needed towards strengthening Denti-Cal provider participation



4/7/21

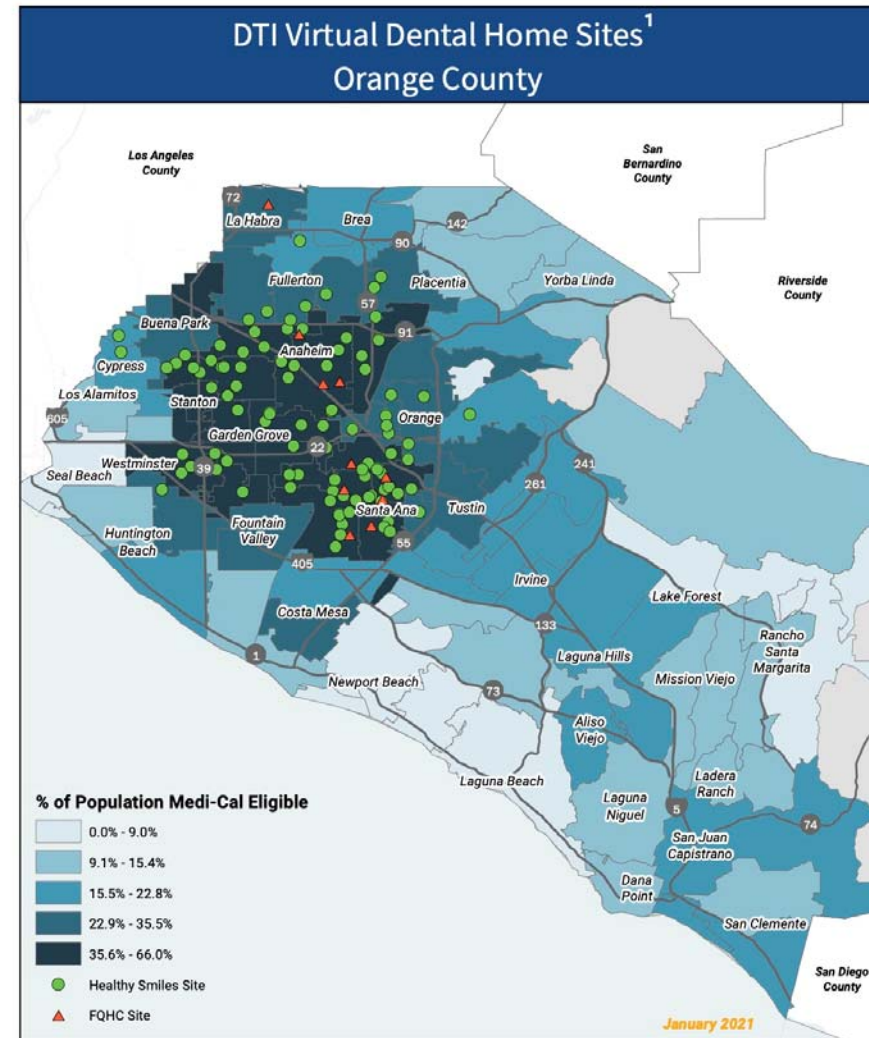
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Opportunities

Beyond the DTI

- Local Engagement

- Support providers towards finding a county-wide lead within the field that can champion and coordinate
- DTI providers fold into the Oral Health Collaborative, bringing forward their learnings regarding system coordination, VDH, and care coordination



Source: State of California, Department of Health Care Services, Medi-Cal Certified Eligibles by Month of Eligibility, Zip Code, and Sex (November 2020 eligibility); U.S. Census Bureau, American Community Survey, 1-Year Estimates (2019).
Note: Includes all ages.

¹ Virtual Dental Home (VDH) site locations that were active during the Dental Transformation Initiative (DTI) Local Dental Pilot Project (LDPP) between 2017 and 2020.



Going Forward

- **Increase Countywide Advocacy**

- Expanding billable encounters or services that are reimbursable under the Medi-Cal Dental model, such as:
 - Reimbursement for fluoride varnish and dental sealants
 - Enhanced care coordination
- Streamlining regulations for FQHCs, building upon the learnings from the use of telehealth
- Care coordination as a means to support medical dental integration and whole health care

Thank You!






Questions?

Agenda Item 2
April 7, 2021

DATE: March 26, 2021

TO: First 5 Orange County, Children and Families Commission

FROM: Kimberly Goll, President/CEO 

ACTION: Conduct Public Hearing, receive the First 5 California 2019/2020 Annual Report and the California State Controller's Results of Audit Oversight of County Commissions

SUMMARY:

The First 5 Orange County Children and Families Commission is required to conduct a public hearing to receive First 5 California's Annual Report and the State Controller's report on their independent review of the county commission audits. This item is to conduct the Public Hearing to receive the Fiscal Year 2019/2020 First 5 California Annual Report and the California State Controller's Annual Report to the First 5 Commission: Results of the Audit Oversight of County Commissions.

DISCUSSION:

The Children and Families Act of 1998 requires the State Children and Families Commission (First 5 California) to submit an annual report to the Governor and Legislature by January 31 of each year. The report includes a comprehensive review of First 5 California progress and a review and summary of the 58 county commissions. Each county commission is then required to conduct a public hearing on First 5 California's Annual Report and provide opportunities for public comment.

2019-2020 First 5 California Annual Report

Over the past 20 years, county commissions have produced annual reports to document the variety of programs, services, and other accomplishments that have helped support the healthy development of young children. These reports are submitted to First 5 California for analysis and consolidation. First 5 California produces an annual report that provides information on both the county and state programs, and fiscal data.

The annual report includes information on the First 5 California program investments and the total number of services provided to children and families by First 5 California and the 58 county Commissions, along with expenditures. In Fiscal Year 2019/2020, 596,223 services were provided to California children, and over 729,955 services were provided to adults. Thirty-nine percent of the total \$405 million in expenditures was focused on improved child development, thirty-nine percent on child health and twenty-five percent on improved family functioning.

Excerpts from the First 5 California 2019-2020 Annual Report (Attachment 1) include a message from the Executive Director First 5 California and Orange County's highlights. The Executive Director writes about First 5 California's continued implementation of its 2019-24 Strategic Plan.

First 5 California's 2019–20 Annual Report highlights its accomplishments and collaborations at both state and local levels, which include:

- Quality improvement efforts under IMPACT 2020 reaching 5,111 (310,378 children) early learning care sites in 58 counties throughout the state, including center-based care, family home child care, alternative settings, and family, friend, and neighbor care
- Home visiting services for California's high-need families supported by launch of the home visiting workforce study and engaging counties in home visiting coordination efforts
- We launched the Family Engagement Toolkit as a free resource for early learning and care providers to build upon skills in family engagement strategies and provide techniques that can be implemented in everyday situations
- First 5 California celebrated one hard-fought and long-awaited policy win in the form of Paid Family Leave. SB 1383 (Jackson)

Each county commission was provided with the opportunity to highlight several significant accomplishments achieved during Fiscal Year 2019/2020. Orange County's highlights showcase support for child care facilities, frontline nonprofits, and providers addressing family homelessness. Measures ranged from procuring essential supplies and personal protective equipment for childcare centers, to providing additional funding to keep families safe and housed, to creating a resources webpage to assist families with young children. First 5 Orange's Engaged Neighborhoods work focuses on closing opportunity gaps in communities through advocacy to improve the system of care for early childhood. The engagement effort includes outreach to school districts, city leadership, the business community, local nonprofits, and most importantly, residents in communities identified by our Early Development Index data as having the most opportunity for improved outcomes.

California State Controller/Results of Audit Oversight

As mandated by law, the First 5 California's Annual Report agenda item, filed to their Commission, includes the California State Controller's annual review of the county commissions' independent audit (Attachment 2). This annual audit review is consistent with the expanded audit statutes chaptered into law in 2005.

The complete First 5 California 2019/2020 Annual Report and Results of Audit are both on file with the Clerk of the Commission and available on the First 5 California website at: www.ccfc.ca.gov.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action has been reviewed in relation to the Strategic Plan and is consistent with all goal areas. This agenda item does not include a funding request.

PRIOR COMMISSION ACTIONS:

- April 2020 - Conducted the Public Hearing to receive and file the First 5 California 2018/2019 Annual Report and Audit Results Excerpts.
- April 2019 - Conducted the Public Hearing to receive and file the First 5 California 2017/2018 Annual Report and Audit Results Excerpts.

RECOMMENDED ACTIONS:

1. Conduct the Public Hearing

2. Receive and file the First 5 California 2018/2019 Annual Report and the California State Controller's Annual Report to the First 5 Commission: Results of the Audit Oversight of County Commissions.

ATTACHMENTS:

1. First 5 California 2019/20 Annual Report Excerpt
2. Cover Letter - California State Controller's Annual Report to the First 5 California Commission: Results of Audit Oversight Commissions for the Period July 1, 2018 through June 30, 2019

CONTACT: Kimberly Goll



FIRST 5 CALIFORNIA
2019-2020
ANNUAL REPORT



Message from the Executive Director

What a year it has been! Like everywhere else across the country and around the globe, California has faced the ravages and unprecedented challenges brought on by the COVID-19 pandemic. While these dire circumstances have led to devastation for so many people in terms of illness, loss of loved ones, business closures, unemployment, educational logistics, and child care, Californians working together have found ways to face these daunting realities and work through them as best we can. As we continue to forge ahead through the end of the pandemic and through our state's health crisis and economic recovery, these partnerships and collaborations will continue until we are successfully on the other side of this frightening era. Toward that end, in 2020 the First 5 California Commission allocated a total of \$5 million to help address the pandemic and provide emergency support to local communities around the state. (See "[COVID-19 Pandemic Assistance](#)" for additional information.)

In addition to its efforts to address these unforeseen pandemic-related challenges of the past year, in Fiscal Year 2019–20 First 5 California continued to implement its 2019–24 Strategic Plan, which provides the agency's road map for its investments, partnerships, and advocacy efforts to fulfill its mission, vision, and goals. All of the Commission's work emanates from the firm belief that every child deserves a strong and solid start in life. This multi-faceted work is possible because of the dedication and work of our Commission, staff, the First 5 county commissions, and other stakeholders and partners.

First 5 California's 2019–20 Annual Report highlights its accomplishments and collaborations at both state and local levels, which include:

- Local consortia participating in First 5 IMPACT reported that over two-thirds (5,111 of 7,723) sites participating in Quality Counts California were supported in full or in part with First 5 IMPACT funding, reaching 310,378 children in 58 counties
- Home visiting services for California's high-need families supported by launch of the home visiting workforce study and engaging counties in home visiting coordination efforts
- The Family Engagement Toolkit launched as a free resource for early learning and care providers to build upon skills in family engagement strategies and provide techniques that can be implemented in everyday situations
- Celebrating a hard-fought and long-awaited policy win in the form of Paid Family Leave, SB 1383 (Jackson)

With another challenging and successful year behind us, there is still much work to do. With each year comes a renewal of our commitment to the principals that have always been at the core of our work in serving our youngest Californians and their families. We will continue to partner with our Governor, the Legislature, First 5 county commissions, and other groups and organizations that advocate for what is best for our kids and their future. As always, I consider it an honor to be part of this outstanding early learning and care community and its noble work dedicated to improving the lives of young children.



CAMILLE MABEN
EXECUTIVE DIRECTOR, FIRST 5 CALIFORNIA

Ensuring California's Children Receive the Best Start in Life and Thrive

PROPOSITION 10 AND THE LEGACY OF FIRST 5 CALIFORNIA

In 1998, California voters passed Proposition 10—the California Children and Families Act (the Act)—and declared the importance of investing in a better future for California's youngest children. For over two decades, the California Children and Families Commission (First 5 California) has promoted standards of quality child care and invested in the development of programs and services emphasizing improvement in early education, child care, child health and development, research, and community awareness.

BUILDING PUBLIC WILL AND INVESTMENT

First 5 California's Children's State Policy Agenda guides the agency's efforts to advocate for the strong start all children deserve, with an emphasis on optimizing early childhood development and reducing childhood poverty for children prenatal through age 5 and their families. The Commission's Policy Agenda reflects First 5 California's commitment in its Strategic Plan to participate and lead in the area of civic engagement, and the recognition of the Commission's responsibility to the people of California to ensure the wise and effective use of public funds.

In its Strategic Plan, 2019–2024, First 5 California continues its commitment to engage and lead in building public will and investment to support the optimal wellbeing and development of children prenatal through age 5, their families, and communities. The Strategic Plan also recognizes First 5 California must engage in partnerships with First 5 county commissions, stakeholders, and other allies from local to federal levels in order to be successful in institutionalizing efforts to advance child-centered policies and increase these crucial investments.

First 5 California serves as a convener and partner in state policy conversations, collaborating with First 5 county commissions, state agencies, stakeholders, and other advocates to convene, align, support, and strengthen statewide advocacy efforts to realize shared goals. Despite a unique year, First 5 California continued to expand its policy and advocacy engagement in fiscal year 2019–20,

guided by its Policy Agenda. The Policy Agenda is focused on the following four areas the Commission identified as its top state policy priorities, including targeted goals within each priority area to achieve a seamless statewide system of integrated and comprehensive programs for children and families:

Resilient Families and Communities

- Support effective parent education and engagement, including parent engagement on child brain development and *Talk. Read. Sing.*®
- Support sustainability of Family Resource Centers and other comprehensive community hubs for integrated services for children and families
- Increase supports for breastfeeding, paid family leave, and baby-friendly policies for all families in all settings
- Expand voluntary home visiting programs

Child Health

- Protect children and families' access to health care, and support coordination across the health care system to ensure affordable and comprehensive health insurance coverage and services for every child and mother, prenatal through age 5
- Support and promote universal developmental screenings, assessment, referral, and treatment

Early Learning

- Expand access to quality early care and education programs for children ages 0 to 3
- Support implementation of high-quality universal preschool access for all low-income four-year-old children, and high-quality transitional kindergarten and kindergarten state-wide
- Define, measure, and achieve learning readiness for all California children prior to kindergarten

- Support a high-quality early learning workforce through strengthened qualifications, compensation, stability, diversity, and robust professional development systems
- Promote statewide access to and participation in quality improvement systems

First 5 Revenue

- Promote inclusion of funding for children ages 0 to 5 and their families in existing and new revenue policy discussions
- Promote regulation of tobacco-related products, including electronic cigarettes, and sustainability of licensing and enforcement programs
- Promote inclusion of funding for prenatal and 0 to 3 two-generation prevention strategies in Proposition 64 Memorandum of Understanding for prevention dollars

ACCOUNTABILITY: FUNDING AND AUDIT RESULTS

Under the Act, the California Department of Tax and Fee Administration collects an excise tax levied on all tobacco products and deposits the revenue into the California Children and Families Trust Fund, allocating 20 percent to First 5 California and 80 percent to county commissions. In FY 2019–20, First 5 California received \$60.6 million, and county commissions received \$242.4 million. The amount of funding allocated annually to each county commission is based on the annual number of births in the county relative to the total number of births in the state. Each county must prepare an independent annual audit subject to guidelines prepared by the State Controller’s Office. The counties invest their dollars in locally designed programs, as well as in First 5 California’s statewide programs as match funding. First 5 county commissions use their funds to support local programs in four result areas:

- Improved Family Functioning
- Improved Child Development
- Improved Child Health
- Improved Systems of Care

First 5 California’s Program Management Division and Administrative Services, Evaluation, Executive, Communications, External and Governmental Affairs, Fiscal Services, Contracts and Procurement, and Information Technology offices provide staff support for the following functions, operations, and systems:

- Fiscal management of the California Children and Families Trust Fund
- Tax revenue disbursements to county commissions
- Audits and annual fiscal reports
- Local agreement and program disbursement management
- Public education and outreach
- Evaluation of First 5 California programs
- Procurement and contract management
- Workforce recruitment and development
- Information technology
- Business services
- Legislative advocacy efforts

The administration of these and other programs is consistent with all applicable State and Federal laws, rules, and regulations. The State Controller’s Office conducts an annual review of the 58 county commissions’ independent audits. In October 2020, the Controller published its review of the counties’ audits for FY 2018–19, summarizing several findings contained in the local audits, but did not deem any of them significant enough to withhold funding. Audits can be viewed on First 5 California’s website at http://www.ccfc.ca.gov/pdf/about/budget_perf/annual_report_pdfs/etc/AR-SCO-Audit-Report-2018-2019.pdf

FIRST 5 SUMMIT

As part of First 5 California’s commitment to convene, align, collaborate, and support statewide efforts and initiatives to improve outcomes for children, First 5 California hosted the 2020 Child Health, Education, and Care Summit in February.

Approximately 700 early care and education professionals attended the 3-day event, which included a variety of breakout sessions, keynote addresses, and two evening receptions featuring recipients of the Champion for Children awards, Johnny Hekker and Nadine Burke Harris.

The Summit theme, “Equity in Action: Elevating Children, Families, and California’s Workforce,” represented the natural evolution of this statewide event – from building partnerships, to promoting collective impact, to providing leadership around critical programs and investments designed to benefit young children and their families. The Summit provided the perfect forum for the spectrum of early childhood stakeholders to learn from, collaborate with, and empower one another.

According to Summit attendees:

“For a first-time attendee, this was a wonderful experience. The Summit was well-organized, and the keynote speakers were noteworthy. The receptions were a great way to keep people connected and networking once the sessions were over. I look forward to attending the Summit again next year. Even my mother, who is a health care professional, upon hearing about the Summit, wished she would have sent some of her nurses.”

“Overall, the Summit was excellent! The keynote speakers were amazing, and the workshop topics were relevant to the work I do.”

LEGISLATIVE AND BUDGET ENGAGEMENT

The year 2020 marked an unprecedented year of policymaking as the COVID-19 pandemic impacted all aspects of California Legislative, Budgetary, and Administrative functions. Amid Capitol closures and a shift to mostly virtual operations, advocacy certainly looked different this year and will likely continue to look different for some time. Partnerships and coalition building proved more important than ever to elevate priorities at a time of immense need across the board. Through shared advocacy efforts between First 5 California and its early childhood education and care partners and leaders in the Legislature, the early childhood field was able to thwart deep budget cuts, including a proposed 10 percent reduction to provider reimbursement rates that would have been devastating to the field. First 5 California and the Early Care and Education Coalition were successful in working with various departments and the Governor’s Office on COVID-19 guidance, FAQs, emergency orders, and Management Bulletins regarding COVID-19 flexibility and protocols critical to the stabilization of the field, including the use of electronic signatures, reopening policies, personal protective equipment, obtaining essentials such as cleaning supplies, diapers, and formula, the suspension of family fees, and a hold harmless for providers for COVID-19-related absences.

With all focus on supporting children, families, and providers through the COVID-19 pandemic, the state did not see a lot of movement this year on new policies impacting children and families. However, Governor Newsom and the Legislature did set the stage for a restructuring of California’s child care system in the 2020–21 Budget Act, transferring all child development programs, with the exception of the California State Preschool

Program, to the Department of Social Services, beginning in July 2021, to promote a unified early childhood system that improves program integration and coordination with other major programs serving young children. This change will be implemented in conjunction with the adoption of a Master Plan for Early Learning and Care set to be completed at the end of 2020 that will guide the state’s investments in early childhood education and family strengthening supports.

While the year 2020 centered around protecting existing early childhood infrastructure, First 5 California celebrated one hard-fought and long-awaited policy win in the form of Paid Family Leave. In 2019, Governor Newsom convened a Paid Family Leave Task Force, bringing together members of the early childhood, business, and labor communities to develop a set of policy recommendations for how to expand and create a more equitable Paid Family Leave program in California, and ultimately achieve the goal of six months of bonding time with a parent for every California baby. First 5 California sat on the Task Force, providing a key early childhood voice and perspective, and helped to develop the recommendations released in January 2020. SB 1383 (Jackson) was signed by the Governor on September 17, 2020, making progress on the first recommendation made by the Task Force and getting the state closer to universal job protected leave. SB 1383 ensures all workers who work for an employer with five or more employees have access to job protected leave to care for a new baby, an ill family member, their own serious health condition, or to address a military exigency – a huge win for California families. Because of this legislation, more babies will be able to spend their first weeks and months bonding with a loving parent, setting a foundation for life success.

First 5 California is committed to supporting children, families, and providers through the COVID-19 pandemic and beyond, while continuing to build on state and federal advocacy achievements, by working to strengthen its partnerships with stakeholders and its efforts to build policymakers’ knowledge base and investment in shared priorities. Capitalizing on the deep commitment to early childhood education and care from the Administration and the Legislature, First 5 California staff and partners pledge to work with the Administration, State Superintendent of Public Instruction, Department of Social Services, Master Plan for Early Learning and Care and Early Childhood Policy Council teams, and the Legislative Women’s Caucus. These entities work together to build and implement a road map for building a stronger, more equitable, high-quality early learning system for all California’s children,

and determine how best to invest scarce resources in this crucial foundation for lifelong success. In doing so, the Commission will build on this year's successes and continue working toward the underlying Strategic Plan goal to ensure all children prenatal through age 5 have the resources, foundation, and systems of support they need to thrive.

COVID-19 PANDEMIC ASSISTANCE

On March 11, 2020, the World Health Organization (WHO) declared COVID-19 a pandemic with a sustained risk of further global spread. Out of an abundance of caution, the *Governor's Proclamation of a State Emergency and Executive Order, N-25-20*, was issued on March 12, 2020.

COVID-19 is having a devastating effect on the world, touching the lives of every person in some way, shape, or form. Governor Newsom was, and continues to be, on the forefront of addressing this ravaging pandemic. Despite the Governor's admirable and ambitious efforts, Californians still struggle with economic, emotional, and physical impacts of the virus.

In particular, children and families are experiencing a generational health crisis that requires extreme caution to help mitigate the growth of the coronavirus and inhibit infecting large portions of the population. Likewise, childcare programs and providers have been especially hard hit by closures and dwindling childcare services.

To assess COVID-19's impact, First 5 California worked with the Governor's Office, the First 5 Association, and childcare advocates to survey counties regarding what supplies were most needed. Survey results indicated basic necessities such as diapers, baby wipes, and hand soap were most needed.

In April 2020, the First 5 California State Commission took strong action to address the pandemic and approved \$4 million to provide emergency support to local communities around the state grappling with COVID-19. This effort has supplemented other supply acquisition efforts around the state and was coordinated to maximize the various funding sources to support the purchase of emergency supplies and not duplicate efforts. The goal was to prioritize childcare providers serving first-line responders and people working in essential services. After those childcare providers had been served, counties could provide supplies to the broader community.

To that end, First 5 California contracted with SupplyBank.Org, a 501(3) (c) non-profit organization. SupplyBank.Org, First 5 California, and the First 5 Association conducted

a second assessment to further quantify the needs of childcare providers remaining open for the kids of essential personnel and the broader community.

The Commission subsequently approved an additional \$1 million dollars during the May 2020 Commission meeting in order to continue supporting the local efforts to address COVID-19. As requested, SupplyBank.Org worked directly with each First 5 county commission to develop a county-specific distribution, storage, and delivery plan. This plan included distribution to several local partnering agencies.

Local partner types include:

- Family Resource Centers
- Women, Infants, and Children Program
- Homeless and domestic violence shelters
- County First 5 run centers
- Several hundred childcare providers (data being gathered)
- Other nonprofit and agency partners

SupplyBank.Org and the First 5 Association continue to work together to gather statewide data to illustrate the full scope of this distribution network. Through Fiscal Year 2019–20, SupplyBank.Org distributed the following emergency supplies statewide:

- 1.2 million adult masks
- 150,000 child masks
- 4.9 million diapers
- 75,000 baby wipes
- 30,000 units of all-purpose cleaner
- 68,000 units of disinfectant solution
- 30,000 units of disinfectant spray
- 60,000 units of hand sanitizer
- 114,000 units of hand soap
- 3.1 million surgical gloves
- 63,000 children's books

Efforts will be ongoing throughout the first half of Fiscal Year 2020–21 as the contract sunsets on February 28, 2021.

Serving California's Young Children, Parents, and Teachers

FOUR RESULT AREAS

First 5 California tracks progress in four result areas to inform evidence-based funding decisions, program planning, and policies:

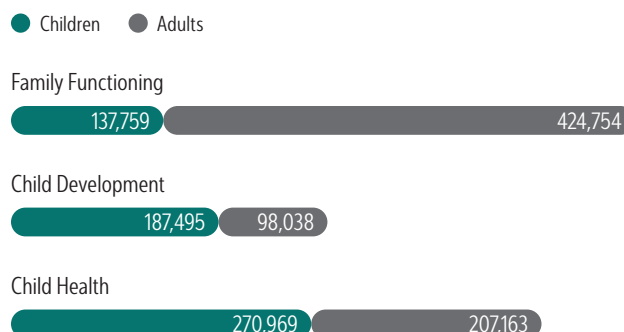
- Improved Family Functioning
- Improved Child Development
- Improved Child Health
- Improved Systems of Care

These result areas comprise a framework for reporting early childhood investments. This reporting framework provides a statewide overview of the number, type, and costs of services provided to children and adults during a fiscal year. Stakeholders can use this information to assess resource allocation and impact for First 5 county commissions statewide.

Exhibit 1 contains the total numbers of services provided to children ages birth to 5 and adults (including primary caregivers and providers) during FY 2019–20 for Improved Family Functioning, Improved Child Development, and Improved Child Health. First 5 county commissions provided a total of 596,223 child services and 729,955 adult services. The distribution of expenditures in these three result areas totals \$321 million (Exhibit 2).

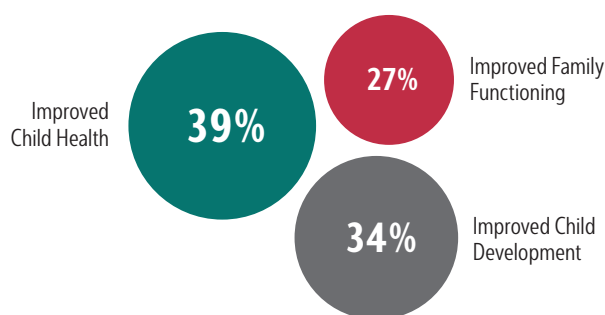
The result area, Improved Systems of Care, with expenditures of \$84 million, differs from the others. It consists of programs and initiatives that support program providers in the other three result areas. The four result areas combined have total expenditures of \$405 million.

Exhibit 1: Total Number of Services Provided to Children Ages 0 to 5 and Adults* in FY 2019–20 Across Result Areas



*Totals for Adults include both Primary Caregiver and Provider counts

Exhibit 2: Total Expenditures for Children Ages 0 to 5 and Adults* in FY 2019–20 by Result Area



*Adults include both Primary Caregivers and Providers

First 5 County Commission Program Result Areas

First 5 county commissions are required to report to First 5 California expenditure and service data for programs. In collaboration with the First 5 Association, First 5 California developed and adopted guidelines to standardize data collection and reporting under four result areas. For this annual report, data are aggregated to the statewide level. Data reported are from programs funded by both state and county First 5 Commissions (Appendix A) using specific definitions for each result area with service category detail (Appendix B). The four result areas are listed below:

IMPROVED FAMILY FUNCTIONING

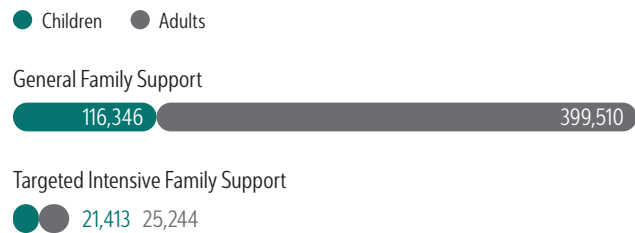
Family Functioning includes the categories General Family Support and Targeted Intensive Family Support. Services include instruction on general parenting topics, support for basic family needs and case management, parent education and literacy, referrals to community resources, and assistance for parents and families; and support to schools and educational institutions, nonprofit community-based agencies, government agencies, and private institutions.

In FY 2019–20, First 5 county commissions provided a total of 137,759 services to improve family functioning for children ages birth to 5, with 116,346 child services in General Family Support and 21,413 child services in Targeted Intensive Family Support.

First 5 county commissions provided a total of 424,754 services to adults (parents, guardians, primary caregivers, relatives, and providers), with 399,510 adult services in General Family Support and 25,224 adult services in Targeted Intensive Family Support. Exhibit 3 displays the numbers of services provided.

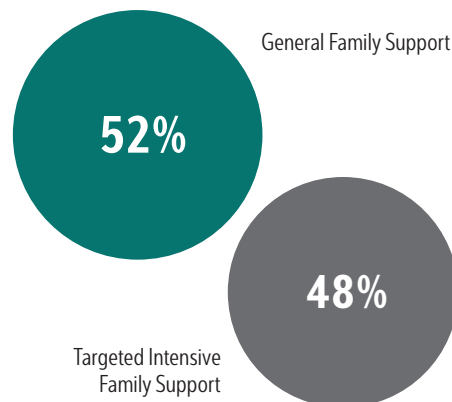
First 5 county commissions expended \$86 million to improve Family Functioning, with 52 percent of expenditures in General Family Support and 48 percent of expenditures in Targeted Intensive Family Support. Exhibit 4 shows the distribution of expenditures by service category.

Exhibit 3: Family Functioning—Total Number of Services Provided to Children Ages 0 to 5 and Adults* in FY 2019–20 by Service



*Totals for Adults include both Primary Caregiver and Provider counts

Exhibit 4: Family Functioning—Distribution of Expenditures for Children Ages 0 to 5 and Adults* in FY 2019–20 by Service



*Adults include both Primary Caregivers and Providers

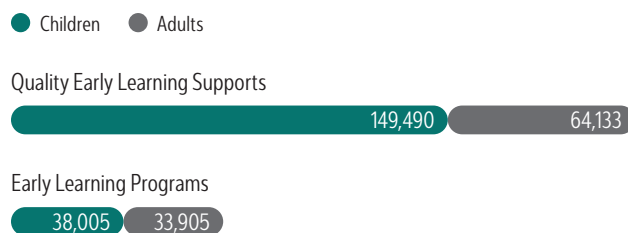
IMPROVED CHILD DEVELOPMENT

Child Development includes the categories Quality Early Learning Supports and Early Learning Programs. Programs include professional development for educators, high-quality preschool, services for diverse populations, and school readiness.

In FY 2019–20, First 5 county commissions delivered 187,495 child development services to children ages birth to 5, with 149,490 child services in Quality Early Learning Supports and 38,005 child services in Early Learning Programs.

First 5 county commissions provided 98,038 services to adults (parents, guardians, primary caregivers, relatives, and providers), with 64,133 adult services in Quality Early Learning Supports and 33,905 adult services in Early Learning Programs. Exhibit 5 displays the numbers of services provided.

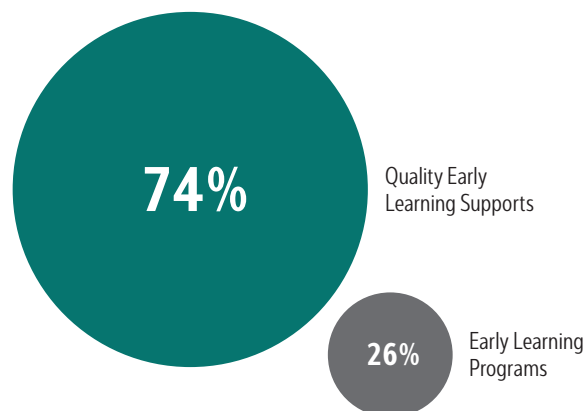
Exhibit 5: Child Development—Total Number of Services Provided to Children Ages 0 to 5 and Adults* in FY 2019–20 by Service



*Totals for Adults include both Primary Caregiver and Provider counts

In FY 2019–20, county commissions expended \$110 million to improve Child Development, with 74 percent of expenditures in Quality Early Learning Supports and 26 percent of expenditures in Early Learning Programs. Exhibit 6 shows the distribution of expenditures by service category.

Exhibit 6: Child Development—Distribution of Expenditures for Children Ages 0 to 5 and Adults* in FY 2019–20 by Service



*Adults include both Primary Caregivers and Providers

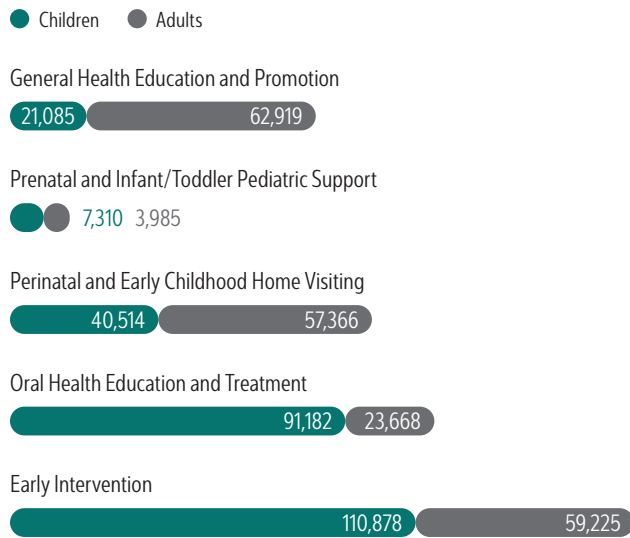
IMPROVED CHILD HEALTH

First 5 county commissions fund a variety of Child Health services that promote identification, treatment, and elimination of risks that threaten health and cause developmental delays and disabilities. First 5 Child Health services are far-ranging and include the categories General Health Education and Promotion, Prenatal and Infant/Toddler Pediatric Support, Perinatal and Early Childhood Home Visiting, Oral Health Education and Treatment, and Early Intervention.

In FY 2019–20, First 5 county commissions provided a total of 270,969 to children ages birth to 5, with 21,085 child services in General Health Education and Promotion, 7,310 in Prenatal and Infant/Toddler Pediatric Support, 40,514 in Perinatal and Early Childhood Home Visiting, 91,182 in Oral Health Education and Treatment, and 110,878 in Early Intervention.

First 5 county commissions provided 207,163 services to adults (parents, guardians, primary caregivers, relatives, and providers), with 62,919 adult services in General Health Education and Promotion, 3,985 in Prenatal and Infant/Toddler Pediatric Support, 57,366 in Perinatal and Early Childhood Home Visiting, 23,668 in Oral Health Education and Treatment, and 59,225 in Early Intervention. Exhibit 7 displays the numbers of services provided.

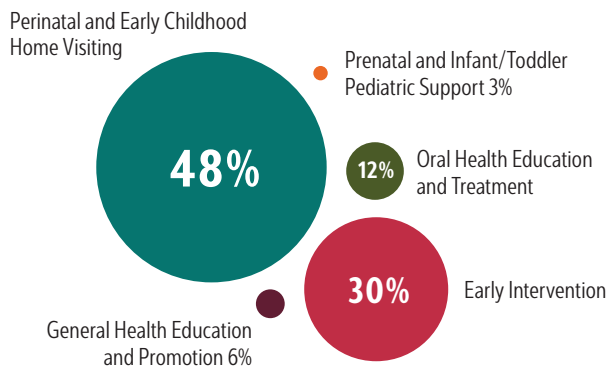
Exhibit 7: Child Health—Total Number of Services Provided to Children Ages 0 to 5 and Adults* in FY 2019–20 by Service



*Totals for Adults include both Primary Caregiver and Provider counts

In FY 2019–20, county commissions expended \$125 million to improve Child Health, with 6 percent of expenditures in General Health Education and Promotion, 3 percent in Prenatal and Infant/Toddler Pediatric Support, 48 percent in Perinatal and Early Childhood Home Visiting, 12 percent in Oral Health Education and Treatment, and 30 percent in Early Intervention. Exhibit 8 shows the distribution of expenditures by service category.

Exhibit 8: Child Health—Distribution of Expenditures for Children Ages 0 to 5 and Adults* in FY 2019–20 by Service

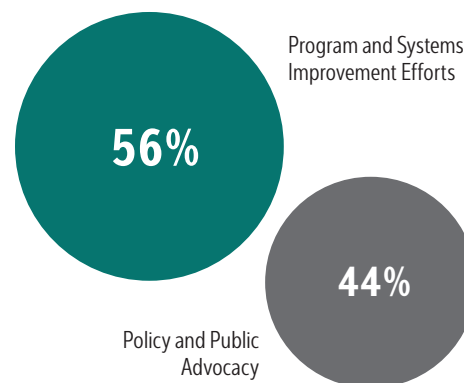


* Adults include both Primary Caregivers and Providers

IMPROVED SYSTEMS OF CARE

Systems of Care addresses system-wide structural supports as county commissions focus efforts within the result areas of Family Functioning, Child Health, and Child Development. For example, interagency collaboration allows coordinated wrap-around efforts from multiple organizations providing targeted services. Since this result area is at a systems level, counties do not report numbers of children and adults served. Expenditure data indicate that for FY 2019–20, county commissions expended \$84 million to improve Systems of Care (Exhibit 9), with 44 percent toward Policy and Public Advocacy, and 56 percent of expenditures toward Program and Systems Improvement Efforts.

Exhibit 9: Systems of Care—Distribution of Expenditures in FY 2019–20 by Service



POPULATIONS SERVED

County commissions serve populations representing a diversity of age, racial/ethnic, and language groups. Statewide, by age, 32 percent of children served were under 3 years old, 49 percent were ages 3 through 5 years old, and 19 percent were of unknown age. Adults served included primary caregivers such as parents and other family members (91 percent), and service providers (9 percent).

With respect to primary language of children served, the two largest groups served were English (41 percent) and Spanish (25 percent) speakers, followed by speakers of Asian languages (Vietnamese, Cantonese, Mandarin, Korean, 2 percent) and language unknown (29 percent). By racial/ethnic group, children and adults served included Hispanic or Latino as the largest group (32 percent), followed by White (12 percent), Asian (5 percent), Other (5 percent), Black or African American (4 percent), Two or More Races (2 percent), Alaska Native or American Indian (1 percent), Native Hawaiian or Pacific Islander (less than 1 percent) and unknown race/ethnicity (39 percent).



programs across the state in finding new and innovative ways to meet the needs of local families. Highlights include the following:

- The four Family Resource Centers (FRCs) served 814 caregivers and 985 children ages 0 to 5 years. The FRCs provided social emotional supports to families in the form of online playgroups and direct, one-on-one contact with families over the phone weekly. FRC staff provided concrete supports via food pantries (accessed over 1,350 times), clothing closets (accessed 1,183 times), and grocery cards (110 distributed). During the shelter-in-place, one advocate from the FRCs implemented a highly successful online parenting workshop using the *Nurturing Parenting* curriculum.
- The evidence-based home visiting program, *Healthy Babies*, continued to meet with families virtually, recognizing the increased need for social, emotional, and concrete support during this trying time. The *Avanza* program, which supports Latinx Early Education students, was able to transition from in-person meetings to online support.
- The First 5 Nevada Commission allocated emergency funds to sponsor child care slots for essential workers during the height of the pandemic, allowing over 20 families to access child care services in order to return to work.
- The two local Community Collaboratives continued to provide connection opportunities for non-profits who had the resources to serve families.
- Finally, the *School Readiness* program through the Tahoe Truckee Unified School District collaborated with

several local agencies, leveraging funds to put together developmentally appropriate book bags for 300 children ages 0 to 5. The bags included two bilingual books, scissors, paper, chalk, and other items to support parents in providing ongoing developmental support to their children. The program was able to distribute books two additional times, providing families with up to six new books for their home libraries.

Orange

In response to the COVID-19 pandemic, First 5 Orange County used its vast network to bolster support for child care facilities, frontline nonprofits, and providers addressing family homelessness. Measures ranged from procuring essential supplies and personal protective equipment for childcare centers, to providing additional funding to keep families safe and housed, to creating a resources webpage to assist families with young children.

First 5 Orange's *Engaged Neighborhoods* work focuses on closing opportunity gaps in communities through advocacy to improve the system of care for early childhood. The engagement effort includes outreach to school districts, city leadership, the business community, local nonprofits, and most importantly, residents in communities identified by our Early Development Index data as having the most opportunity for improved outcomes. The work looks different in each community, but the results are the same: To connect families on their journey, from prenatal through the start of school, to resources and supports that develop children who are ready for school and success. The ultimate goal is that communities work across sectors and prioritize early childhood, working to align resources, learn from parents, and focus on equity.

By encouraging childhood systems of care to work together – and helping build new bridges to make it possible – First 5 Orange is creating a holistic, supportive infrastructure that will let families experience seamless connections to quality services. First 5 Orange is aligning multiple systems of care to create a potent, effective, and united advocate for Orange County’s children and their families. For instance, First 5 Orange County’s Pritzker Fellow gathered a wide array of community partners – many of whom had never before come together – to develop the *You Are Not Alone* flier for new parents and the *Orange County Perinatal Mental Health Toolkit* for medical providers.

Placer

First 5 Placer County’s collaborative action work continued in 2020. A series of documents designed to lay out a plan for collaborative action, guide funded partners in planning their work, and allocating First 5 Placer funds were completed. These documents included a Collaborative Planning Guidance Document, Collaborative Action Plan, and a Funding Plan for the Collaborative Initiative. Staff is currently working with funded partners to develop program logic models, conduct program cost analyses, and draft scopes of work. As the collective action work proceeds, staff is ensuring each funded partner has an engagement strategy to reach First 5 Placer’s priority populations; shared indicators are included across similar program areas; and activities match First 5 Placer strategies, priorities, and funding plan.

In response to emerging needs due to the COVID-19 pandemic, First 5 Placer and its funded partners explored opportunities to do their work differently. Early in 2020, the evaluation team implemented a survey to better understand the impact of COVID-19 on agencies, staff, and families. Challenges cited by funded partners included: virtual program facilitation; tracking data virtually; finding and referring families to high-quality, affordable child care; and having to temporarily cancel programs and services. At the same time, funded partners were flexible, responsive, and resilient. They held regular team meetings to ensure they were up to date on emerging issues, started emergency response funds to meet family’s basic needs, and developed new and creative ways to provide services virtually.

Plumas

The First 5 Plumas County Children and Families Commission’s primary strategy in realizing its vision and fulfilling its mission is through the support of home visiting services. Currently, the Commission funds four programs that provide home visiting services to families who have children ages 0 to 5. All programs utilize the *Strengthening*

Families™ Protective Factors framework to support and measure success.

Home visiting programs are reaching the target population and have consistently served families with the youngest children in Plumas County as evidenced by the fact that most children served are under one year old (44 percent of all children ages 0 to 5, served). Additionally, home visiting programs are serving a more racial and ethnically diverse population than the overall county population, with a pronounced reach within the American Indian/Alaskan Native population (which comprises 13 percent of the service population and only 2 percent of the total county population). Lastly, home visiting programs are serving most communities proportionately except for Chester (which makes up 21 percent of the total county population but only 6 percent of the home visiting service population).

Families are being strengthened. A total of 91 families received home visiting services, most of which were highly engaged as demonstrated by both the number of home visits (785) and the total number of services provided (5,114). Additionally, families report increases in each of the five protective factors after receiving home visiting services, with the most significant gains being made in the area that many families struggled with at program entry – concrete support in times of need. The other area of marked growth was in relationship to social connections.

Families are satisfied. Families surveyed indicated high levels of satisfaction with services and staff and agree that they received the assistance they needed. Additionally, a high percentage of families exited the program because goals and needs were met.

Riverside

First 5 Riverside County focused on leveraging resources through strategic partnerships to expand countywide access while also responding to increased levels of need. With the arrival of COVID-19, First 5 Riverside partners, both private and public, worked together to provide direct financial assistance and emergency supply kits to providers, including books and diaper kits for children and families. Supplies purchased locally and provided by First 5 California and the Riverside County Emergency Operations Center were distributed to families and early education providers with the help of staff from the county Emergency Management Department, Family Resource Centers, Community Action Partnership, Public Health, and the Riverside University Health System Foundation. The Commission’s strategic plan details the intent to align with state-directed initiatives where possible. First 5 Riverside’s use of expansion opportunities through CalWORKs funding



BETTY T. YEE
California State Controller

October 30, 2020

Camille Maben, Executive Director
First 5 California Commission
2389 Gateway Oaks Drive, Suite 260
Sacramento, CA 95833

**SUBJECT: Annual Report to the First 5 California Commission
Results of Audit Oversight of County Commissions**

Dear Ms. Maben:

I am pleased to submit our annual report to the First 5 California Commission. The report summarizes the results of our review of the independent audits of the First 5 county commissions for fiscal year (FY) 2018-19. This report also summarizes the results of our review of the audit findings identified in the independent auditor's report to the county commissions.

This is the thirteenth report submitted in accordance with Senate Bill 35 (Chapter 243, Statutes of 2005), which mandated an expanded audit of every county commission funded by the California Children and Families Act of 1998. Each commission was required to adopt a range of policies including contracting and procurement, administrative expenditure limits, conflict of interest, staff compensation, and long-range financial planning. Each county commission is required to have an annual independent audit that is reviewed by the State Controller's Office.

Our review focused on the county commissions' compliance with program requirements (as reported by their independent auditors) specified in the California Health and Safety Code. We also verified the independent auditors' compliance with auditing standards and the expanded audit guidelines when performing the county commission audits. The audit findings and audit findings follow-up section of our report provide information related to the findings from each county commission's independent audit report. Lastly, where applicable, our report contains comparative statistics from the results of our desk reviews of the independent audits for FY 2018-19, FY 2017-18, and FY 2016-17.

Camille Maben, Executive Director
October 30, 2020
Page 2

I hope that our report will be useful to you in assessing the county commissions' activities and compiling your annual report to the California State Legislature. Please direct any comments regarding the content of the report to Joel James, Chief of the Controller's Financial Audits Bureau, at jjames@sco.ca.gov or (916) 323-1573.

Sincerely,

Original signed by

DAVE O'TOOLE
Chief Operating Officer

DO/as


Enclosure

cc: Marcia Thomas, Director
Fiscal Services Office
First 5 California Commission

Agenda Item 3
April 7, 2021

DATE: March 25, 2021

TO: First 5 Orange County, Children and Families Commission

FROM: Kimberly Goll, President/CEO 

ACTION: Approve updated Strategic Plan for 2021/22 through 2025/26

SUMMARY:

First 5 Orange County annually conducts a public hearing to adopt the Strategic Plan. This item recommends approval of the Strategic Plan for Fiscal Year 2021/22 through Fiscal Year 2025/26.

DISCUSSION:

First 5 Orange County is required to annually review and revise its Strategic Plan as necessary and appropriate. In 2019, the Commission approved extensive updates to the plan to address three realities:

- 1) environmental changes resulting from 20 years of work in early childhood;
- 2) a climate of declining revenue; and
- 3) a new focus on systems change.

The resulting Strategic Plan, which was developed with significant public input, reflected a shift from the creation of new services to better integration and coordination of services and agencies that support young children and families. In 2020, staff did not propose additional updates to the Strategic Plan. Now, after two years of working with that plan, staff is recommending modifications that reflect staff's current thinking about how to accomplish First 5 Orange County's vision.

A copy of the updated Strategic Plan is provided as Attachment 2. The components of the plan have been reviewed by the Policy & Communications Ad Hoc Committee, and several elements have also been presented to the full board through agenda items over the past year including:

- First 5 Orange County's vision;
- Conditions needed for children to thrive and which our Strategic Plan seeks to positively impact;
- Strategies we believe will have the most impact on improving the conditions needed for children and families to thrive; and
- Measures of progress toward achieving the conditions and our vision (see Attachment 3).

Staff has also identified updated goals and related objectives which will be the focus of our work over the next five years, as follows.

Goal 1: Help children and families get the most out of well-child visits, screenings and linkage to services

Goal 2: Promote services that support Protective Factors¹ for children and families

Goal 3: Increase availability and accessibility of quality infant and toddler child care

Between now and July, staff will further develop the actions that must be accomplished under each of the objectives to make progress towards accomplishing the five-year goals.

How We Do Our Work

In addition to identifying priority goals for the next several years, staff has refreshed our internal values that describe *how* we do our work. Our new values are respect, teamwork, and accountability, described below.

Respect: We recognize and value the inherent worth of all coworkers, partners, and community members and treat everyone with the same level of appreciation, kindness, understanding, and helpfulness.

Teamwork: Through collaboration, dedication, and effective communication, we work together to fulfill our mission to serve the children and families of Orange County to the best of our collective ability.

Accountability: Through reliability, personal and organizational responsibility, and honesty, we honor commitments to teammates, partners, and the community.

Next Steps

Staff is currently working on defining the short-term and intermediate actions needed to make progress on the priority goals. We will bring those back to the Commission in June. Additionally, over the next several months, we plan to share the Strategic Plan with the Technical Advisory Committee (TAC), parents, funded and community partners – to gather input and identify areas of alignment and opportunities for coordination and collaboration. Recognizing that the implementation of the Strategic Plan will evolve as we receive input from partners, we will bring back ideas from the TAC and stakeholders for Commission consideration at least annually.

STRATEGIC PLAN & FISCAL SUMMARY:

This agenda item does not include a funding request.

PRIOR COMMISSION ACTIONS:

- April 2020 – Approve Fiscal Year 2019-2024 Strategic Plan
- April 2019 – Adopt Fiscal Year 2019-2024 Strategic Plan
- February 2019 – Conduct annual planning meeting to review and discuss new Strategic Plan
- April 2018 – Conduct Public Hearing, adopt resolutions and receive the annual review of the Strategic Plan, Fiscal Year 2018/2019 Business Plan, Fiscal Year 2017/2018 Amended Operating Budget and Fiscal Year 2018/2019 Proposed Budget

¹Protective Factors include parental resilience, social connections, concrete support in times of need, knowledge of parenting and child development and social and emotional competence of children.

RECOMMENDED ACTIONS:

1. Conduct Public Hearing.
2. Adopt resolution (Attachment 4) confirming First 5 Orange County's annual review and adoption of the Strategic Plan.

ATTACHMENTS:

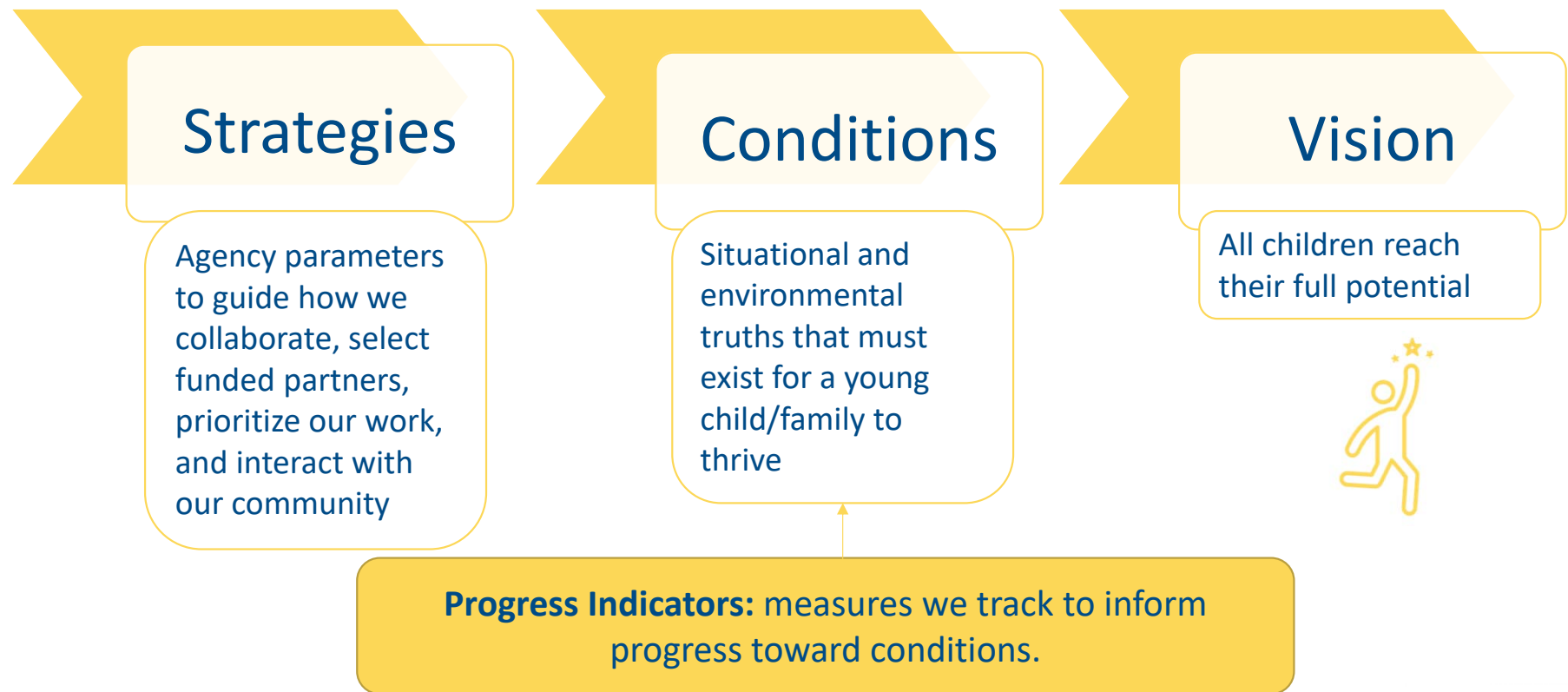
1. PowerPoint Presentation
2. First 5 Orange County Children and Families Commission Strategic Plan for 2021/22 to 2025/26
3. Progress Indicators
4. Strategic Plan Resolution

CONTACT: Lisa Burke

Strategic Plan Update

April 7, 2021

Logic for how we achieve change



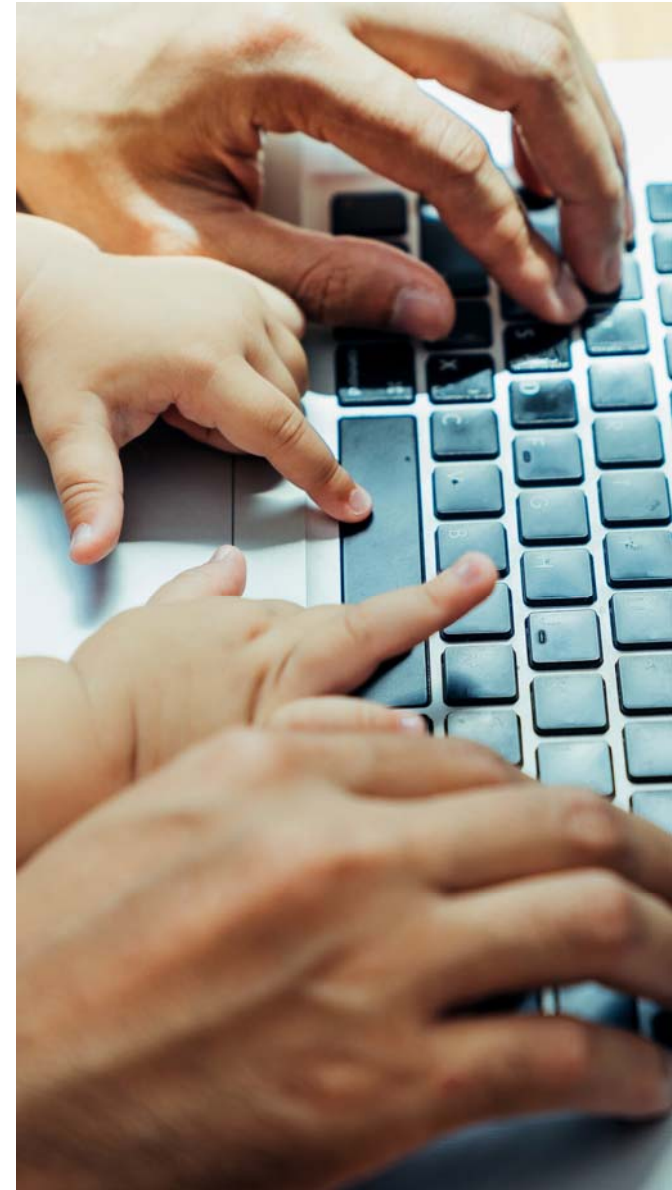


Conditions for children to reach their full potential

- Early and ongoing health and development
- A safe, stable, and nurturing home
- Neighborhoods that support young children and families
- Equitable distribution of resources

Strategies that guide our activity and investment

- Get involved early
- Elevate equity
- Empower champions
- Align systems of care



Goals and Objectives 2021 to 2025



Three priority goals, 2021-2025

- Well-child visits, screenings, and linkage to services
- Resilience among children and families
- Quality infant and toddler child care

1. Well-child visits, screenings, and linkage to services

Partner with stakeholders to help families get the most out of well-child visits and screenings:

- Identify and remove barriers to well-child visits, where most needed
- Set a community target for completion of well-child visits
- Promote the importance of medical homes (a regular place for health care) in children's health
- Improve parent and provider messaging about well-child visits and screenings (developmental, behavioral and trauma)

1. Well-child visits, screenings, and linkage to services (cont.)

Partner with stakeholders to help families get the most out of well-child visits and screenings:

- Promote earliest possible screenings and linkage to services
- Expand use of the OC Children's Screening Registry
- Smooth transition to school-based services
- Advocate to increase compliance with screenings in the medical home

2. Resilience among children and families

Promote services that support Protective Factors for children and families:

- Improve diagnosis of perinatal mood and anxiety disorders and linkage to treatment and dyadic care models
- Expand home visiting through coordination and advocacy
- Expand opportunities for families within Engaged Neighborhoods to access concrete supports, grow parent knowledge, build resilience, increase social connectivity, and strengthen children's social/emotional competencies

2. Resilience among children and families (cont.)

Promote services that support Protective Factors for children and families:

- Improve coordination, linkage to, and expansion of services to special populations
- Support community efforts to increase awareness of and access to financial supports, including addressing barriers, streamlining application processes, and identifying advocacy opportunities

3. Quality infant and toddler child care

Increase availability and accessibility of quality infant and toddler child care:

- Co-create a policy and advocacy agenda with community partners to increase the quality and amount of infant and toddler child care
- Strengthen and build capacity of infant and toddler child care providers through connections with school districts; technical assistance in the operation of 0-3 services; business resources; and shared learning opportunities

3. Quality infant and toddler child care (cont.)

Increase availability and accessibility of quality infant and toddler child care:

- Streamline access to child care for special populations to ease the burden on families that have unique needs for child care but lack ability/resources to find it
- Engage local community businesses, philanthropists, and the construction industry to assist in the acquisition and development of property that can house infant and toddler programs

How we Measure Progress

- Percentage of children on Medi-Cal completing well child visits in the first 15 years of life
- Age of children entered in the OC Children's Screening Registry
- Resilient families, measured by children's social and emotional competence and enrollment in CalFresh
- Availability of infant and toddler child care
- Kindergarten readiness: children's readiness, supportive neighborhoods and disparity by race/ethnicity

Next Steps

- April-June

- Further develop objectives and related actions

- June-July

- Launch updated website

- Throughout 2021/22

- Engage stakeholders and parents in Strategic Plan work



Questions?

2021-2025 Strategic Plan



OUR VISION

We envision an Orange County in which **“All children reach their full potential.”** The groundwork for this vision to be achieved is set during a child’s earliest years. First 5 Orange County partners with many organizations working towards creating and maintaining an early childhood system that families experience as a seamless network of care.

Each child is unique, and every child’s full potential will look different. We know from years of research that a child’s experiences during their early years establish a foundation that, if strong, sets children up to achieve more in school and life, be physically healthier and more emotionally resilient, and participate more in society.

At First 5 Orange County, we aim to build bridges and remove barriers so children of every culture, color, and condition can thrive. In partnership with health, social service, family support, and education agencies in Orange County, we strive to provide programs and initiatives that build up children and encourage whole family engagement and health.

Conditions for Children to Thrive

For children to thrive, the following set of situational and environmental conditions are needed.



These conditions reflect our conviction that the entities surrounding children (parents, caregivers, communities, and early childhood systems such as health care and child care) directly influence their development and are inextricably linked.

Early and Ongoing Health and Development

Decades of research support the benefits of early intervention for children and the importance of physical and mental healthcare. When met, the health and development condition looks like this: children prenatal to age 5 and their families receive support to optimize children's physical and mental health and cognitive development; and a planned progression of quality services is available at a variety of natural interaction points with systems of care. For example, a mother might receive breastfeeding education, a depression screening, and support if needed for a healthy pregnancy during a prenatal visit. Or a child might receive a developmental screening and their family could be connected with services during a pediatric well visit appointment.

A Safe, Stable, and Nurturing Home

The value of nurturing environments for young children to build resiliency and protective factors is well documented. A child's family is its first and most influential setting, and well-equipped parents and caregivers provide foundational relationships and emotional stability. When the Home condition is met, parents and caregivers have access and capability to attend to their own mental health and can provide positive, responsive parenting to the young children in their care.

Neighborhoods that Support Young Children and Families

Beyond the home, the community surrounding a child also influences their growth and development. Children thrive when they have safe places to play, access to early learning opportunities (such as child care or libraries), and other supports such as family resource centers, nearby healthcare, and access to healthy food. When this condition is met, neighborhoods have the infrastructure to support children and the capacity to sustain healthy social relationships.

Equitable Distribution of Resources

A condition for all children to achieve their full potential is a society where inclusion, diversity, and equity are a value and a priority, and policies and practices are put in place to address the structural barriers that perpetuate equity gaps and racism. When this condition is met, parents and families are put at the center and supported to co-create and advocate for solutions to the pressing issues facing them. First 5 Orange County prioritizes the county's most vulnerable families to reduce disparities in access to equitable, quality services and positive outcomes

We believe these conditions are non-negotiable, minimum standards Orange County must meet for all its families.

Strategies to Make a Positive Change

We believe these four strategies have the most impact on improving the conditions needed for children and families to thrive. These strategies guide us and are the lens through which we prioritize our work:

Get Involved Early

We invest in programs, services, and partnerships that focus on prevention, identify mental and developmental health needs as early as possible, and link children and families to resources.

Elevate Equity

We prioritize the county's most vulnerable families to reduce disparities in access to quality services and outcomes for kids.

Empower Champions

We connect with, strengthen, and support parents, community leaders, public agencies, and community organizations to co-create and advocate for solutions to pressing issues facing young children and families.

Align Systems of Care

We coordinate early childhood systems of care to work together, creating a supportive infrastructure so families can experience seamless connections to quality services.

In summary, this is **First 5 Orange County's** logic for how we achieve change:

Strategies

Agency parameters to guide how we select funded partners, prioritize our work, and interact with our community

Conditions

Situational and environmental truths that must exist for a young child/family to thrive

Vision

All children reach their full potential

Our focus between 2021 and 2025

1 Well-child visits, screenings, and linkage to services

Partner with stakeholders to help families get the most out of well-child visits and screenings:

- Identify and remove barriers to well-child visits, where most needed
- Set a community target for completion of well-child visits
- Promote the importance of medical homes (a regular place for health care) in children's health
- Improve parent and provider messaging about well-child visits and screenings (developmental, behavioral and trauma)
- Promote earliest possible screenings and linkage to services
- Expand use of the OC Children's Screening Registry
- Smooth transition to school-based services
- Advocate to increase compliance with screenings in the medical home

2 Resilience among children and families

Promote services that support Protective Factors¹ for children and families:

- Improve diagnosis of perinatal mood and anxiety disorders and linkage to treatment and dyadic care models
- Expand home visiting through coordination and advocacy
- Expand opportunities for families within Engaged Neighborhoods to access concrete supports, grow parent knowledge, build resilience, increase social connectivity, and strengthen children's social/emotional competencies
- Improve coordination, linkage to, and expansion of services to special populations²
- Support community efforts to increase awareness of and access to financial supports,³ including addressing barriers, streamlining application processes, and identifying advocacy opportunities

¹ Protective Factors include parental resilience, social connections, concrete support in times of need, knowledge of parenting and child development and social and emotional competence of children.

² Special populations include children at risk for abuse and neglect; infants who have been substance-exposed; foster youth who are parenting; families experiencing homelessness.

³ Examples of financial supports are CalFresh, CalWORKs, and WIC.



3

Quality infant and toddler child care

Increase availability and accessibility of quality infant and toddler child care:









- Co-create a policy and advocacy agenda with community partners to increase the quality and amount of infant and toddler child care
- Strengthen and build capacity of infant and toddler child care providers through connections with school districts; technical assistance in the operation of 0-3 services; business resources; and shared learning opportunities
- Streamline access to child care for special populations to ease the burden on families that have unique needs for child care but lack ability/resources to find it
- Engage local community businesses, philanthropists, and the construction industry to assist in the acquisition and development of property that can house infant and toddler programs



Measuring Progress

We use a set of progress indicators to determine whether we are contributing to the achievement of the four conditions needed for children and families to thrive.

Though we understand First 5 Orange County is one of many organizations influencing these metrics, they are critical representations of the reality children and families face and reflect our commitment to definitively contribute to the achievement of each condition in Orange County.

Progress Indicator	Desired Trend	Baseline
Percentage of children on Medi-Cal completing well-child visits in the first 15 months of life		66.7%
Age of children entered in the OC Children's Screening Registry		29% 0 – 11 months 35% 12 – 23 months 27% 24 – 35 months
Children's social and emotional vulnerability (Resilient Families Measure)		9.7%
Gap between the percentage of young children who are eligible for and enrolled in CalFresh (Resilient Families Measure)		29.2%
Availability of infant and toddler child care		5,170 licensed spaces (5% of OC's children ages 0-2)
Proportion of children who are ready for kindergarten		52.9%
Neighborhoods with increasing proportion of children ready for kindergarten		35 neighborhoods (15%)
Gap in children's likelihood of being ready for kindergarten (Disparity Index)		Not yet available

A full set of progress indicators are available on our website. See **"First 5 Orange County Strategic Plan Progress Indicators."**

FIRST 5 ORANGE COUNTY STRATEGIC PLAN

PROGRESS INDICATORS

Progress indicators are the measures we use to determine whether First 5 Orange County is contributing to the achievement of the four conditions needed for children and families to thrive as identified in our Strategic Plan. These conditions include early and ongoing health and development; a safe, stable and nurturing home; neighborhoods that support young children and families; and equitable distribution of resources.

We have narrowed the progress indicators to a group of five primary indicators to keep us focused on what we are trying to achieve, as well as three outcome indicators to gauge if we are making headway.

Where available, we have shown data by race and ethnicity, using the Disparity Index.¹ Our intent in using the Disparity Index is to apply a lens of racial equity to better understand the different outcomes of the varied children we serve, and then focus our work to reduce gaps in resources and services.

Though we understand First 5 Orange County is one of many organizations influencing these measures, these indicators are critical representations of the reality children and families face and reflect our commitment to definitively contribute to the achievement of each condition in Orange County. In the coming year, we will work with community partners to develop targets for the progress indicators where possible, which will inform our advancement towards what we set out to do. We note that future data could change significantly due to the impacts of the COVID-pandemic.

Primary Indicators	Outcome Indicators	
● Well Child visits	Kindergarten Readiness:	● Improving
● Developmental Screenings (Age at Screening)	● Children are Ready	● Needs Improvement
● Resilient Families (Children's Social-Emotional Competence)	● Supportive Neighborhoods	● No Change
● Resilient Families (CalFresh Participation)	○ Disparity Index	● Baseline Only
● Infant & Toddler Childcare		○ Not Yet Available

¹ The Disparity Index is the "likelihood of one group experiencing an event, compared to the likelihood of another group experiencing that same event" and provides a comparison of the level of one group compared to all the other groups, including a consideration of the different population sizes. Shaw, Terry & Putnam-Hornstein, Emily & Magruder, Joseph & Needell, Barbara. (2008). Measuring Racial Disparity in Child Welfare. Child welfare. 87. 23-36.

PRIMARY INDICATORS

Desired Trend



Indicator

Percentage of children on Medi-Cal completing well-child visits in the first 15 months of life

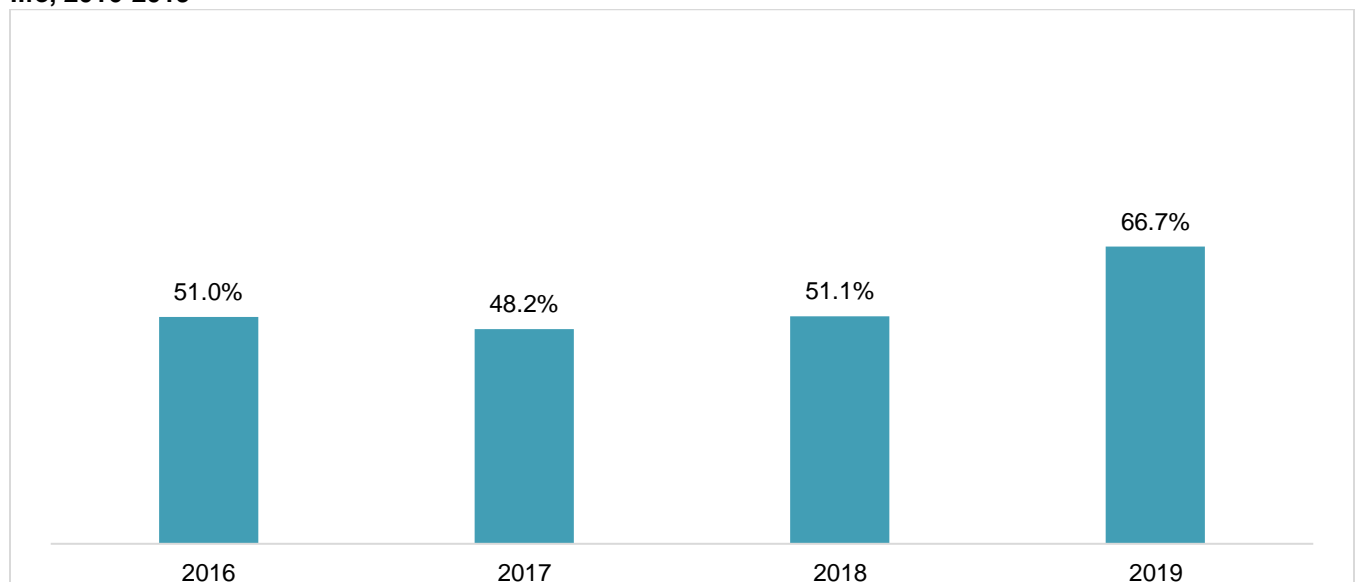
Source

CalOptima, HEDIS Measure W15²

Why is this measure important? Well-child visits are essential for many reasons. They provide an opportunity to track growth and development (e.g., developmental milestones, social behaviors, and learning); discuss concerns about a child's health; and receive scheduled vaccinations to prevent illnesses. Ensuring that children complete their well-child visits is crucial to supporting children on the path to good health and setting them up to be successful in life.


Baseline/Trend: Between 2016 and 2019, the percentage of children under 15 months of age receiving their well-child visit grew by almost 16 percentage points. The greatest increase in percentage points during a single year occurred between 2018 and 2019.

Percentage of Orange County children on Medi-Cal completing well-child visits in the first 15 months of life, 2016-2019



² The Health Care Effectiveness and Data information Set (HEDIS) is a set of standardized performance measures developed to measure, report, and compare quality across health plans.

PRIMARY INDICATORS

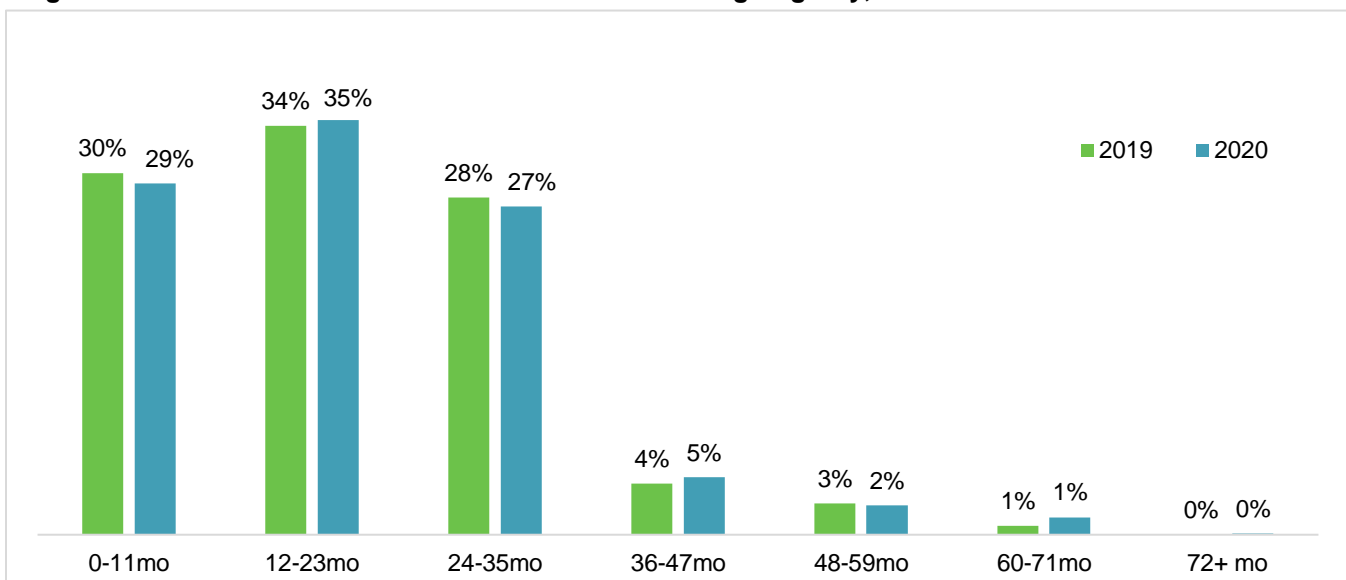
Desired Trend 	Indicator	Age of children entered into the OC Children's Screening Registry
	Source	OC Children's Screening Registry

Why is this measure important? One in six children under the age of three have a developmental delay, with estimates that more than 80% of these children do not receive the vital early intervention services that can help them close the developmental gap.³

Unfortunately, many children with delays are not identified until they are in school, by which time significant delays might have occurred and opportunities for treatment have been missed. Research consistently shows that the earlier a delay is recognized, and intervention is begun, the better chance the child has for substantial improvement.

Baseline/Trend: 2019 was the first year with 12 full months of data from the OC Screening Registry.⁴ In 2020, nine out of 10 of the children with developmental screenings entered into the Registry were children younger than three years old. Of those, the greatest proportion were between 1 and 2 years old.

Age of children entered into the OC Children's Screening Registry, 2019 and 2020




Note: Children considered unique only within their age intervals, not across intervals.

³ Baschshi, Ramin Dr., and Reshmi, Basu Dr. "Pediatric Check-Ups Are More Important than Ever." *Daily Pilot*, 26 Dec. 2020.

⁴ Developmental screens include ASQ-3, ASQ:SE, PEDS and M-CHAT R/F (Modified Checklist for Autism in Toddlers, Revised, with Follow-Up).

PRIMARY INDICATORS

Desired Trend 	Indicator	Children's social and emotional vulnerability (Resilient Families measure)
	Source	Early Development Index

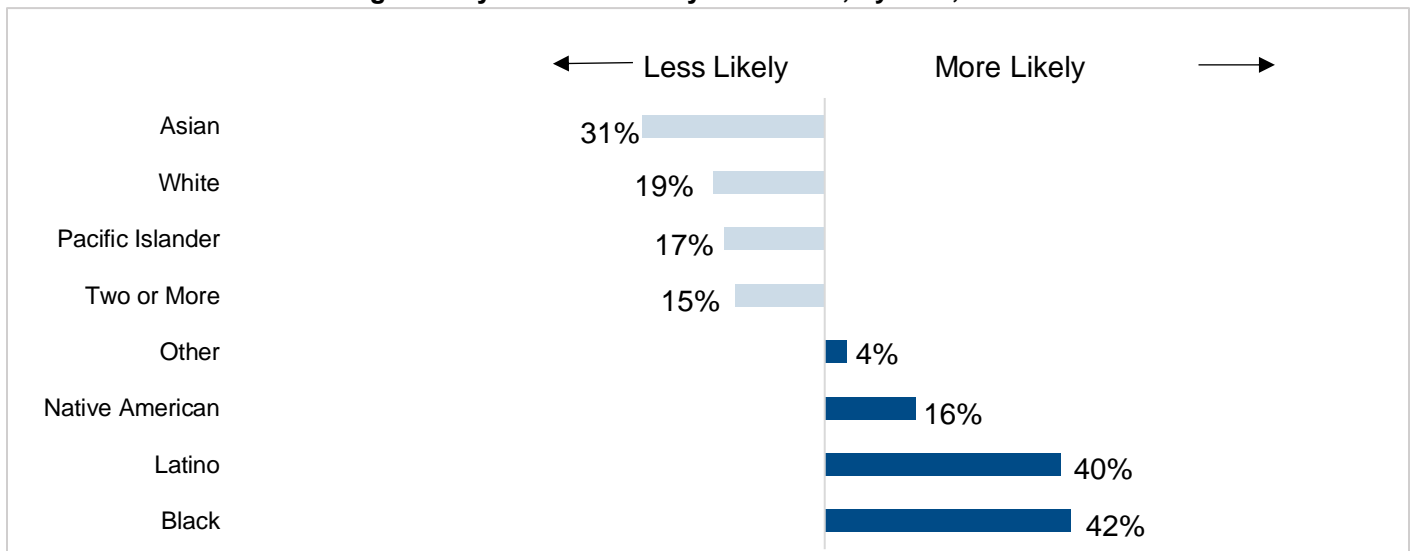
Why is this measure important? Resilient families can be measured by their protective factors. Protective factors are conditions or characteristics of individuals, families, communities, or the larger society that act to reduce risks and promote the health and well-being of children and families. The Strengthening Families Framework™ lays out five protective factors, including: Parental Resilience; Social Connections; Concrete Support in Times of Need; Knowledge of Parenting and Child Development; and Social Emotional Competence of Children.⁵ This report focuses on children's social-emotional competence as measured by the Early Development Index (EDI) and access to CalFresh, as those are the data points currently available to measure resilient families.

Children's social and emotional health affects their overall development and learning. Social-emotional development is influenced by the quality of nurturing attachment and stimulation that a child experiences. Numerous research studies show that a relationship with a consistent, caring, and attuned adult is essential for healthy social-emotional outcomes in young children. Early and appropriate interventions that focus on social-emotional development can help to mitigate the effects of negative experiences in ways that lead to improved cognitive and social-emotional outcomes.⁵ Thus, children's social and emotional health is just as important as their physical health and affects their capacity to lead a fulfilling life.

Baseline/Trend: The proportion of Orange County kindergarteners who are vulnerable on their social-emotional competence has remained relatively steady and was at 9.7% in 2019.


Disparity Index: Black and Latino kindergarteners in Orange County are 42% and 40% more likely, respectively, to be vulnerable on the EDI Social-Emotional Indicators than non-Black and non-Latino kindergarteners.

Children's likelihood of being socially and emotionally vulnerable, by race, 2019



⁵ "Social-Emotional Competence of Children Protective and Promotive Factors." *Center for the Study of Social Policy*, Center for the Study of Social Policy, cssp.org/.

PRIMARY INDICATORS

Desired Trend 	Indicator	Gap between percentage of young children who are eligible and enrolled in CalFresh (Resilient Families measure)
	Source	Orange County Social Services Agency; California Department of Social Services

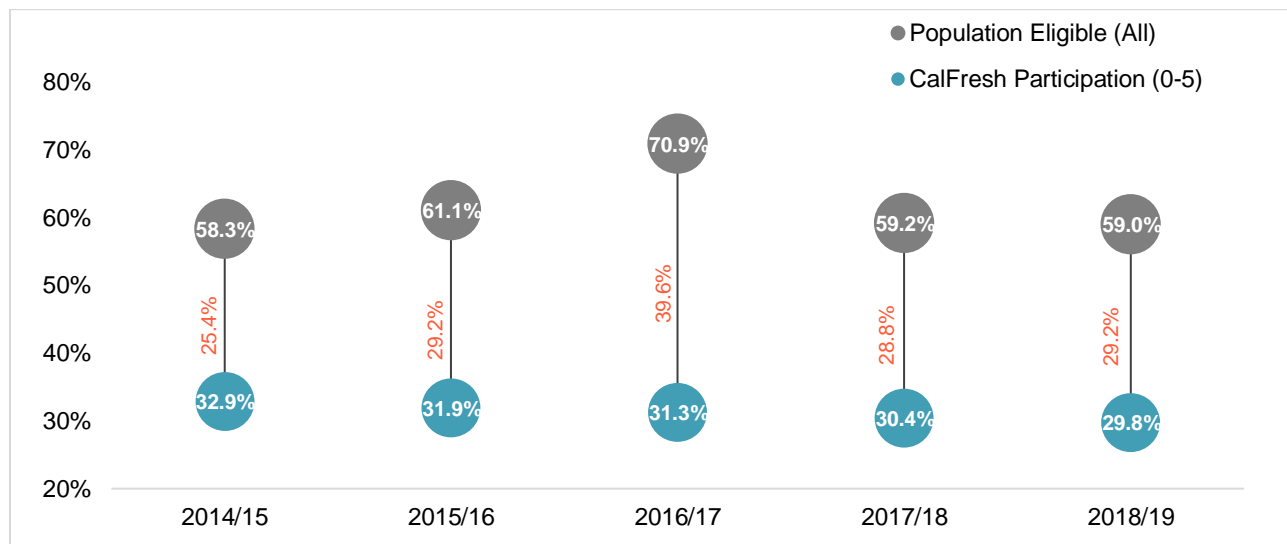
Why is this measure important? There are many reasons that families eligible for CalFresh are not enrolled in the program, ranging from not knowing they are eligible to fear of enrolling in a government program, difficulty with enrollment processes and procedures, and the stigma associated with applying for food assistance from deeply ingrained myths about poverty and welfare. However, when families do not have to worry about or suffer from food insecurity, it can improve other destabilizing factors that may affect a family such as employment, healthcare, housing, and transportation, among other things. By identifying barriers and working to increase the number of families enrolled in CalFresh, we are creating a community that will provide opportunities for all children and families to thrive and succeed.

Please note that we will continue to refine this metric with our partners.

Baseline/Trend: The gap between the percentage of overall population eligible and participation in CalFresh for children ages 0-5 is growing. In FY 2018/19, 29.8% of CalFresh beneficiaries under age 18 in Orange County were children from birth to five years old (25,503 children 0-5 of the 102,285 children under 18 receiving CalFresh). Also, in 2018/19, 59.0% of the overall eligible population in Orange County received CalFresh assistance, as indicated by the Program Reach Index.⁶


In 2020, approximately 235,900 Pandemic-EBT cards were sent to children who were eligible for free- and reduced-price lunch. This represents about 34.4% of the population in Orange County who are younger than age 18. The actual proportion of children ages five and younger who received the Pandemic-EBT support is likely even higher as families with younger children tend to be less economically well off.

Gap between eligible population (all ages) and CalFresh participation (ages 0 – 5), 2014/15-2018/19



⁶ The Program Reach Index (PRI) estimates CalFresh access among individuals who meet CalFresh eligibility requirements. It excludes SSI recipients and ineligible individuals. A higher PRI score indicates higher CalFresh utilization among eligible people.

PRIMARY INDICATORS

Desired Trend 	Indicator	Availability of infant and toddler childcare
	Source	Orange County 2020-2025 LPC Needs Assessment

Why is this measure important? Throughout California, and in Orange County in particular, the high cost of living means that most families with young children rely on all parents/caregivers in a household to work. In Orange County, 60% of children ages 0-4 have all parents working, yet there are approximately 21 infants/toddlers for each licensed slot available. Even if only one-third of infants and toddlers in Orange County required childcare, there would still only be enough licensed capacity for 1 in 7 children. Increasing the number of quality slots available for infants and toddlers will help provide a stable, secure setting to support the health, social and emotional development for children and their families.

Baseline/Trend: In 2019/20, there was enough licensed capacity to serve only 5% of the county's children younger than three years old.

Child Care Availability: Infants/ Toddlers (0-2)	
Number of Children (ages 0-2)	107,870
Infant / Toddler Licensed Capacity (ages 0 to 2)	5,170
Licensed Centers: 4,476	
Licensed Family Child Care Homes: 694	
Number of children per licensed slot available	21
Percentage of eligible children for whom a subsidized slot was available	5%

OUTCOME INDICATORS

Background to the Early Development Index

The outcome measures presented in this report draw on the Early Development Index (EDI) as their source. The EDI is a school readiness measurement tool that provides information about children in five developmental areas that are known to affect well-being and school performance:

- Physical Health & Well-Being,
- Social Competence,
- Emotional Maturity,
- Language & Cognitive Development, and
- General Knowledge & Communication.


For each child's record, an average score on each of the five developmental areas is calculated and then compared against three preestablished cutoff categories (using percentiles)—“vulnerable,” “at risk” and “on track”.⁷

NOT ON TRACK		ON TRACK >25% TO 100%
VULNERABLE 0% TO <10%	AT-RISK 10% TO ≤25%	

The EDI is used to produce holistic, community-level measures of childhood development during the kindergarten year. The EDI is not designed to screen, identify or diagnose individual children. The EDI can be used to monitor populations of children over time, report on populations of children in different communities, predict how groups of children will do in elementary school, and inform policies concerning young children and their families.

⁷ This method is called the normative cutoff. The normative population cutoffs were determined using school year 2009-2010 EDI data to set a representative benchmark, which helps to compare how children are doing developmentally both across and within communities and over time. To establish these cutoffs, an average score for each area was first developed per child with data valid for analysis. The averages for all records valid for analysis were then sorted from lowest to highest to determine the 10th and the 25th percentile population cutoff scores for each developmental area.

OUTCOME INDICATORS

Desired Trend 	Indicator	Proportion of children who are ready for kindergarten
	Source	Early Development Index

Why is this measure important? Research confirms that kindergarten readiness is a strong predictor of future success. Children who are developmentally ready when they enter the classroom are more likely to graduate from high school, compete for higher paying jobs and enjoy success and happiness throughout their lives. Nationally, children who do not have access to high-quality early childhood opportunities and experiences are:⁸

- 25% more likely to drop out of high school
- 40% more likely to become a teen parent
- 50% more likely to be placed in special education
- 60% more likely to never attend college
- 70% more likely to be arrested for a violent crime

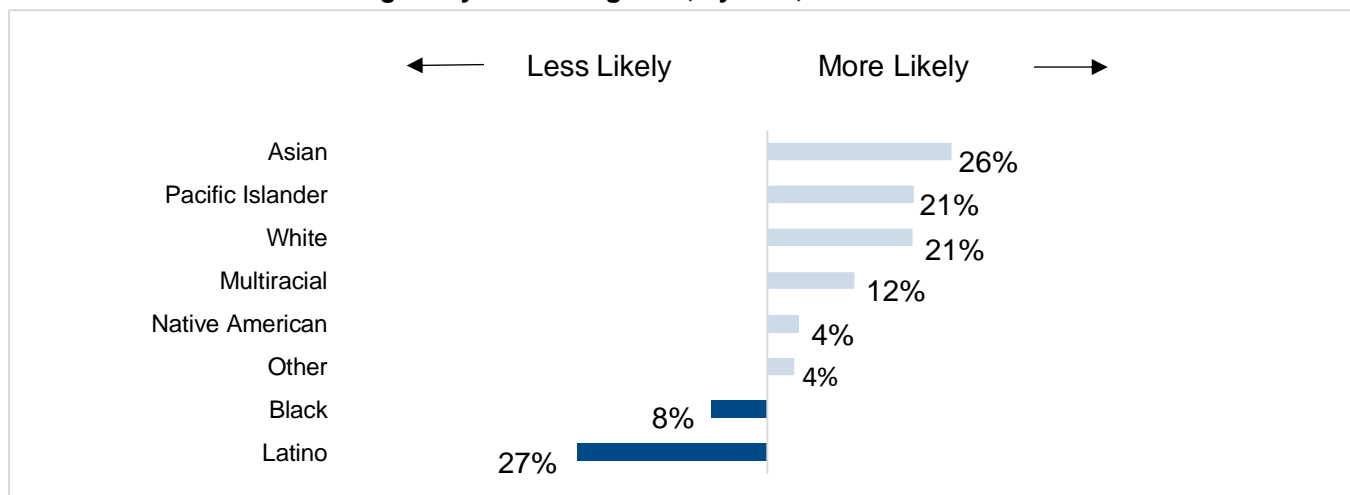
It is thus critical to create opportunities for all children to be ready for kindergarten, providing a strong foundation for a lifetime of learning and success.

This indicator measures Kindergarten Readiness as the proportion of children who are on track (25th percentile or higher) on all EDI domains. This measure helps identify the contributions First 5 Orange County is making to positive change in the County, this case, for children.

Baseline/Trend: While there was a slight dip between 2018 and 2019, the overall proportion of children who are ready for kindergarten is on the rise and was 52.9% in 2019.

Disparity Index: Latino children are 27% less likely to be ready for kindergarten compared to non-Latino children.

Children's likelihood of being ready for kindergarten, by race, 2019



⁸ <http://occhildrenandfamilies.com/resources> - Leaders Today, Learner's Tomorrow - Kindergarten Readiness Presentation

OUTCOME INDICATORS

Desired Trend



Indicator

Proportion of neighborhoods whose children are ready for kindergarten

Source

Early Development Index

Why is this measure important? The EDI data help us to understand how neighborhoods are preparing children for kindergarten. If children in a neighborhood are more ready for kindergarten over time, the neighborhood is growing its ability to prepare children for school and life. Conversely, if a neighborhood's children are less ready for kindergarten over time, improvement is needed in neighborhood support.


Analysis is based on the percentage of children vulnerable on one or more EDI domains, and the critical difference between 2015 and 2019 data. A critical difference is the amount of change over two time points in an area's EDI vulnerability rate that is large enough to be considered as meaningful in the statistical sense. A decrease in vulnerability is translated as an increase in readiness for kindergarten.

Baseline/Trend: Between 2015 and 2019, 35 neighborhoods (15%) had an increase in their children's readiness for kindergarten, while 34 neighborhoods (14%) had a decrease. In most of the neighborhoods (171 neighborhoods or 71%), there was no critical difference in children's readiness over time.

Neighborhood Changes in Children's Readiness for Kindergarten, 2015 to 2019		
	Number	Percent
Increase, Critical Difference	35	15%
Decrease, Critical Difference	34	14%
No Critical Difference	149	62%
Zero Change	16	7%

MAP TO COME

OUTCOME INDICATORS

Desired Trend 	Indicator	Gap in children's likelihood for being ready for Kindergarten (Disparity Index)
	Source	Early Development Index (EDI)

Why is this measure important? Any policies created to support early learning must be adaptable enough to address the varied and often difficult environments that children come from. By creating a more equitable and inclusive experience for all children no matter their starting point, we help to create a workforce that is more productive, earns more, and creates economic growth. One of the keys to equity is removing barriers and increasing access to early childhood health, development and educational resources that are crucial to mitigating early learning and development gaps. Knowing where each child is in their development and what resources they need to close gaps depends on data. That is why the EDI data First 5 Orange County uses is crucial for painting the picture of disparity in our community. Where equality aims for equal treatment of all children with access to similar resources, equity strives for giving each child the resources they need to compete on equal footing.

This indicator measures Kindergarten Readiness as the proportion of children who are vulnerable (bottom 10th percentile) on each of the five EDI domains, by race and ethnicity. This measure helps identify the contributions First 5 Orange County is making to positive change in the county, in this case, for equity.

Baseline/Trend: in 2019:

- 8.0% of kindergarteners were vulnerable on physical health and well-being
- 8.6% of kindergarteners were vulnerable on social competence
- 7.7% of kindergarteners were vulnerable on emotional maturity
- 9.6% of kindergarteners were vulnerable on language & cognitive development
- 9.7% of kindergarteners were vulnerable on general knowledge and communication

CHART TO COME

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ____-21-C&FC

April 7, 2021

**A RESOLUTION OF THE CHILDREN AND FAMILIES
COMMISSION OF ORANGE COUNTY CONFIRMING ITS
ANNUAL REVIEW AND ADOPTION OF THE STRATEGIC
PLAN**

WHEREAS, the Children and Families Act of 1998 requires the Children and Families Commission of Orange County (“Commission”) to annually review and adopt its Strategic Plan in order to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County’s children prenatal to five years of age as codified in the Act; and

WHEREAS, the Act requires the Commission to conduct a public hearing with respect to its annual review and adoption of the Strategic Plan; and

WHEREAS, at its meeting of April 7, 2021, the Commission conducted a public hearing and reviewed the following documents prepared and recommended by staff and identified in the staff report for the April 7, 2021 Commission meeting with the Attachment number set forth herein: The Strategic Plan (Attachment 2).

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 The Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 The Commission hereby confirms its annual review and adoption of the Strategic Plan.

Section 3 The Clerk of the Commission shall append to this Resolution a copy of the Strategic Plan set forth in Section 2, as Exhibit A (which shall correspond to Attachment 2 of the April 7, 2021 staff report). Exhibit A is hereby fully incorporated as part of this Resolution by this reference and made a part hereof as though fully set forth herein.

Section 4 **Severability.** If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this resolution or any part thereof. The Commission Board hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one (1) or more subsections, subdivisions, paragraphs, sentences, clauses or phrases be declared unconstitutional, or invalid, or ineffective.

Section 5 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 7, 2021 to wit:

AYES: Commissioners: _____

NOES: Commissioner(s): _____

EXCUSED: Commissioner(s): _____

ABSTAINED: Commissioner(s) _____

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

ROBIN STIELER

Clerk of the Commission, Children and Families Commission of
Orange County, County of Orange, State of California

Resolution No: __-21-C&FC

Agenda Date: April 7, 2021

Item No. ____



I certify that the foregoing is a true and correct copy of the
Resolution adopted by the

ROBIN STIELER, Clerk of the Commission


By: _____
Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION
STRATEGIC PLAN (FISCAL YEAR 2021-22 REVIEW)
(attached)**

Agenda Item 4
April 7, 2021

DATE: March 12, 2021

TO: First 5 Orange County, Children and Families Commission

FROM: Kimberly Goll, President/CEO 

ACTION: Appoint New Technical Advisory Committee Member

SUMMARY:

In December 2019, First 5 Orange County expanded and broadened the membership of its Technical Advisory Committee (TAC) to a more diverse makeup of early childhood development experts. This agenda item recommends the appointment of a new member to the First 5 Orange County TAC.

DISCUSSION:

The California Children and Families Act requires that each First 5 county commission establish one or more advisory committees to provide technical and professional expertise that will be beneficial in accomplishing the purposes of the Act. In August 2019, First 5 Orange County's policies and procedures were amended to broaden TAC membership to include experts in early learning and childhood development, and in December 2019, additional appointments were made to the TAC. The policies and procedures state that an ideal TAC member will represent the Orange County Health Care and Social Services agencies, CalOptima, the Orange County Department of Education, as well as philanthropic and business organizations. This reflects the TAC's broader charge of advancing systems change, focusing on shifting the conditions that hold persistent barriers to serving young children and families in place.

Betsy Ha served as CalOptima's representative on the TAC since December of 2019, but recently separated from the organization. First 5 Orange County and CalOptima staff have identified Dr. Edwin Poon to replace Ms. Ha as CalOptima's representative on the TAC. Dr. Poon is familiar with First 5's work and participates on Detect & Connect OC, a collaborative effort to promote developmental screening and linkage to services for children. A brief biography of Dr. Poon follows.

Edwin Poon, Director of Behavioral Health Services (Integration) at CalOptima

Dr. Poon is responsible for the management and strategic direction of the Behavioral Health Integration Department. He provides leadership support on key behavioral health initiatives and community partnerships. He ensures the department is in compliance with all local, state and federal regulations and accreditation standards. Dr. Poon has over 10 years of clinical experience in community mental health, physical rehabilitation, forensic, and inpatient mental health settings. He joined CalOptima in December 2013 and is a Licensed Psychologist in the state of California.

Upon appointment, Dr. Poon will join the current TAC members to consider several items related to systems work and First 5 Orange County's strategic plan. We believe his background, experience and knowledge will enhance the TAC's efforts related to partnering with key stakeholders and connecting systems to better serve children and families.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action has been reviewed in relation to the Strategic Plan and is consistent with all goal areas. There is no funding action proposed for this item.

PRIOR COMMISSION ACTIONS:

- December 2019- Approve appointments to the TAC
- August 2019 – Approve updated Administrative Policies and Procedures relating to the TAC

RECOMMENDED ACTION:

Appoint Edwin Poon to the First 5 Orange County Technical Advisory Committee.


ATTACHMENT: NONE

CONTACT: Lisa Burke

Agenda Item 5
April 7, 2021

DATE: March 19, 2021

TO: First 5 Orange County, Children and Families Commission

FROM: Kimberly Goll, President/CEO 

ACTION: Adopt resolution authorizing annual membership payment to the First 5 Association of California and authorize payments for professional association memberships and sponsorships

SUMMARY:

First 5 Orange County, Children and Families Commission is a member of statewide and local organizations that support our vision that all children reach their full potential. This item requests approval to continue memberships and sponsorship with professional associations through 2022.

DISCUSSION:

First 5 Orange County is a member of professional organizations that require annual membership dues. Memberships in both state and local organizations offer opportunities for partnership development, professional learning, and networking. Following are brief descriptions of the membership organizations that enhance and support First 5 Orange County's work.

First 5 Association of California

The First 5 Association is a membership organization of the 58 First 5/Children and Families Commissions in California. Association members meet at least three times each year. Given the significant statewide focus on early childhood and as First 5 Orange County engages more extensively in systems work, membership with the First 5 Association provides an important, collective voice on young children's issues. The value of membership includes information sharing and communication among the county commissions, resources and assistance that promote the effective implementation of child development programs, and a statewide hub for initiatives and collaboration. First 5 Orange County's President/CEO is currently serving the second year of a two-year term as Chair of the executive committee. Membership dues are based on the Department of Finance birth rate numbers. Payment of membership dues, not to exceed \$62,000, is recommended to support the coordinated structure to align shared goals, advocate in the policy space, and implement an impactful communications approach.

Additionally, the 58 First 5 Children and Families Commissions are divided into six regions throughout the state. Orange County is part of the southern California region, which is home to the majority of young children in the state. Members of the southern California region meet regularly throughout the year to collaborate on common issues and programs, and to collectively communicate the regional and statewide impact of Proposition 10 investments. Approval to participate in the southern California regional meetings and to host one of the meetings is recommended.

Professional Associations

First 5 Orange County's Strategic Plan emphasizes the importance of building leadership in the community who believe that a focus on early childhood is imperative – not only for each child, but also for the region's economic vitality and quality of life. Cultivating strategic community partnerships is an important strategy for developing a network of professional contacts and building committed leadership in the county. A policy approved in May 2013 authorized the Executive Director to approve memberships within the funding authority of \$50,000, an amount previously established by the Commission. The following memberships, sponsorships, and fees are recommended, consistent with prior years.

Organization	Membership Fee
First 5 Association of California	\$75,000
Orange County Health Funders Partnership	\$10,000
Orange County Business Council	\$10,000
Orange County Community Indicators Report Sponsorship	\$10,000
Orange County Grant Makers	\$5,000
Orange County Association for the Education of Young Children	\$5,000
Association of California Cities – Orange County	\$5,000
Health Insurance Portability and Accountability Act Watchdog	\$3,500
Orange County Forum	\$1,000
Santa Ana Chamber of Commerce	\$750
National Association for the Education of Young Children	\$260
Zero to Three	\$240
Government Financial Officers Association	\$180
California Society of Municipal Finance Officers	\$160
Toastmasters International	\$150

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended actions have been reviewed in relation to the Strategic Plan and are consistent with all goal areas. Funding for all memberships and sponsorships will be included in the Proposed Fiscal Year 2021/2022.

PRIOR COMMISSION ACTIONS:

- April 2020 – Adopted resolution authorizing payment for annual membership dues, professional association memberships, and regional meeting expenses.
- April 2019 – Adopted resolution authorizing payment for annual membership dues, professional association memberships, and regional meeting expenses.

RECOMMENDED ACTION:

1. Adopt resolution authorizing payment to the First 5 Association of California for annual membership dues in an amount not to exceed \$75,000.
2. Authorize funding for professional association memberships and sponsorships.
3. Approve the funding contribution as required to support regional meeting expenses and authorize payment by the Auditor-Controller upon approval by the Executive Director.

ATTACHMENTS:

1. Resolution

CONTACT: Michael Garcell

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ____-21-C&FC

April 7, 2021

**A RESOLUTION OF THE CHILDREN AND FAMILIES
COMMISSION OF ORANGE COUNTY AUTHORIZING PAYMENT
TO FIRST 5 ASSOCIATION OF CALIFORNIA FOR ANNUAL
MEMBERSHIP DUES**

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

WHEREAS, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County’s children prenatal to five years of age as codified in the Act; and

WHEREAS, Commission desires to participate and benefit from membership in First 5 Association of California (“First 5 Association”); and

WHEREAS, Membership dues for First 5 Association exceed the President/Chief Executive Officer’s funding authority to approve memberships; and

WHEREAS, Commission desires to benefit from the membership in the First 5 Association in furtherance of the purposes of the Act and the Strategic Plan; and

WHEREAS, Commission has reviewed the staff report for the April 7, 2021 Commission meeting relating to the benefits of First 5 Association membership and hereby finds and determines that the proposed membership is in furtherance of and consistent with the Commission’s Strategic Plan; and

WHEREAS, Commission desires to authorize the President/Chief Executive Officer, or designee, to fund the First 5 Association membership dues as described in the April 7, 2021 staff report for this Agenda Item in the amounts and for the terms consistent with the April 7, 2021 staff report therein;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission authorizes the President/Chief Executive Officer, or designee, to fund First 5 Association membership dues as described in the April 7, 2021 staff report for this Agenda Item in the amounts and for the terms therein.

Section 3 Commission hereby approves First 5 Association membership dues set forth in the April 7, 2021 staff report for this Agenda Item in the amounts and for the terms as specified therein.

Section 4 The President/Chief Executive Officer, or designee, is hereby authorized to execute First 5 Association membership payments on behalf of the Commission.

Section 5 In addition to the authorization of Section 2 above, the President/Chief Executive Officer, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to attain and maintain the professional association memberships, and (ii) to cause the issuance of warrants, and (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such memberships.

Section 7 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 7, 2021 to wit:

AYES Commissioners: _____

NOES Commissioner(s): _____

EXCUSED Commissioner(s): _____

ABSTAINED Commissioner(s): _____

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

ROBIN STIELER

Clerk of the Commission, Children and Families Commission of
Orange County, County of Orange, State of California

Resolution No: __-20-C&FC

Agenda Date: April 7, 2021

Item No. __



I certify that the foregoing is a true and correct copy of the
Resolution adopted by the

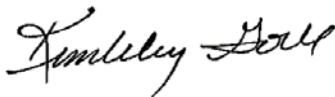
ROBIN STIELER, Clerk of the Commission

By: _____
Deputy

Agenda Item 6
April 7, 2021

DATE: March 23, 2021

TO: First 5 Orange County Children and Families Commission

FROM: Kimberly Goll, President/ CEO 

ACTION: Program close-out update and approval of First 5 Orange County funds for DTI partners close-out activities

SUMMARY:

In September 2016, the First 5 Orange County Children and Families Commission was selected by the California Department of Health Care Services (DHCS), Dental Transformation Initiative, to lead a prevention-focused dental services project for children ages 0 to 20. This item includes an update on the close-out of the project and request for approval of payment to DTI partners with Commission funds.

DISCUSSION:

The Dental Transformation Initiative (DTI) Local Dental Pilot Project (LDPP) was a State-led Medicaid Demonstration project designed to address persistent service gaps, low utilization of preventive services, and disproportionately high utilization of restorative dental care among children enrolled in Medi-Cal. The project aims to improve the health of California's most vulnerable children by promoting preventive care, increasing access, and using performance measures to drive delivery system reform. The goal of the LDPP is to improve the Denti-Cal system and its outcomes for children by increasing the use of preventive dental services and enhancing continuity of care.

The four-year funding for Orange County totaled \$15.5M for subcontracts with service partners and First 5 Orange County staff and consultants to manage the program. First 5 Orange County subcontracted with service providers who offered direct services in the community, including Healthy Smiles for Kids of Orange County and four Federally Qualified Health Centers (FQHC). In addition, First 5 subcontracted with support agencies including The Coalition of Orange County Community Health Centers, which provided technical assistance specifically to the FQHCs during this project, and University of the Pacific College of Dental Medicine, which provided training and technical assistance on the implementation of the Virtual Dental Home model.

Early in 2020, planning began with the partners regarding the end of the program on December 31, 2020. While other county LDPPs decided to end their program services prior to December 31, 2020, to allow time for partners to complete the program close/wrap-up activities, the Orange County LDPP partners felt it was important to continue their program activities throughout the funded program period (through December 31, 2020). Due to COVID-19, their services had to adjust in 2020; however, they remained in contact with children and families, even bringing them into their clinics for direct dental services during this critical time. Those direct service activities were reimbursed by DHCS through December 31, 2020.

All partners spent significant time in the first quarter of 2021 wrapping up final deliverables for DHCS, which included final program reports, inventory of equipment purchased with DHCS funds, and final invoicing for all program activities. At this time, all final deliverables due to DHCS are complete and the program activities have ended. However, closing out the three-and-a-half-year program required additional time to complete, subsequent to end of the DTI program. The following partners have incurred additional administrative expenses during this quarter, which will not be reimbursed through DTI LDPP funds:

- Families Together of Orange County Community Health Center – incurred \$11,945.67 in administration costs between January-February 2021
- Serve the People Community Health Center – incurred \$10,000 in administration costs between January-February 2021
- Coalition of Orange County Community Health Centers – incurred \$24,116.48 in administration costs between January-February 2021

All partners were committed to ensuring that the final close of the program was complete and accurate. To support those administrative activities, it is recommended that the Commission fund the final administrative costs that were incurred for these partners in the first quarter of 2021 after the service period was completed. The funding requested is within the current maximum payment obligation for each agreement.

STRATEGIC PLAN & FISCAL SUMMARY:

The Dental Transformation Initiative Local Dental Pilot Project has been specifically reviewed in relation to the Commission's Strategic Plan and is consistent with the Children's Dental goal area. The Fiscal Year 2020/2021 amended budget will be adjusted to reflect the final program close-out expenses as necessary.

PRIOR COMMISSION ACTIONS:

- August 2020 -- Authorized Amendments to Agreements with Federally Qualified Health Centers for Dental Transformation Initiative Local Dental Pilot Program
- February 2020 – Authorized amendment to increase the maximum payment obligation for Vista Community Clinic
- October 2019 – Received update on amended scope for Healthy Smiles for Kids of Orange County for Local Dental Pilot Program, Dental Transformation Initiative
- August 2019 – Authorized amendments to increase the maximum obligation to three health centers, commensurate with the additional funding amount awarded by the California Department of Health Care Services
- August 2018 – Authorized amendments to agreements with Local Dental Pilot Program participating community health centers to include additional equipment
- December 2017 – Received update and authorized subcontracts with designated consultants to provide contract development and compliance, project management, and data management and report services
- August 2017 – Received update and authorized subcontracts with designated community health centers
- October 2016 – Authorized subcontracts with Healthy Smiles for Kids of Orange County, Coalition of Orange County Community Health Centers, and the University of the Pacific Arthur A. Dugoni School of Dentistry

- July 2016 – Received notification of DHCS' release of Local Dental Pilot Program grant application

RECOMMENDED ACTION:

Approve funding DTI close-out activities for the Coalition of Orange County Community Health Centers in the amount of \$24,116.48, Families Together Community Health Center in the amount of \$11,945.67, and Serve the People Community Health Center in the amount of \$10,000, within the terms of their existing agreements with First 5 Orange County.


ATTACHMENT: NONE

CONTACT: Lucy Lin

Agenda Item 7
April 7, 2021

DATE: March 12, 2021

TO: First 5 Orange County, Children and Families Commission

FROM: Kimberly Goll, President/CEO 

ACTION: Adopt resolution acknowledging receipt of the Children and Families Commission of Orange County Investment Policy Statement and affirm delegation of authority to the Orange County Treasurer as the First 5 Orange County Treasurer for Fiscal Year 2021/2022

SUMMARY:

First 5 Orange County Children and Families Commission annually reviews the Investment Policy Statement and the delegation of the investment authority to the County Treasurer. This item reconfirms the delegated investment authority to the Orange County Treasurer and presents the Children and Families Commission of Orange County Investment Policy Statement for Fiscal Year 2021/2022.

DISCUSSION:

All First 5 Orange County funds are managed as part of the Orange County Investment Pool (OCIP). As approved in May 2012, First 5 Orange County does not operate a separate investment program but delegates authority to the Orange County Treasurer.

Annual Delegation of Investment Authority to First 5 Orange County Treasurer

Pursuant to Government Code Section 53607, First 5 Orange County may delegate the investment authority to a designated Treasurer for a one-year period and must renew the delegation of authority each year. In May 2012, the Orange County Treasurer was first designated to serve as the Commission's Treasurer for the balance of Fiscal Year 2011/2012, and investment authority was delegated to the Orange County Treasurer. The delegation included the authority to manage, deposit and invest First 5 funds not required for the immediate needs. Formally reappointing the Orange County Treasurer as the First 5 Orange County Treasurer and delegating authority to manage, deposit and invest First 5 funds for Fiscal Year 2021/2022 in accordance with Government Code Section 53607 is recommended.

Investment Policy Statement

California Government Code contains specific provisions regarding the types of investments and practices permitted after considering the broad requirement of preserving principal and maintaining liquidity before seeking yield. First 5 Orange County, as a local agency, may invest only in those instruments specified by State law.

By statute, consideration of the Children and Families Commission of Orange County Investment Policy Statement is annually required. The Orange County Treasurer has reviewed the Children and Families Commission of Orange County Investment Policy Statement Fiscal Year 2020/2021

that was adopted in April 2020. The policy statement is designed to be in compliance with State law and provides the flexibility to explore specific investments when directed by First 5 Orange County. Minor revisions are recommended for the Children and Families Commission of Orange County Investment Policy Statement Fiscal Year 2021/2022 (Attachment 2).

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended actions have been reviewed in relation to the Strategic Plan and are consistent with all goal areas.

PRIOR COMMISSION ACTIONS:

- April 2020 - Received and considered Investment Policy Statement and affirmed delegation of authority to the Orange County Treasurer as the Commission Treasurer for Fiscal Year 2020/2021
- May 2012 - Orange County Treasurer designated to serve as the Commission's Treasurer.

RECOMMENDED ACTION:

1. Receive and review the Children and Families Commission of Orange County Investment Policy Statement for Fiscal Year 2021/2022.
2. Adopt resolution (Attachment 3) to acknowledge receipt and consideration of the Children and Families Commission of Orange County Investment Policy Statement and affirm delegation of authority to the Orange County Treasurer as the First 5 Orange County Treasurer to manage, deposit, and invest First 5 funds for Fiscal Year 2021/2022 that are not required for the immediate needs of the Commission.
3. Direct the First 5 Orange County Children and Families Commission/Orange County Treasurer to continue to report First 5 investment transactions and activities in the Quarterly Investment Reports.

ATTACHMENTS:

1. Orange County Treasurer-Tax Collector Memorandum: Consideration of Commission Investment Policy and Delegation of Investment Authority
2. Children and Families Commission of Orange County Investment Policy Statement Fiscal Year 2021/2022
3. Resolution

CONTACT: Michael Garcell



OFFICE OF THE TREASURER-TAX COLLECTOR
SHARI L. FREIDENRICH, C.P.A.

POST OFFICE BOX 4515
 SANTA ANA, CA 92702-4515
ttc.ocgov.com



INTERDEPARTMENTAL COMMUNICATION

Date: March 23, 2021
 To: First 5 Orange County Children & Families Commission
 From: Shari Freidenrich, CPA, Treasurer *sf*
 Subject: Commission Investment Policy and Delegation of Investment Authority

As Treasurer for the First 5 Orange County Children & Families Commission (Treasurer) I am submitting the First 5 Orange County Children & Families Commission Investment Policy Statement (CFCOC IPS) for Fiscal Year 2021/2022 that also delegates the investment authority to the Treasurer for approval by the Commission.

Delegation of Investment Authority: The Commission is vested with certain public funds investment authority and may delegate its investment authority to the Treasurer. If the Commission delegates its investment authority to the Treasurer, then the Treasurer shall thereafter assume full responsibility for such transactions, for a period of one year. Approval of this policy will ensure that the Treasurer will continue to be authorized to do the investing of the Commission's funds.

Compliance with CFCOC IPS: In accordance with the Fiscal Year 2020/2021 CFCOC IPS adopted last year, the Section entitled Policy Review states that an Investment Policy will be rendered annually, at the beginning of each fiscal year, to the Commission. The CFCOC IPS provides for investing in the Orange County Investment Pool, but also includes other investment types as allowed by California Government Code (CGC) including U.S. Treasuries and U.S. Government Sponsored Agencies.

The Treasurer has reviewed the CFCOC IPS and is proposing one addition to reflect a change in Government Code based on a review of the County's Investment Policy Statement (IPS) for 2021 approved by the Board of Supervisors in 2020. Senate Bill 998, effective January 1, 2021, amended Government Code Section 53601.6 (b)(2) and (b)(3): This section states that a local agency may invest in security issued by, or backed by, the United States government that could result in zero or negative interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates and can hold them to maturity. This section is to be repealed on January 1, 2026.

Pursuant to CGC 27130-27137, the Board has established a Treasury Oversight Committee (TOC) that monitors and reviews the IPS annually and causes an annual audit to be conducted to determine if the Treasurer is in compliance with CGC 27130-17137, which includes limited tests of compliance with laws and regulations. In addition, the Auditor-Controller Internal Audit Division and the Internal Audit Department performed regular audits as required by CGC 26920(a) and (b) and as required by a TOC Directive. We have also attached a copy of the TOC 2020 Annual Report that the Board of Supervisors approved on 3-23-2021 that includes the pooled funds that the CFCOC currently invests in.

The Treasurer will continue to work with the Commission and the Commission's Executive Director to ensure the annual IPS presented to the board meets the needs of the Commission. The Treasurer and staff are available to meet with the Commission and will be available at the upcoming Commission meeting to answer any questions.

Sincerely,

Shari L. Freidenrich, CPA
 Treasurer-Tax Collector

Attachment: First 5 Orange County Children & Families Commission Investment Policy Statement
 First 5 Orange County Children & Families Commission Investment Policy Statement (redlined)
 Treasury Oversight Committee 2020 Annual Report

Mission: Ensure safe and timely receipt, deposit, collection and investment of public funds.

**FIRST 5 ORANGE COUNTY CHILDREN & FAMILIES COMMISSION
INVESTMENT POLICY STATEMENT
FISCAL YEAR 2021/2022**

POLICY

This Statement of Investment Policy is intended to outline the policies for the prudent investment of funds for the First 5 Orange County Children & Families Commission, hereinafter referred to as “the Commission”, to meet the short and long term cash flow needs of the Commission. In accordance with Code Section 53646, the Treasurer will annually render to the Commission a statement of investment policy and such investment policy will be annually approved by the Commission.

The investment policy and practices are based upon prudent money management principles and State laws affecting the investment of funds. The County Treasurer (Treasurer) shall invest the Commission’s funds in a manner which will provide the maximum security of principal invested with secondary emphasis on providing adequate liquidity to meet cash flow needs, and to achieve a reasonable rate of return within the parameters of prudent risk management while conforming to all applicable statutes and resolutions governing the investment of public funds.

SCOPE

This policy covers all funds and investment activities under the direct control of the Commission.

PRUDENCE

Government Code Sections 27000.3 and Section 53600.3 provides that the “prudent investor” standard is to be used by the Treasurer as a fiduciary of public funds. This standard provides that when investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the Treasurer shall act with care, skill, prudence, and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the Commission and other depositors that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the Commission and the other depositors. Within the limitation of this section and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law.

The Treasurer and/or authorized designees shall act in accordance with written procedures and within the intent and scope of the investment policy and exercising due diligence, shall be relieved of personal responsibility for an individual security’s credit risk or market price changes, provided deviations from expectations are reported to the Commission in a timely fashion and appropriate action is taken to control adverse developments.

OBJECTIVE

The objective of the investment portfolio is to meet the short and long term cash flow demands of the Commission. To achieve this objective, the portfolio will be structured to provide Safety of Principal and Liquidity, while providing a reasonable Return on Investments.

A. Safety of Principal

Safety of principal is the foremost objective of the Commission. Investments of the Commission shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The Commission shall seek to preserve principal by mitigating the two types of risk: credit risk and market risk.

1. Credit Risk: Credit risk, defined as the risk of loss due to failure of an issuer of a security, shall be mitigated by diversifying the investments among issues and issuers so that the failure of any one issue or issuer would not result in a significant loss of income or principal.
2. Market Risk: Defined as the risk of market value fluctuations due to changes in the general level of interest rates. The risk of market value fluctuations shall be reduced by monitoring cash flows and maintaining a liquid component. Also, long term investments with final maturities up to five years or less may be purchased to match cash flow needs.

B. Liquidity

The portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that all funds mature concurrent with cash needs to meet anticipated demands. Furthermore, since all possible cash demands cannot be anticipated, the portfolio will maintain monies to be used for current operations (over next 6 months) in funds with daily liquidity, such as the Orange County Investment Pool.

C. Return on Investment

Return on investment is of least importance compared to the safety and liquidity objectives described above. The portfolio will provide a rate of return based on the market rates of investments, at the time of purchase. Under Government Code Section 53601.6, securities issued by, or backed by, the United States government can result in zero- or negative- interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

DELEGATION OF AUTHORITY:

The Commission delegates to the Treasurer the authority to invest and reinvest the funds of the Commission as specified in California Government Code Sections 53607 and 53608. The

Treasurer may further delegate investment authority to such persons within the Treasurer's Department as deemed appropriate. The Commission hereby authorizes the Treasurer and/or authorized designees, to invest the Commission's funds in accordance with California Government Code Sections 53600 and 53684, et seq. as further limited by this Investment Policy and such investment authority must be renewed annually. Adoption of this policy constitutes delegation of investment authority to the Treasurer for the following year unless revoked in writing. Within the Treasurer's office, the responsibility for the day-to-day investment of the Commission funds will be the Treasurer and/or authorized designees. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

ETHICS AND CONFLICTS OF INTEREST

The Treasurer and/or authorized designees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program or which could impair their ability to make impartial investment decisions. All individuals involved in the investment process shall disclose any material interest in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the Commission. The Treasurer and authorized designees are required to file annual disclosure statements as required for "public officials who manage public investments" (as defined and required by the Political Reform Act and related regulations, being Government Code Sections 81000 and the Fair Political Practices Commission (FFPC)).

AUTHORIZED BROKER DEALERS AND FINANCIAL INSTITUTIONS:

The Treasurer will maintain a list of broker/dealers and financial institutions authorized to provide investment and depository services and will perform an annual review of the financial condition and require annual audited financial statements to be on file for each company.

AUTHORIZED INVESTMENTS

All investments under this Investment Policy shall be made in accordance with California Government Code Section 53600 et seq. to invest in specific types of securities. Investments not specifically listed below are prohibited.

Authorized investment instruments include:

- Certificates of Deposit (insured or collateralized)
- Orange County Investment Pool
- "AAAm" rated Money Market Mutual Funds
- U.S. Treasury securities
- U.S. Government Agency securities: Debt securities issued by U.S. Government sponsored enterprises and federally related institutions. These government agencies include: Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac), Federal

National Mortgage Association (FNMA or Fannie Mae), Federal Farm Credit Banks (FFCB).

All Money Market Mutual Funds must be AAAM rated by two NRSROs, invest only in direct obligations in US Treasury bills, notes, bonds, U.S. Government Agencies, Municipal debt and repurchase agreements with a weighted average maturity of 60 days or less, and have a minimum of \$500 million in assets under management. Money Market Mutual Funds that do not maintain a constant NAV (Net Asset Value) will be prohibited.

INVESTMENT POOLS:

The Treasurer will investigate all local government investment pools and Money Market Mutual Funds prior to investing and periodically thereafter. The Orange County Investment Fund, which includes the Orange County Investment Pool is managed by the County Treasurer, and is an authorized investment. The County Treasurer distributes a monthly report that includes the breakdown of the investment holdings, provides the maturity distribution and market value of the portfolio.

SAFEKEEPING

All security transactions entered into by the Treasurer shall be conducted on delivery-versus-payment (DVP) basis (does not apply to money market funds or investment pools). Securities will be held by a third party custodian designated by the Treasurer and evidenced by safekeeping statements.

PERFORMANCE STANDARDS:

The investment portfolio shall be designed with the objective of obtaining a rate of return throughout budgetary and economic cycles, commensurate with the investment risk constraints and the cash flow needs. The investment strategy will be passive and the benchmark for determining market yields will be the 6-month Treasury bill. This will be used solely as a reference tool. The comparison to a benchmark does not imply that the Treasurer will add additional risk to the portfolio in order to attain or exceed the benchmark.

DIVERSIFICATION

To reduce overall portfolio risks, the Commission may diversify its investments by security type and institution with no more than the following percentages of total assets:

- Certificates of Deposit (insured or collateralized) (20%)
- Orange County Investment Pool (100%)
- “AAAM” rated Money Market Mutual Funds (20%)
- U.S. Treasury securities (100%)
- U.S. Government Agency securities (100%),

MAXIMUM MATURITIES

To the extent possible, the Commission will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow need or in a laddered portfolio structure, the Commission will not invest directly in securities maturing more than three years from the date of purchase. If matched to a specific cash flow need, or in a laddered portfolio structure consisting only of U.S. Treasury or U.S. Government Agency securities, the maximum maturity will be five years or less.

INTERNAL CONTROL:

The external auditors shall annually review the investments with respect to the investment policy. This review will provide internal control by assuring compliance with policies and procedures for the investments that are selected for testing.

DISASTER RECOVERY PROGRAM

The Treasurer's Disaster Plan includes critical phone numbers and addresses of key treasury and investment personnel as well as currently approved bankers and broker/dealers. Three copies of the Disaster Plan for home, office, and car have been distributed to key treasury and investment personnel. The plan provides for an offsite location to be communicated at the time of readiness if our offices are uninhabitable.

PROHIBITED TRANSACTIONS

At the time of purchase, all permitted investments shall conform in all respects with this Investment Policy Statement and with applicable provisions of the Government Code, as may be amended from time to time. No investment prohibited by Government Code shall be permitted herein.

Any investment transactions, credit risk criterion, percentage limitations, or market valuation that are not in compliance with this Investment Policy Statement and cannot be corrected without penalty **at time of purchase** must be documented and approved by the Treasurer in writing as soon as possible. Thereafter, action shall be taken by the Treasurer to correct such matter as soon as practical. If a percentage restriction is adhered to at the time of purchase, a later increase or decrease in percentage resulting from a change in values or assets will not constitute a violation of that restriction. The following transactions are prohibited:

- Borrowing for investment purposes ("Leverage").
- Reverse Repurchase Agreements, as defined by Government Code Section 53601(j) (3) and (j) (4) or otherwise.
- Structured Notes (e.g. inverse floaters, leveraged floaters, structured certificates of deposit, equity-linked securities, event-linked securities). This includes all floating-rate, adjustable-rate or variable-rate securities in which a change in interest rates or other variables that can reasonably be foreseen to occur during their term would result in their market value not returning to par at the time of each interest rate adjustment. Simple "floating rate notes," whose periodic coupon adjustment is based on a short-term (one-year or less) rate index

(such as Treasury bills, Federal Funds, Prime Rate, London Interbank Offered Rate or the Secured Overnight Financing Rate) and which have a reasonable expectation of maintaining a value of par at each interest rate adjustment through final maturity, are exempt from this definition. Additionally, U.S. Treasury and Agency zero coupon bonds, or callable securities which otherwise meet the quality, maturity, and percent limitations assigned to their respective security category, are exempt from this section.

- Structured Investment Vehicles (SIV).
- Derivatives (e.g. options, futures, swaps, swap options, spreads, straddles, caps, floors, collars).
- Money Market Mutual Funds that do not maintain a constant Net Asset Value (NAV).

REPORTING

Under the provision of Code Section 53646, the Treasurer shall render a report to the Commission containing detailed information on all securities, investments, and monies of the Commission. The report will be provided on a quarterly basis and submitted for inclusion on a Commission Agenda within 30 days following the end of the quarter.

The report will contain the following information:

1. Type of investment, name of the issuer, date of maturity, par and cost of each investment
2. Any investments that are under the management of contracted parties
3. The market value and source of the valuation for all investments, bank accounts and Certificates of Deposits (exempt from market valuation per Government Code)
4. A description of the compliance with the statement of investment policy, exceptions, if any, and
5. A statement denoting the Commission's ability to meet its expenditure requirements for the next six months.
6. Monthly transaction detail for investments.

POLICY REVIEW

This Investment Policy will remain in effect through the year unless amended by the Commission. An Investment Policy will be rendered annually, at the beginning of each fiscal year, to the Commission.

GLOSSARY

ASK: The price at which securities are offered. (The price at which a firm will sell a security to an investor.)

BASIS POINT: When a yield is expressed as 7.32%, the digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

BID: The price offered by a buyer of securities. (When you are selling securities, you ask for a bid.)

BOOK ENTRY: The system, maintained by the Federal Reserve, by which most money market securities are “delivered” to an investor’s custodian bank. The Federal Reserve maintains a computerized record of the ownership of these securities, and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). The owners of these securities do not receive physical certificates.

BOOK VALUE: The original cost of the investment, plus accrued interest and amortization of any premium or discount.

BROKER: A broker brings buyers and sellers together for a commission. He does not take a position.

CERTIFICATE OF DEPOSIT (CD): A time deposit with a specific maturity evidenced by a certificate. Large-denomination CDs are typically negotiable.

COLLATERAL: Securities, evidence of deposit or other property that a borrower pledges to secure repayment of a loan. Also refers to securities pledged by a bank to secure deposits of public monies.

COUPON: a). The annual rate of interest that a bond’s issuer promises to pay the bondholder on the bond’s face value. b) A certificate attached to a bond evidencing interest due on a payment date.

CREDIT RISK: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for his own account.

DEBENTURE: A bond secured only by the general credit of the issuer.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

DISCOUNT: The difference between the cost price of a security and its maturity when quoted at lower than face value. A security selling below original offering price shortly after sale also is considered to be at a discount.

DISCOUNT SECURITIES: Non-interest bearing money market instruments that are issued at a discount and redeemed at maturity for full face value (e.g. US Treasury Bills).

DIVERSIFICATION: Dividing investment funds among a variety of securities offering independent returns.

FEDERAL DEPOSIT INSURANCE CORPORATION (FDIC): A Federal agency that insures bank deposits, currently up to \$250,000 per deposit.

FEDERAL FUNDS RATE: The rate of interest at which Fed funds are traded. This rate is currently pegged by the Federal Reserve through open-market operations.

FEDERAL OPEN MARKET COMMITTEE (FOMC): Consists of seven members of the Federal Reserve Board and five of the twelve Federal Reserve Bank Presidents. The President of the New York Federal Reserve Bank is a permanent member, while the other presidents serve on a rotating basis. The committee periodically meets to set Federal Reserve guidelines regarding purchases and sales of Government Securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: The central bank of the United States created by congress and consisting of a seven-member Board of Governors in Washington, D.C.; 12 regional banks and about 5700 commercial banks are member of the system.

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

LIQUIDITY: A liquid asset is one that can be converted easily and rapidly into cash without a substantial loss of value. In the money market, a security is said to be liquid if the spread between bid and asked prices is narrow and reasonable size can be done at those quotes.

MARKET RISK: The risk that changes in overall market conditions or interest rate may adversely affect current market prices.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MONEY MARKET MUTUAL FUNDS: An investment company that pools money from investors and invest in a variety of short-term money market instruments.

NEGOTIABLE CERTIFICATES OF DEPOSIT: Unsecured obligations of the financial institution, bank or savings and loan, bought at par value with the promise to pay face value plus accrued interest at maturity. They are high-grade negotiable instruments, paying a higher interest rate than regular certificates of deposit.

OFFER: The price asked by a seller of securities. (When you are buying securities, you ask for an offer.) See “Asked” and “Bid”.

OPEN MARKET OPERATIONS: Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit. Sales have the opposite effect. Open market operations are the Federal Reserve’s most important and most flexible monetary policy tool.

PAR or PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

PORTFOLIO: Collection of securities held by an investor.

PRIMARY DEALER: A group of government securities dealers who submit daily reports of market activity and positions and monthly financial statements to the Federal Reserve Bank of New York and are subject to its informal oversight. Primary dealers include Securities and Exchange Commission (SEC)-registered securities broker/dealers, banks and a few unregulated firms.

PRUDENT PERSON RULE: An investment standard. In some states, the law requires that a fiduciary, such as a trustee, may invest money only in a list of securities selected by the custody state—the so-called “legal list”. In other states, the trustee may invest in a security if it is one that would be bought by a prudent person of discretion and intelligence who is seeking a reasonable income and preservation of capital.

RATE OF RETURN: The yield obtainable on a security based on its purchase price or its current market price. This may be the amortized yield to maturity; on a bond, the current income return.

SAFEKEEPING: A service to customers rendered by banks for a fee whereby securities and valuables of all types and descriptions are held in the bank’s vaults for protection.

SECONDARY MARKET: A market made for the purchase and sale of outstanding issues following the initial distribution.

SECURITIES & EXCHANGE COMMISSION: Agency created by Congress to protect investors in securities transactions by administering securities legislation.

SEC RULE 15C3-1: See “Uniform Net Capital Rule”.

U. S. GOVERNMENT AGENCY SECURITIES: Debt securities issued by U.S. Government sponsored enterprises and federally related institutions. These government agencies include: Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac), Federal National Mortgage Association (FNMA or Fannie Mae), Federal Farm Credit Banks (FFCB),.

U.S. TREASURY SECURITIES: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the U.S. and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury bills: non-interest-bearing discount securities with maturities under one year issued by the U.S. Treasury to finance the national debt.

Treasury notes: interest-bearing obligations of the U.S. Treasury with maturities ranging from two to ten years from date of issue.

UNIFORM NET CAPITAL RULE: Securities and Exchange Commission requirement that member firms as well as nonmember broker/dealers in securities maintain a maximum ratio of indebtedness to liquid capital of 15 to 1; also called net capital rule and net capital ratio. Indebtedness covers all money owed to a firm, including margin loans and commitments to purchase securities, which is one reason new public issues are spread among members of underwriting syndicates. Liquid capital includes cash and assets easily converted into cash.

YIELD: The rate of annual income return on an investment, expressed as a percentage. (a) Income Yield is obtained by dividing the current dollar income by the current market price for the security. (b) Net Yield or Yield to Maturity is the current income yield minus any premium above par or plus any discount from par in purchase price, with the adjustment spread over the period from the date of purchase to the date of maturity of the bond.

CHILDREN AND FAMILIES COMMISSION ORANGE COUNTY

RESOLUTION NO. ____-21-C&FC

April 7, 2021

**A RESOLUTION OF THE CHILDREN AND FAMILIES
COMMISSION OF ORANGE COUNTY RELATIVE TO
INVESTMENT POLICY AND TREASURER FUNCTION; AND
MAKING CERTAIN FINDINGS IN CONNECTION
THEREWITH**

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

WHEREAS, pursuant to the Act and Article 25 of the Codified Ordinances of the County of Orange (“County Ordinance”), there is created the Orange County Children and Families Trust Fund (“Trust Fund”), for which the Commission is required to administer the Trust Fund revenues; and

WHEREAS, pursuant to the County Ordinance, the Commission is empowered to enter into contracts with the County of Orange for specific staff purposes; and

WHEREAS, Commission desires to designate the Orange County Treasurer to perform all treasury-related functions of the Commission pursuant to the existing County Support Services Agreement and Section 4.4 of the Administrative Policy Guidelines of the Commission (as amended and approved by the Commission); and

WHEREAS, pursuant to California Government Code Section 53607 and California Government Code Section 53646(a)(2) the Treasurer of the Commission, if any, is authorized to invest or reinvest Commission funds and is directed to make quarterly reports of investment transactions to the legislative body of the Commission and to annually render to the legislative body of the Commission a statement of investment policy, which the legislative body shall consider at a public meeting; and

WHEREAS, Commission has received from the Treasurer her statement of investment policy and has considered it at the public meeting at which this resolution is adopted.

**NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE
CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:**

Section 1 The Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 The Commission hereby designates the Orange County Treasurer as the Treasurer of the Commission. The Treasurer shall perform the duties imposed upon the office by law and Section 4.4 of the Administrative Policy Guidelines of the Commission. The Commission acknowledges receipt of and has considered its Treasurer's statement of investment policy. The Commission hereby affirms the delegation of authority to its Treasurer to invest moneys in accordance with the Children and Families Commission Investment Policy and to perform all other treasurer functions, as described in Section 4.4 of the Administrative Policy Guidelines and applicable provisions of California Government Code, including the making of periodic reports to the governing board of the Commission.

Section 3 The Commission specifically determines that excess funds, comprising all the moneys in the Trust Fund, are available for investment pursuant to Government Code Section 53684. The persons that the Commission authorizes to coordinate transactions are the Chief Executive Officer and Director of Finance. The Commission agrees to be bound by the withdrawal provisions of California Government Code Section 27136, and the Commission acknowledges that administrative charges will be deducted as permitted by Government Code Sections 53684(b) and 27013. Investments in the Orange County Investment Pool in accordance with existing Commission practice is ratified and affirmed, and the Chief Executive Officer is authorized and directed to execute any instrument required by the Investment Policy indicating an undertaking of the possible net asset value risk involved as a result of such investment.

Section 4 In addition to the authorization of Sections 2 and 3 above, the Commission Chief Executive Officer (or his or her designee) is hereby authorized, on behalf of the Commission, (i) to sign all documents and to take all other actions reasonably necessary and appropriate to carry out and implement the Agreement or as may be reasonably requested by its Treasurer or other County official relative to the provision of services by the County related to the treasury function, (ii) to cause the issuance of warrants, and (iii) to administer the Commission's obligations, responsibilities and duties to be performed under the Agreement.

Section 5 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 7, 2021 to wit:

AYES: Commissioners: _____

NOES: Commissioner(s): _____

EXCUSED: Commissioner(s): _____

ABSTAINED: Commissioner(s) _____

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

ROBIN STIELER

Clerk of the Commission, Children and Families Commission of
Orange County, County of Orange, State of California

Resolution No: __-21-C&FC

Agenda Date: April 7, 2021

Item No. ____



I certify that the foregoing is a true and correct copy of the
Resolution adopted by the

ROBIN STEILER, Clerk of the Commission

By: _____
Deputy

Agenda Item 8
April 7, 2021

DATE: March 8, 2021

TO: First 5 Orange County, Children and Families Commission

FROM: Kimberly Goll, President/CEO



ACTION: Receive Financial Update

SUMMARY:

First 5 Orange County developed the Long-Term Financial Plan as a tool to monitor the decline of Proposition 10 tobacco tax funding in relation to program sustainability. This item provides a financial update on the year-end financial results and future-year revenue projections.

DISCUSSION:

Fiscal Year 2019/2020 Revenue Results

Tobacco tax revenue for the Fiscal Year 2019/2020 ended the year above budget, at \$24.99 million actual compared to \$22.23 million budgeted. The increased revenue is due to a larger than expected backfill distribution related to the \$2.00 per pack tax increase under Proposition 56.

This increase follows a 7.77% increase in 2018/2019. Tobacco tax revenue recognized on the Commission's fund financial statements was \$28.5 million due to the delayed receipt of May and June 2019 disbursements. The delay in disbursements caused fourteen months of revenue to be recognized in one year for financial reporting purposes.

In contrast to the prior two years, Fiscal Year 2017/2018 experienced an 11.79% decline in revenue due to several factors including a change in the legal smoking age from 18 to 21, the increase sales tax of an additional \$2.00 per pack approved by voters, and the expected annual decline in tobacco product sales. Another contributing factor to tobacco tax volatility was the inclusion of electronic smoking devices which to a lesser extent offset some of the factors causing the decline. The table below reports annual tobacco revenue as reported by First 5 California for consistency.

Tobacco Tax Revenue (in millions)								
Fiscal Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
Prop 10 Revenue	\$27.02	\$26.40	\$25.94	\$25.88	\$24.79	\$21.87	\$23.57	\$24.99
% Change from Prior Year	-6.77%	-2.33%	-1.71%	-0.25%	-4.20%	-11.79%	+7.77%	+6.02%

Fiscal Year 2019/20 Program Expenses

Program expenses ended the year below budget mostly due to the timing of expenditures related to the pandemic. Minor unspent amounts have already been approved and incorporated in the Amended 2020/2021 Budget as carryover. Other unspent amounts have been rolled forward into fund balance to be used for future-year programs.

Fiscal Year 2019/20 Administrative Expenses

Administrative expenses for Fiscal Year 2019/2020 were also below budget due to vacant staff positions as well as cumulative underspending in professional services, office expenses, travel, and meetings. Expenses that can be appropriately tracked and allocated to a specific program continue to be identified. All expenses are categorized as either program, administrative, or evaluation using the definitions provided in the First 5 California Financial Management Guide.

Revenue Projections

The Long-Term Financial Plan estimates revenues for 10 years; and the current projections have been updated to reflect the latest amounts from the California Department of Finance. The following table summarizes the Plan revenue projections. Staff recommend another change to the Plan regarding planned program funding. After several years of volatility, the updated table presents revenue levels trending higher than previously estimated in the financial plan. The increased revenue projections allow for a higher baseline program funding while maintaining more than the minimum fund balance required by policy. Previously, the Plan assumed triennial cuts of 5% against program funding. Using the new revenue projections along with the recent experience of revenue over budget, staff recommend removing the stepped-down cuts and assuming flat program spending for the 10 years covered in the Plan.

	Long-Term Financial Plan Projected Tobacco Tax Revenue (in millions)								
2020/21 Budget	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30
	Estimate								
\$22.34	\$23.22	\$22.68	\$21.69	\$21.02	\$20.28	\$19.57	\$18.89	\$18.23	\$17.59
	+4.00%	-2.31%	-4.40%	-3.07%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%

STRATEGIC PLAN & FISCAL SUMMARY:

The fiscal reports and recommended actions presented in this staff report have been reviewed in relation to the Strategic Plan and are consistent with applicable goals and outcomes.

PRIOR COMMISSION ACTIONS:

- December 2020 – Receive the Comprehensive Annual Financial Report for Year Ended June 30, 2020 and Approve Amendments to Fiscal Year 2020/2021 Operating Budget
- June 2020 – Approved the Annual Operating Budget for Fiscal Year 2020/2021
- February 2020 – Approved Renewal Funding Actions
- December 2019 – Received financial update

RECOMMENDED ACTION:

1. Receive financial update and approve directing \$1.87 revenue above budget to the reserves for System-Building investments.

ATTACHMENTS:

1. Long-Term Financial Plan Presentation

CONTACT: Michael Garcell

Long-Term Financial Plan Update

April 7, 2021

Topics for Today's Discussion

Long-Term Financial Plan

- Actual and Projected Revenues
- Background, Policies, and Practices
- Planning Scenarios

Next Steps

Revenue History

- Revenues have been volatile and difficult to predict
- FY 2019/2020 Actual Tobacco Tax Revenue of \$24,991,179 is up 6% compared to prior year
- 1.65% average decline since FY 2012/2013

	FY 12/13	FY 13/14	FY 14/15	FY 15/16	FY 16/17	FY 17/18	FY 18/19	FY 19/20
Tobacco Tax Revenue Received	\$27.0 million	\$26.4 million	\$25.9 million	\$25.9 million	\$24.8 million	\$21.9 million	\$23.6 million	\$25 million
% Change from Prior Year	-6.8%	-2.3%	-1.7%	-0.3%	-4.2%	-11.8%	+7.8%	+6.0%

Projected Revenue

- First 5 California projections include an average 2.65% decline over the next four-year period
- Latest projections from CA Department of Finance have been revised to a higher baseline

	FY 20/21	FY 21/22	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
Prior Projections	\$21.6 million	\$20.8 million	\$20.0 million	\$19.4 million	\$18.7 million	\$18.0 million	\$17.4 million	\$16.8 million
Current First 5 CA Projections	\$23.4 million	\$23.2 million (-0.8%)	\$22.7 million (-2.3%)	\$21.7 million (-4.4%)	\$21.0 million (-3.1%)	\$20.3 million (-3.5%)	\$19.6 million (-3.5%)	\$19.8 million (-3.5%)

Background and Purpose

- Commission has reviewed and updated its long-term revenue and program projections annually since 2000
- Long-Term Financial Plan provides:
 - A ten-year outlook of anticipated revenue
 - A forecast of funding capacity to sustain programmatic funding
 - A framework for evaluating annual budget decisions and renewal planning

Financial Planning Policies and Practices

- Fund balance is used to supplement decline in revenue
- Fund Balance is required to be at a minimum 25% of current-year operating budget
- Administration is limited to 10% of operating budget
- Projects funded by a one-time allocation are not assumed to be programmed back into the financial plan once the allocation is depleted
- The plan does not authorize any specific funding actions or obligate the total pool of program funding to any specific programs or projects

System-Building Fund Practices

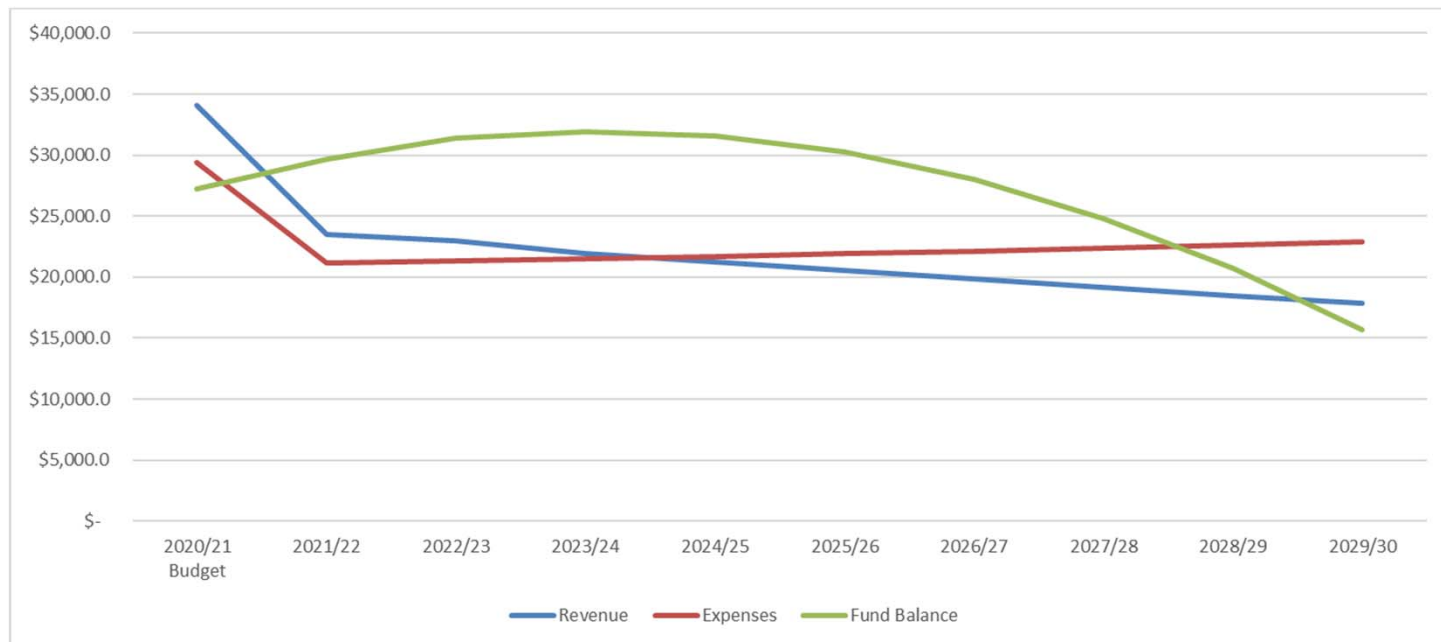
- Realized revenues above budget will be added to unallocated future one-time investments
- Funds included in the System-Building Reserve are not considered against the 25% minimum fund balance requirement
- Current balance of the System-Building Fund is \$3.9 million from prior-year revenue receipts over budget
- Today's action would add \$1.87 million from FY 2019/2020 tobacco tax revenues over budget

Financial Plan Considerations

- Follow past practice and allocate \$1.87 million of revenue over budget from Fiscal Year 2019/2020 to the one-time systems building fund?
- Revenue will be above budget for the current year. Follow practice of allocating to systems?
- Adjust financial plan revenue to match updated CA Department of Finance projections and remove planning assumption of 5% cuts for each program planning cycle?

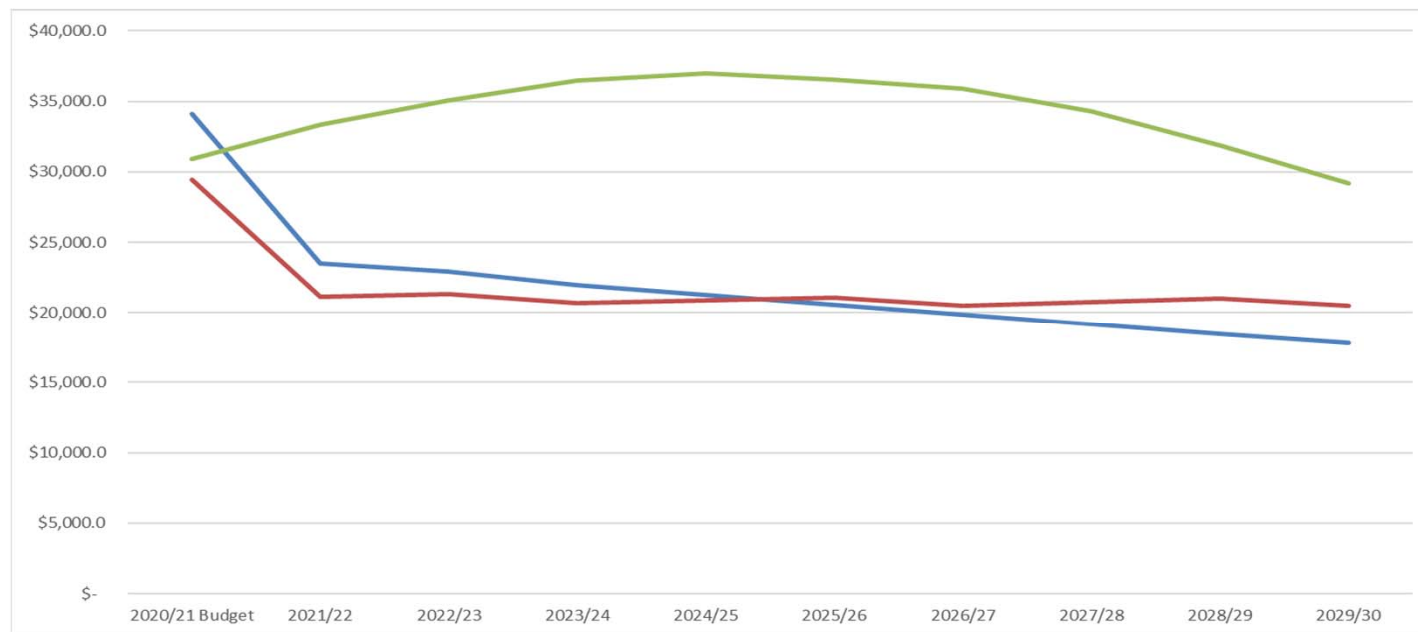
Updated Financial Plan with Recommended Assumption Changes and Updated Revenue Projections

- Estimated \$7.5 million in one-time unallocated System Building Funds
- Remove assumptions of 5% cuts for each program planning cycle through FY 29/30
- Fund Balance remains above policy minimum



For Comparison: Current Financial Plan with Updated Revenue Projections

- \$3.9 million in one-time unallocated System Building Funds
- Program funding reduced by 5% every 3-year planning cycle through FY 29/30
- Maintains higher Fund Balance



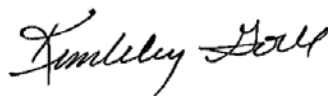
Today's Action and Next Steps

- Update plan assumptions
- Allocate \$1.87 million of revenue over budget from Fiscal Year 2019/2020
- June 2021 - Proposed Fiscal Year 2021/2022 Budget will be presented at the Commission meeting

Agenda Item 9
April 7, 2021

DATE: March 1, 2021

TO: First 5 Orange County, Children and Families Commission

FROM: Kimberly Goll, President/CEO 

ACTION: Adopt resolution authorizing amendment to agreement with Children's Home Society of California

SUMMARY:

In February 2020, First 5 Orange County approved recommendations to provide funding for the Neighborhood Resource Network (NRN) program, a service option for families at highest risk of child maltreatment, launched in 2015 by SSA. The Children's Home Society of California (CHS) has served as the administrative hub for the NRN program. This item requests approval to amend the current agreement with CHS to add funding and an additional year to the term of the agreement.

DISCUSSION:

The NRN program was developed in 2015 as a partnership between First 5 OC, Children's Home Society of California, and the Orange County Social Services Agency (SSA) to reduce future reports of child abuse and neglect in families who have at least one child age 0-5. The NRN program design was substantially informed by the research on child abuse data by Dr. Emily Putnam-Hornstein of the Children's Data Network at the University of Southern California. Dr. Putnam-Hornstein's research found that a first call to the child abuse registry, no matter the outcome, during the first five years of a child's life is the strongest predictor of subsequent reports and involvement in the child welfare system.

The NRN program is embedded within First 5 OC's Home Visiting component of the Bridge's Program. Home visiting has been shown to improve outcomes for parents and children and is a foundational component of a robust Prenatal-to-3 (PN3) system. The current program design for NRN includes receiving weekly referrals from SSA to families that: 1) have at least one child that is 5 years old or under; 2) have not previously had an interaction with SSA; and 3) are not eligible for any other services from SSA. SSA provides an average of 31 referrals to NRN each week.

On February 5, 2020, the Commission approved continued funding for these services. The funding recommendations also included an acknowledgment that further analysis and program design work was needed to build out a more robust system of care that could increase the voluntary uptake of services by referred families.

Unfortunately, due to staffing changes and the Covid-19 pandemic, this work has been slower than anticipated. Staff recommends adding one year of funding to the agreement ensuring CHS will continue to serve as the administrative hub for the NRN program. These services include, but are not limited to, receiving weekly referrals from SSA and, based on the content of the referral,

allocating them to the most appropriate provider and tracking all referrals documenting uptake of services and service outcomes.

STRATEGIC PLAN & FISCAL SUMMARY: The recommended actions have been reviewed in relation to the Strategic plan and are consistent with all goal areas. Funding for this item will be included in the Fiscal Year 2021/2022 Final Amended Budget.

PRIOR COMMISSION ACTIONS:

- February 2020 - Adopted resolution authorizing agreement with Children's Home Society of California to serve as the administrative hub for the Neighborhood Resource Network Program.

RECOMMENDED ACTION:

1. Adopt resolution (Attachment 1) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate an amendment to agreement FCI-PEI-02 with the Children's Home Society of California to add \$102,476 for a total, two-year maximum obligation of \$247,476 for the term July 1, 2020 to June 30, 2022

ATTACHMENTS:

1. Resolution

CONTACT: Sarah O'Rourke

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ____-21-C&FC

April 7, 2021

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE THE FIRST AMENDMENT TO AGREEMENT FCI-PEI-02 WITH CHILDREN'S HOME SOCIETY OF CALIFORNIA FOR THE NEIGHBORHOOD RESOURCE NETWORK PROGRAM; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AMENDMENT ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

WHEREAS, on February 5, 2020, Commission authorized the President/CEO, or Designee, to prepare and negotiate Agreement FCI-PEI-02 with the Children's Home Society of California for the implementation of the Neighborhood Resource Network program;

WHEREAS, Commission desires to prepare and negotiate a First Amendment ("Amendment") to Agreement FCI-PEI-02 with the Children's Home Society of California (hereinafter referred to as "Contractor") for the implementation of the Neighborhood Resource Network program for the terms and in the amount as described in April 7, 2021 staff report for this agenda item; and

WHEREAS, Contractor desires to enter into the Amendment in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Agreement; and

WHEREAS, Commission has reviewed the staff report for the April 7, 2021 Commission meeting relating to the scope of services to be provided and hereby finds and determines that the proposed Amendment is in furtherance of and consistent with the Commission's Strategic Plan; and

WHEREAS, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Amendment with Contractor for the terms and in the amount specified in the April 7, 2021 staff report for this Agenda Item.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Amendment with the Contractor for the implementation of the Neighborhood Resource Network program for the terms and in the amount consistent with the April 7, 2021 staff report and scope of services referenced therein.

Section 3 The form of the Amendment with the Contractor shall be substantially similar to the form of the standard Amendment to a Non-Profit Agreement, subject to minor, non-substantive revisions as reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Amendment shall be conclusively evidenced by the execution of the Amendment by the Commission Chair and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves the Amendment with Contractor for the implementation of the Neighborhood Resource Network program for the terms and in the amount specified in the April 7, 2021 staff report for this Agenda Item.

Section 5 The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Amendment on behalf of the Commission.

Section 6 A copy of the Amendment to Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. Each final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

Section 7 In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Amendment, (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

Section 8 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 7, 2021 to wit:

AYES Commissioners: _____

NOES Commissioner(s): _____

EXCUSED Commissioner(s): _____

ABSTAINED Commissioner(s): _____

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

Robin Stieler
Clerk of the Commission, Children and Families Commission of
Orange County, County of Orange, State of California

Resolution No: __-21-C&FC

Agenda Date: April 7, 2021

Item No. __



I certify that the foregoing is a true and correct copy of the
Resolution adopted by the

ROBIN STIELER, Clerk of the Commission

By: _____
Deputy

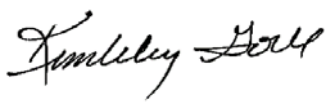
EXHIBIT A TO RESOLUTION OF COMMISSION

(Attach copy(ies) of final executed Agreements)

Agenda Item 10
April 7, 2021

DATE: March 12, 2021

TO: First 5 Orange County, Children and Families Commission

FROM: Kimberly Goll, President/CEO 

ACTION: Adopt resolutions to approve funding to renew support of the Engaged Neighborhoods work and Approve Entering into MOU with Medical Legal Partnership – Boston

SUMMARY:

This item requests authority to continue funding the Engaged Neighborhoods efforts in Anaheim, La Habra, and Santa Ana for a two-year term, aligning these agreement cycles with our newest Engaged Neighborhood in Garden Grove. It also includes approval of an MOU and receipt of funding from Medical-Legal Partnership Boston (MLPB).

DISCUSSION:

This fiscal year, the Engaged Neighborhood initiatives have worked on developing and implementing leadership and capacity training, supporting community service delivery systems, creating sustainability plans and assisting First 5 staff in EDI neighborhood remapping efforts.

As the pandemic has illuminated disparities amongst children and families in Orange County, the Engaged Neighborhood taskforces have pivoted to support those in need by aligning delivery of resources. For example, when Help me Grow Orange County received thousands of masks, gloves, bottles of hand sanitizer, baby formula and disinfectant wipes from The JPB Foundation to address immediate pandemic-related need in Orange County, the Engaged Neighborhood collaboratives in Santa Ana and Anaheim found local sites that could support the distribution of these critical items to families and child care providers. Our communities continue to work together to support families rebounding from the effects of COVID, focusing on engaging parents, providing resources and increasing community connection virtually.

Because our Engaged Neighborhood work is relatively new, we took one-year agreements to the board for approval last fiscal year. Now, we propose to renew support of the Engaged Neighborhood agreements with La Habra, Santa Ana, and Anaheim for an additional 2-year period, which will align their funding cycles with the recently-adopted 3-year agreement with Garden Grove. The following is a summary of the FY 2021-2023 work plans intended to increase community awareness and build sustainable partnerships for future funding:

- **Early Developmental Index** - Funding will be used to develop a deeper understanding of the strengths and vulnerabilities of the young child utilizing our EDI data, with a focus on building a diverse, equitable stakeholder group for each community; shared measurements for success; and strategies to align early learning programs.

- **Parent Engagement** – Focus will be on increasing parent and family engagement, building parent leadership capacity in neighborhoods and creating advocates for equity and early childhood development.
- **Strategic Plan Alignment** – Work will include connecting providers, parents and families to economic supports, home visiting organizations and early literacy programs and follow First 5's new strategic initiatives of Supportive Homes, Nurturing Neighborhoods and Equitable Distribution of Resources.

In addition, it is recommended to partner with the Medical-Legal Partnership Boston (MLPB), which is an interdisciplinary team of health care staff, attorneys, and paralegals who provide education and technical assistance in the medical setting as a vital component of patient care. The founder of MLPB is a co-founder of the DULCE model that First 5 supports in partnership with CHOC, which embeds legal problem solving onto well child visits. The JPB Foundation, a DULCE program funder, has awarded MLPB an 18-month planning grant through which key early childhood workforce competencies relating to legal partnering and problem-solving can be identified and explored. Because of our existing relationship as a partner in DULCE, First 5 Orange County was identified as a pilot site for an expansion opportunity, called *Building Legal Problem-Solving Capacity in the Early Childhood Sector*. This initiative is intended to equip early childhood communities with legal education and problem-solving insights that disrupt the evolution of social, economic, or environmental needs into legal (and health) crises, thereby fostering prevention and advancing health equity.

Over the next 18 months, MLPB will analyze and present learnings from an early childhood Needs Assessment to First 5 leadership and facilitate frontline-focused training tied to emerging competencies and curricular goals relating to families' legal rights, risks and remedies in the early childhood system of care. First 5 will identify a cohort of up to 25 early childhood professionals and parents within the four Engaged Neighborhoods cities of Santa Ana, Anaheim, La Habra, and Garden Grove. The individuals in the cohort will receive stipends for their participation. We will provide an update including detailed information about the ongoing work with the early childhood cohort at the June Commission meeting.

STRATEGIC PLAN & FISCAL SUMMARY:

This program has been reviewed in relation to the First 5 OC Strategic Plan and is consistent with the strategies of Elevating Equity, Align Systems, Getting Involved Early, and Empowering Champions. All funding amounts listed in the attached term sheet will be included in the proposed budgets for Fiscal Year 2021/22 and FY 2022/23.

PRIOR COMMISSION ACTIONS:

- December 2020 – Adopted resolution to approve funding to support the City of Garden Grove's Engaged Neighborhood work
- February 2020 - Adopted resolution authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate agreements with designated organizations to provide Quality Early Learning services
- April 2019 - Approval of the Strategic Plan which included the strategic direction of Engaged Neighborhoods
- February 2020 - Adopt resolution authorizing agreements with designated organizations to provide Quality Early Learning services including the Engaged Neighborhoods of Santa Ana and Anaheim

RECOMMENDED ACTIONS:

1. Adopt resolution authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate agreements with designated organizations to implement the Engaged Neighborhoods program for the terms, in the amounts, and on the conditions as specified in Attachment 1.
2. Authorize receipt of funding in the amount of \$10,000 and approve a Memorandum of Understanding (MOU) with Medical-Legal Partnership Boston for the Building Legal Problem-Solving Capacity in the Early Childhood Sector planning initiative

ATTACHMENT:

1. Engaged Neighborhood Term Sheet
2. Resolution

CONTACT: Michael Anderson

Engaged Neighborhoods Funding Term Sheet

Contract Number	Contractor	Maximum Payment Obligation	Term	Scope of Work
FCI-EN-02	Anaheim Elementary School District	\$100,000	July 1, 2021- June 30, 2023	Gather community stakeholders to elevate the importance of early childhood development in their city, use EDI data to target vulnerabilities and increase school readiness, and engage parents in their neediest communities.
FCI-EN-03	Santa Ana Early Learning Initiative (SAELI)	\$170,000	July 1, 2021- June 30, 2023	Engage families and resource providers to align outreach and increase awareness of 0-5 systems and resources. Increase parent leadership capacity and outreach to additional communities in Santa Ana. Use EDI data to target vulnerabilities and increase school readiness.
FCI-EN-04	La Habra City School District	\$100,000	July 1, 2021- June 30, 2023	Support task force participants in the alignment of resources and landscape analysis of 0-5 services in La Habra. Engage parents in educating the community and championing early development systems. Use EDI data to target vulnerabilities and increase school readiness.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ____-21-C&FC

April 7, 2021

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE NEW AGREEMENTS, AT THE PRESIDENT/CEO'S SOLE DISCRETION, WITH DESIGNATED ORGANIZATIONS TO PROVIDE ENGAGED NEIGHBORHOOD SERVICES; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENTS ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

WHEREAS, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County's children prenatal to five years of age as codified in the Act; and

WHEREAS, the Commission desires to enter into new agreements, at the President/CEO's sole discretion, with each of the organizations, hereinafter referred to as the "Contractors," identified in Attachment 1 to the staff report for the April 7, 2021 Commission meeting for this Agenda Item (hereinafter collectively referred to as "Agreements"). Contractors will provide services for the terms and in the amounts and on the conditions as described therein; and

WHEREAS, each Contractors desire to enter into the applicable Agreements, if authorized by the President/CEO, in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the applicable Agreements; and

WHEREAS, Commission has reviewed the staff report for the April 7, 2021 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreements are in furtherance of and consistent with the Commission's Strategic Plan; and

WHEREAS, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreements with each of the Contractors for the terms and in the amounts and on the conditions as specified in Attachment 1 to the April 7, 2021 staff report for this Agenda Item.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate an Agreement with each of the Contractors to provide services for the terms and in the amounts and on the conditions consistent with the April 7, 2021 staff report and Attachment 1 referenced therein; and

Section 3 The form of any Agreements shall be substantially similar to the standard, Non-Profit Agreements, subject to minor, non-substantive revisions, or as otherwise required to comply with state/federal grant funding sources, and will be reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Agreements shall be conclusively evidenced by the execution of such Agreements by the Commission Chair and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves the Agreements to be entered into, at the President/CEO's sole discretion, with each of the Contractors to provide services for the terms and in the amounts and on the conditions as specified in the April 7, 2021 staff report for this Agenda Item.

Section 5 The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreements on behalf of the Commission.

Section 6 A copy of each final Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. Each final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

Section 7 In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement(s), (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

Section 8 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 7, 2021 to wit:

AYES Commissioners: _____

NOES: Commissioner(s): _____

EXCUSED: Commissioner(s): _____

ABSTAINED: Commissioner(s) _____

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

ROBIN STIELER

Clerk of the Commission, Children and Families Commission of
Orange County, County of Orange, State of California

Resolution No: __-20-C&FC

Agenda Date: April 7, 2021

Item No. __



I certify that the foregoing is a true and correct copy of the
Resolution adopted by the

Robin Stieler, Clerk of the Commission

By: _____
Deputy

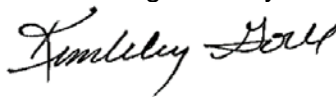
EXHIBIT A TO RESOLUTION OF COMMISSION

(Attach copy(ies) of final executed Amendments and Agreements)

Agenda Item 11
April 7, 2021

DATE: March 1, 2021

TO: Children and Families Commission of Orange County

FROM: Kimberly Goll, President/CEO 

ACTION: Adopt resolution authorizing agreements and amendments to agreement with designated individuals and organizations to provide consultant services

SUMMARY:

First 5 Orange County Children and Families Commission's core business is to allocate public funds to invest in systems of care and innovation to improve outcomes for children in Orange County by ensuring the effective and efficient use of public funds in these areas and to utilize subject matter experts to identify and implement strategies in early childhood health, education, and development programs. This item requests approval of the roster of qualified applicants as well as the authority to enter into new consultant and vendor agreements, or amendments to existing agreements, for Fiscal Year 2021/2022.

DISCUSSION:

Since the inception of First 5 Orange County, the organizational structure has relied on a small staff for operations and utilizes consultants with various subject-matter expertise. This structure maximizes flexibility and responsiveness to changing needs of the early childhood community and minimizes ongoing administrative costs to manage declining revenue. First 5 currently contracts with approximately 30 individuals and organizations for various consulting and professional services.

In order to maintain a comprehensive pool of qualified consultants and firms, a Request for Qualifications (RFQ) is periodically released. The most recent RFQ was completed in February 2021. Forty-five (45) individuals and organizations submitted qualifications and have been placed on a Roster of Qualified Applicants (Attachment 1). Approval of the updated roster is recommended. Placing qualifying applicants on the roster does not obligate First 5 Orange County to utilize their services, and no commitment is made to issue contracts to them or engage their services in any way. If expertise is required and not currently addressed by the consultant roster, the most qualified individual or firm will be identified and added to the roster.

Consultant recommendations for contract approval are included in Attachment 2. The attachment includes terms, contract amounts, and descriptions of scopes of work for each consultant. Reflected in these consultant recommendations is an expansion in our Engaged Neighborhood efforts, continuing work on childcare landscape analysis and cultivation of expansion opportunities, as well as a deepening of our evaluation and communication efforts.

Sole source contracts with additional consultants for data collection and management are also recommended. First 5 Orange County currently uses evaluation tools for data collection and analysis as well as performance measures. The Commission's Policy 6.1 provides that "the Commission recognizes circumstances which make a Request for Qualifications (RFQ) process

unproductive, when it is generally accepted that only one provider is available or has the specific level of expertise and existing knowledge and involvement in a specific project or functional area.” A summary of the expertise of each partnership is provided below.

- **NetChemistry** – This is an on-line database to collect output and client-level data for funded partners in the Bridges Maternal Child Health Network, including the birthing hospitals and home visiting providers (community-based organizations and public health nursing). The NetChemistry system was developed by experts with capacity to work with hospitals and protect Health Insurance Portability and Accountability Act (HIPAA) data. NetChemistry has exclusive software capabilities, qualifying them as a sole source vendor for hosting the Bridges Connect Data System.
- **Customized Contracts and Data Management database** – In April of 2020, the Commission approved the design of a new contracts and data management database which will enable First 5 Orange County to better measure progress toward systems change that can facilitate reporting at both programmatic and system levels. The database also provides the administrative functions of budgeting and payment and could provide the necessary data for reporting required by the State. In the Fall of 2020, the First 5 Orange County's High 5 contracts and data management system launched successfully.

Salesforce (Carahsoft Technology Corporation) – The new customized system was able to launch within five months of design as it leveraged and customized an existing First 5 Alameda's performance and reporting system, which was built on a Salesforce platform. This enterprise platform-as-a-service (PaaS) solution allows developers to build and deploy cloud applications (cloudbased software). It is the platform that was used by First 5 Alameda to build High 5, which was created as a results-based accountability system for early childhood programming and outcomes measurement. This unique platform provides tools and services to integrate with external applications and provide a responsive layout to users. It is nimble, easily scalable, and is specifically built to allow extreme customization

First 5 Orange County also leveraged the First 5 Alameda system at an exclusively lower cost and significantly shorter development time than building a new system. The High 5 database requires First 5 Orange County to purchase an annual license from the Salesforce data platform. It is recommended that First 5 Orange County continue to contract with Salesforce (through Carahsoft Technology Corporation).

EightCloud – EightCloud was approved as First 5 Orange County's High 5 developer to leverage the development of First 5 Alameda's High 5 system. EightCloud has expertise in the Salesforce Application Suite as well as the First 5 Commissions custom solution built on the Salesforce App Cloud platform. It is recommended that First 5 Orange County continue to contract with EightCloud to provide seamless support for the implementation, ongoing managed services and any special projects for the First 5 Orange County High 5 System.

For these reasons, it is recommended that the Commission authorize entering into sole source agreements with each of these consultants based upon findings that each consultant possesses the specific level of expertise, existing knowledge, and involvement in the specific project or functional areas, as discussed above.

STRATEGIC PLAN & FISCAL SUMMARY:

The proposed action has been specifically reviewed in relation to the Commission's Strategic Plan and is consistent with the Commission's goals. Funding for the proposed action will be included in the Proposed Fiscal Year 2021/2022 Budget.

PRIOR COMMISSION ACTIONS:

- April 2020 – Adopted resolution authorizing agreements or amendments to agreements with designated individuals and organizations to provide consultant services.
- June 2019 – Adopted resolution authorizing agreements or amendments to agreements with designated individuals and organizations to provide consultant services.
- April 2018 – Adopted resolution authorizing agreements or amendments to agreements with designated individuals and organizations to provide consultant services.
- October 2017– Approved updated roster for qualified applicants for project management, operational support and on-call/special projects consulting services to include County of Orange Health Care Agency's approved list of auditing firms.
- April 2017– Adopted resolution authorizing agreements or amendments to agreements with designated individuals and organizations to provide project management, evaluation, operational support and on-call/special projects consulting services for the specified terms, amounts and conditions.

RECOMMENDED ACTIONS:

1. Approve roster (Attachment 1) of qualified applicants.
2. Adopt resolution (Attachment 3) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate new agreements or amendments to existing agreements, at the President/CEO's sole discretion, with designated individuals and organizations to provide consultant services for the terms, in the amounts, and on the conditions as specified in Attachment 2.
3. Adopt resolution (Attachment 4) authorizing the President/CEO, or designee, to enter into Agreement No. PS-252 with NetChemistry, Inc. to provide the Bridges Connect Data System for a one-year term from July 1, 2021 to June 30, 2022 in an amount not to exceed \$108,000.
4. Adopt resolution (Attachment 5) authorizing the President/CEO, or designee, to enter into Agreement No. PS-253 with EightCloud, Inc. to provide implementation, special projects, and managed services for the term from July 1, 2021 to June 30, 2022 in an amount not to exceed \$110,000.
5. Adopt resolution (Attachment 6) authorizing the President/CEO, or designee, to enter into First Amendment to Agreement PS-227 with Salesforce (Carahsoft Technology Corporation) to add \$50,000 for a total maximum obligation of \$100,000 and extended term 12 months from July 1, 2020 to June 30, 2022 for platform subscription.

ATTACHMENTS:

1. Roster of Qualified Applicants
2. Consultant Agreements Term Sheet
3. Resolution (Consultants)
4. Resolution (NetChemistry)
5. Resolution (EightCloud)
6. Resolution (Salesforce)

CONTACT: Lucy Lin

**ROSTER OF QUALIFIED APPLICANTS
BY SUBJECT MATTER EXPERTISE**

Comprehensive Health and Development	<ul style="list-style-type: none"> * American Academy of Pediatrics- Orange County Chapter * Banafshe Sharifian-Attar * CLC Health Collaborative * Charitable Ventures * Children's Data Network (USC) * Debra Mathias 	<ul style="list-style-type: none"> *Dianna Daly * Focali Consulting, LLC * Health Management Associates, Inc. * Hoda Shawky * Jaqueline Tran Nakasone * Margarita McCullough 	<ul style="list-style-type: none"> * Mimi Thuong * MK Consulting Syndicate, Inc. * MY Team Effort, Inc. *Parsons Consulting, Inc. * San Diego Strategy Group, LLC dba NP Strategies * Susan Diaz
Quality Early Learning	<ul style="list-style-type: none"> * Ana Page * Charitable Venture * Child 360 * Children's Data Network (USC) * Chris Becerra * Cristina Blevins 	<ul style="list-style-type: none"> * I3 Institute * Jennifer Shepard * Limor Consulting, Inc. * Looking Ahead, LLC * Lorena E. Vidaurre * MK Consulting Syndicate, Inc. * Muckenthaler & Associates, Inc. * Parsons Consulting, Inc. 	<ul style="list-style-type: none"> * San Diego Strategy Group, LLC dba NP Strategies * Susan Diaz * Zero to Three
Resilient Families	<ul style="list-style-type: none"> * Ana Page * Anila Neumeister * Banafshe Sharifian- Attar * CLC Health Collaborative * Charitable Ventures * Children's Data Network (USC) 	<ul style="list-style-type: none"> * Chris Becerra * Dianna Daly * Hoda Shawky * Lorena E. Vidaurre * Margarita McCullough 	<ul style="list-style-type: none"> * Mimi Thuong * MK Consulting Syndicate, Inc. * Parsons Consulting, Inc. * Susan Diaz
Early Childhood Systems Performance Assessment	<ul style="list-style-type: none"> * Children's Data Network (USC) * Lorena E. Vidaurre * MK Consulting Syndicate, Inc. 	<ul style="list-style-type: none"> * Parsons Consulting * San Diego Strategy Group, LLC dba NP Strategies 	<ul style="list-style-type: none"> * Zero to Three

**ROSTER OF QUALIFIED APPLICANTS
BY SUBJECT MATTER EXPERTISE**

Project Management	<ul style="list-style-type: none"> * Altmayer Consulting, Inc * American Academy of Pediatrics-Orange County Chapter * Ana Page * Anila Neumeister * Banafshe Sharifian-Attar * CLC Health Collaborative * Child 360 * Charitable Ventures * Chris Becerra * Cristina Blevins * Deborah Phares Consulting and Coaching 	<ul style="list-style-type: none"> * e2o Health * ERS Consulting, LLC * Health Management Associates, Inc. * Hoda Shawky * I3 Institute * Jaqueline Tran Nakasone * Jennifer Shepard * Looking Ahead, LLC * Margarita McCullough * MK Consulting Syndicate, Inc. * Muckenthaler & Associates, Inc. 	<ul style="list-style-type: none"> * Parsons Consulting, Inc. * Principal Strategic Advisors * San Diego Strategy Group, LLC dba NP Strategies * Susan Diaz * Wallace Walrod * Zero to Three
Community Engagement Support	<ul style="list-style-type: none"> * Altmayer Consulting, Inc * American Academy of Pediatrics-Orange County Chapter * Ana Page * Banafshe Sharifian-Attar * CLC Health Collaborative (Betsy Ha) * Charitable Ventures * Child 360 * Chris Becerra * Cristina Blevins * Deborah Phares Consulting and Coaching * Dianna Daly 	<ul style="list-style-type: none"> * Focali Consulting, LLC * Growth Mindset Communications * Harder + Company * Health Management Associates, Inc. * Hoda Shawky * Jacqueline Tran Nakasone * Jennifer Shepard * Looking Ahead, LLC * Lorena E. Vidaurre * MK Consulting Syndicate, Inc. * Muckenthaler & Associates, Inc. 	<ul style="list-style-type: none"> * Principal Strategy Advisors * San Diego Strategy Group, LLC dba NP Strategies * Wallace Walrod * Zero to Three
Evaluation	<ul style="list-style-type: none"> * Banafshe Sharifian-Attar * Charitable Ventures * Child 360 	<ul style="list-style-type: none"> * Harder + Company * Health Management Associates, Inc. * Jacqueline Tran Nakasone * Limor Consulting, Inc. * MK Consulting Syndicate, Inc. * MY Team Effort, Inc. 	<ul style="list-style-type: none"> * Parsons Consulting, Inc. * San Diego Strategy Group, LLC dba NP Strategies * Wallace Walrod

**ROSTER OF QUALIFIED APPLICANTS
BY SUBJECT MATTER EXPERTISE**

Strategic Communications	<ul style="list-style-type: none"> * Charitable Ventures * Child 360 * Cornerstone Communications * Curt Pringles & Associates 	<ul style="list-style-type: none"> * ERS Consulting, LLC * Growth Mindset Communications 	<ul style="list-style-type: none"> * Parsons Consulting, Inc. * Principal Strategic Advisors * Wallace Walrod
Contract Compliance and Audit	<ul style="list-style-type: none"> * Altmayer Consulting, Inc. * Anila Neumeister * Charitable Ventures 	<ul style="list-style-type: none"> * Conrad, LLP * KNL Support Services 	<ul style="list-style-type: none"> * MK Consulting Syndicate, Inc. * Sherry Gilbey
Race, Equity and Diversity	<ul style="list-style-type: none"> * Ana Page * Banafshe Sharifian-Attar * Child 360 * CLC Health Collaborative * Darci Kass * Growth Mindset Communications 	<ul style="list-style-type: none"> * I3 Institute * Parsons Consulting, Inc. * PeakePotential, Inc. * Principal Strategic Advisors * Susan Diaz * Wendi Evans 	
Professional Development	<ul style="list-style-type: none"> * Altmayer Consulting, Inc. * Ana Page * Banafshe Sharifian- Attar * Chris Bacerra * CLC Health Collaborative 	<ul style="list-style-type: none"> * Deborah Pharis Consulting & Coaching * ERS Consulting, LLC * Focali Consulting, LLC * Health Management Associates, Inc. * I3 Institute 	<ul style="list-style-type: none"> * Judy Nelson * PeakePotential, Inc. * Principal Strategic Advisors * Simply Support for ECE, LLC
Language Translation	<ul style="list-style-type: none"> * Banafshe Sharifian-Attar * Mimi-Thuong 		

CONSULTANT AGREEMENTS TERM SHEET

Contract Number	Consultant	Term	Maximum Payment Obligation	Scope of Work
C-427	Margarita McCullough	7/1/21-6/30/22	\$115,000	Provide centralized coordination, monitor data compliance, and identify program improvements for the Bridges Maternal Child Health Network (Bridges) including implementation of the Parents as Teachers (PAT) evidence-based model and integration with the CalWORKS Home Visiting Program. Serve as the DULCE Liaison for First 5 OC.
C-428	MK Consulting Syndicate, Inc.	7/1/21-6/30/22	\$95,000	Project management for the system improvements of the First 5 Orange County High 5 database and children's oral health; support for staff and consultant meetings; and support for systems-building work.
C-429	Jaqueline Tran Nakasone	7/1/21-6/30/22	\$70,000	Develop early childhood health services transition plan for each school district. Identify current baseline of school health services, identify the accessibility and utilization of such resources, and focus on system level improvements. Work with school districts and Help Me Grow to explore access and use of Orange County Screening Registry.
PS-240	MY Team Effort	7/1/21-6/30/22	\$65,000	Provide database development and implementation services to assist in the integration of CalWORKS and the PAT model. Act as liaison on behalf of First 5 OC with technical vendor, share and support best practices within network – data collection, reporting and entry. Provide expertise in protocol decision for data collection, identify ongoing system improvements, and manage development timeline.
PS-241	Growth Mindset Communications	4/15/21-6/30/22	\$18,000	Provide system analysis of Bridges Prenatal to Three Home Visiting Network increasing understanding of engagement rates across racial and ethnic demographics.

CONSULTANT AGREEMENTS TERM SHEET

Contract Number	Consultant	Term	Maximum Payment Obligation	Scope of Work
C-430	Muckenthaler & Associates, Inc.	7/1/21-6/30/22	\$130,000	Provide individualized support to school districts, childcare providers, and other community partners to increase infant and toddler childcare expansion opportunities and systems-level improvements. Focused on alignment of investments and collaboration amongst school districts, community early learning programs, Orange County Department of Education (OCDE), Early Childhood OC, Orange County Association for Education of Young Children (OCAEYC), and Head Start.
C-431	Ana Page	4/15/21-6/30/22	\$50,000 ⁱ	Coordinate and provide technical assistance around Help Me Grow/Parent Engagement Initiatives, OC Reads, MLPB partnership, Dual Language Learner, Engaged Neighborhoods and Quality Early Learning initiatives. Provide coordination, technical assistance to lead consultant.
C-432	Cristina Blevins	7/1/21-6/30/22	\$156,000 ⁱⁱ	Coordinate and provide technical assistance to the Engaged Neighborhoods program, Parent Engagement efforts, and Quality Early Learning initiative. Provide coordination, technical assistance, and representation on community collaboratives for Engaged Neighborhoods. Lead elevating parent engagement activities amongst funded partners.
C-433	Jennifer Shepard	7/1/21-6/30/22	\$104,000	Provide centralized coordination, monitor data compliance, ensure Early Development Index participation and identify program improvements for the 25 Orange County public school districts that have a kindergarten population. Additionally, support exploration of potential childcare expansion for districts interested in infant and toddler care.
C-434	Anila Neumeister	7/1/21-6/30/22	\$100,000	Provide homeless prevention subject-matter expertise, coordination, monitor data compliance, and identify program improvements for all homeless prevention projects. Manage communication among subcontractors and stakeholders. Project management of projects related to implementation of First 5's strategic plan.

CONSULTANT AGREEMENTS TERM SHEET

Contract Number	Consultant	Term	Maximum Payment Obligation	Scope of Work
C-435	Dianna Daly	7/1/21-6/30/22	\$105,000	Coordinate First 5 OC's work as a Backbone for Be Well Orange County. Serve on the Executive Committee and Steering Committee for the ACEs Aware Trauma Informed Network of Care Implementation Grant. Participate in community initiatives to improve care for infants and families affected by substance use disorders. Promote increased integration and capacity of support services for young children and pregnant women by advancing the commission's work on early childhood mental health and perinatal mood and anxiety disorders.
C-436	Hoda Shawky	7/1/21-6/30/22	\$100,000	Provide technical assistance to a diverse group of stakeholders and promote early relational health and improve prevention, early detection, intervention and treatment for perinatal mental health, substance use, and recovery. Support the development of parent advocates.
PS- 242	American Academy of Pediatrics, Orange County Chapter	7/1/21-6/30/22	\$75,000	Participate in Detect & Connect OC collaborative and support related quality improvement work, including maintenance of certification for quality improvement work in primary care settings. Assist with school readiness efforts to link school districts to pediatric primary care providers. Elevate pediatrician's knowledge of home visiting services and referral into home visiting. Support the Strategic Plan goal of increasing families' access to concrete support.
PS-243	University of Southern California, Children's Data Network	7/1/21-6/30/22	\$150,000	Analysis of programmatic services and service delivery; characterization of services delivered during the first 5 years of life (e.g., the ratio of children to available ECE or home visiting slots in neighborhoods across Orange County); the generation of additional ECE and child-level data at the state and local level, and ongoing Technical Assistance, analytic expertise, and strategic partnership.
C-437	Limor Consulting, Inc.	7/1/21-6/30/22	\$120,000	Provide support for implementation of the Early Development Index including coordination with school districts and UCLA Center for Healthier Children, Families and Communities; analysis, maps and technical assistance with the EDI for Commission staff and partners; assist with development of related communications materials. Provide support for evaluation projects including First 5 OC's Annual Report, evaluation related to the Strategic Plan and performance measures, and evaluation related to equity/disparity index development.

CONSULTANT AGREEMENTS TERM SHEET

Contract Number	Consultant	Term	Maximum Payment Obligation	Scope of Work
PS-244	San Diego Strategy Group dba NP Strategies	7/1/21-6/30/22	\$90,000	Provide project management for the Developmental Screening Initiative including facilitating Detect & Connect OC; provide project management for Phase II and Phase III of the Child Care Landscape Analysis including support for communications materials and presentations, and facilitation of partner meetings; and provide support for other Strategic Plan related projects such as First 5 Orange County's equity work.
PS-245	Cornerstone Communications	7/1/21-6/30/22	\$210,000	Provide communications support for the Strategic Plan and priority goals, annual report, website. Implement comprehensive social media strategy. Develop marketing and collateral materials and advise on/support with events. Provide strategic counsel on media relations strategy and conduct media outreach.
PS-246	Curt Pringle & Associates	7/1/21-6/30/22	\$96,000	Provide legislative support, community partnership, and public awareness activities, and additional activities as requested.
PS-221 (amendment)	Charitable Ventures	7/1/20-6/30/22	\$65,000 (includes prior allocation of \$50,000)	Conduct evaluation of OC Human Relations reStructure curriculum.
C-438	Sherry Gilbey	7/1/21-6/30/22	\$100,000	Perform risk assessments and compliance audits of programs requiring more intensive compliance reviews.
PS-247	KNL Support Services			
PS-248	Conrad, LLP			
PS-249	PeakePotential, Inc.	7/1/21-6/30/22	\$40,000	Provide Executive level coaching to Vice President of Programs and provide support to First 5 program team to develop and implement a more robust program strategy linking direct services to system change efforts.

CONSULTANT AGREEMENTS TERM SHEET

Contract Number	Consultant	Term	Maximum Payment Obligation	Scope of Work
PS-250	ERS Consulting	7/1/21-6/30/22	\$100,000	Create a staff-to-consultant optimization model; refine performance management process and provide associated ongoing training; deepen the agency's ability to use the Workplace Big Five personality assessment as a grounding for regular, ongoing performance discussions; and update the First 5 OC Code of Conduct to ensure adequate and accurate reflection of current regulations and expectations.
C-439	Wallace Walrod	7/1/21-6/30/22	\$50,000	Provide additional research and support to develop partnerships with local, regional and statewide business organizations on childcare and family friendly policies. Work with First 5 and partners to identify and prioritize opportunities with the business community (OCBC, chambers, employers) and philanthropy to support childcare in Orange County.
PS-251	Health Management Associates, Inc.	4/8/21-3/31/22	\$150,000	Develop a comprehensive and integrated Prenatal to Three Strategy that leverages investments in home visiting, integrates with key partners investments, increases families' access and acceptance of early intervention services by diversifying and increasing the platforms for engagement, prioritizes families living in targeted geographic communities, blends and braids multiple funding sources to create a sustainable system, and informs policy and advocacy work at the local and state level. Payment against this contract will satisfy match obligation to First 5 CA for Home Visiting Grant.

ⁱ Dual Language Learners (DLL) is funded by a contract with First 5 California and the Commission receives reimbursement for a portion of these expenditures.

ⁱⁱ Dual Language Learners (DLL) is funded by a contract with First 5 California and the Commission receives reimbursement for a portion of these expenditures.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ____-21-C&FC

April 7, 2021

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE NEW AGREEMENTS, OR AMENDMENTS TO CURRENT AGREEMENTS, AT THE PRESIDENT/CEO'S SOLE DISCRETION, WITH DESIGNATED INDIVIDUALS AND/OR ORGANIZATIONS TO PROVIDE CONSULTANT SERVICES; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENTS ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

WHEREAS, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County's children prenatal to five years of age as codified in the Act; and

WHEREAS, the Commission desires to enter into new agreements or amendments to current agreements, at the President/CEO's sole discretion, with each of the individuals and/or organizations, hereinafter referred to as the "Contractors," identified in the staff report for the April 7, 2021 Commission meeting for this Agenda Item (hereinafter collectively referred to as "Agreements"). Contractors will provide consultant services for the terms and in the amounts and on the conditions as described in Attachment 2 therein; and

WHEREAS, each Contractor desires to enter into the applicable Agreement, if authorized by the President/CEO, in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the applicable Agreement; and

WHEREAS, Commission has reviewed the staff report for the April 7, 2021 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreements are in furtherance of and consistent with the Commission's Strategic Plan; and

WHEREAS, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreements with each of the Contractors for the terms and in the amounts and on the conditions as specified in Attachment 2 to the April 7, 2021 staff report for this Agenda Item.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate Agreements with each of the Contractors to provide consultant services for the terms and in the amounts and on the conditions consistent with the April 7, 2021 staff report and Attachment 2 referenced therein; and

Section 3 The form of any Agreements shall be substantially similar to the standard Consultant or Professional Services Agreements, subject to minor, non-substantive revisions, or as otherwise required to comply with state/federal grant funding sources, and will be reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Agreements shall be conclusively evidenced by the execution of such Agreements by the Commission Chair and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves the Agreements to be entered into, at the President/CEO's sole discretion, with each of the Contractors as described in Attachment 2 to the April 7, 2021 staff report for this Agenda Item to provide consultant services for the terms and in the amounts and on the conditions as specified in the April 7, 2021 staff report for this Agenda Item.

Section 5 The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreements on behalf of the Commission.

Section 6 A copy of each final Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. Each final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

Section 7 In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement(s), (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

Section 8 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 7, 2021 to wit:

AYES Commissioners: _____

NOES: Commissioner(s): _____

EXCUSED: Commissioner(s): _____

ABSTAINED: Commissioner(s) _____

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

ROBIN STIELER

Clerk of the Commission, Children and Families Commission of
Orange County, County of Orange, State of California

Resolution No: __-20-C&FC

Agenda Date: April 7, 2021

Item No. __



I certify that the foregoing is a true and correct copy of the
Resolution adopted by the

Robin Stieler, Clerk of the Commission

By: _____
Deputy

EXHIBIT A TO RESOLUTION OF COMMISSION

(Attach copy(ies) of final executed Amendments and Agreements)

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ____-21 C&FC

April 7, 2021

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENT NO. PS-252 WITH NETCHEMISTRY, INC. TO PROVIDE BRIDGES CONNECT SYSTEM; AND AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

WHEREAS, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County’s children prenatal to five years of age as codified in the Act; and

WHEREAS, the President/CEO and Commission Counsel have prepared a standard Consultant Services Agreement, which was approved by the Commission; and

WHEREAS, the Commission desires to enter into Agreement No. PS-252 (“Agreement”) with Netchemistry, Inc. (hereinafter referred to as “Contractor”) to provide the Bridges Connect System for the terms and in the amounts as specified in the April 7, 2021 staff report; and

WHEREAS, Commission desires to enter into the Agreement with Contractor in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Agreement; and

WHEREAS, Commission has reviewed the staff report for the April 7, 2021 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission’s Strategic Plan; and

WHEREAS, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreement with the Contractor in the amount and for the terms as specified in the April 7, 2021 staff report for this Agenda Item;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Agreement with the Contractor to provide Bridges Connect System in the amounts and for the terms consistent with the April 7, 2021 staff report and scope of services referenced therein.

Section 3 The form of the Agreement with the Contractor shall be substantially similar to the form of the standard Professional Services Agreement, subject to minor, non-substantive revisions as reviewed and approved by the President/CEO or designee and Commission Counsel. The approval by the President/CEO or designee of the Agreement shall be conclusively evidenced by the execution of such Agreement by the Commission Chair and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves the Agreement with Contractor to provide the Bridges Connect System in the amounts and for the terms as specified in the April 7, 2021 staff report for this Agenda Item.

Section 5 The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreement on behalf of the Commission.

Section 6 A copy of the Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

Section 7 In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement(s), (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

Section 8 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 7, 2021 to wit:

AYES Commissioners: _____

NOES Commissioner(s): _____

EXCUSED Commissioner(s): _____

ABSTAINED Commissioner(s): _____

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

ROBIN STIELER
Clerk of the Commission, Children and Families
Commission of Orange County, County of Orange,
State of California

Resolution No: __-20-C&FC

Agenda Date: April 7, 2021

Item No. __



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

ROBIN STIELER, Clerk of the Commission

By: _____

Deputy

EXHIBIT A TO RESOLUTION OF COMMISSION

(Attach copy(ies) of final executed Agreement)

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ____-21C&FC

April 7, 2021

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENT NO. PS-253 WITH EIGHTCLOUD, INC. TO PROVIDE IMPLEMENTATION, SPECIAL PROJECTS, AND MANAGED SERVICES; AND AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

WHEREAS, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County’s children prenatal to five years of age as codified in the Act; and

WHEREAS, the President/CEO and Commission Counsel have prepared a standard Professional Services Agreement, which was approved by the Commission; and

WHEREAS, the Commission desires to enter Agreement No. PS-253 (“Agreement”) with EightCloud, Inc. (hereinafter referred to as “Contractor”) to provide implementation, special projects and managed services for the terms and in the amounts as specified in the April 7, 2021 staff report; and

WHEREAS, Commission desires to enter into the Agreement with Contractor in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the applicable Agreement; and

WHEREAS, Commission has reviewed the staff report for the April 7, 2021 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission’s Strategic Plan; and

WHEREAS, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreement with the Contractor in the amount and for the terms as specified in the April 7, 2021 staff report for this Agenda Item;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Agreement with the Contractor to provide system development and managed services in the amounts and for the terms consistent with the April 7, 2021 staff report and scope of services referenced therein.

Section 3 The form of the Agreement with the Contractor shall be substantially similar to the form of the standard Professional Services Agreement, subject to minor, non-substantive revisions as reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Agreement shall be conclusively evidenced by the execution of such Agreement by the Commission Chair and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves the Agreement with Contractor to provide system development and managed services in the amounts and for the terms as specified in the April 7, 2021 staff report for this Agenda Item.

Section 5 The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreement on behalf of the Commission.

Section 6 A copy of the Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

Section 7 In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement(s), (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such Agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such Agreement(s) in the furtherance thereof.

Section 8 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 7, 2021 to wit:

AYES Commissioners: _____

NOES Commissioner(s): _____

EXCUSED Commissioner(s): _____

ABSTAINED Commissioner(s): _____

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

ROBIN STIELER
Clerk of the Commission, Children and Families
Commission of Orange County, County of Orange,
State of California

Resolution No: __-21-C&FC

Agenda Date: April 7, 2021

Item No. __



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

ROBIN STIELER, Clerk of the Commission

By: _____

Deputy

EXHIBIT A TO RESOLUTION OF COMMISSION

(Attach copy(ies) of final executed Agreement)

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ____-21C&FC

April 7, 2021

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE A FIRST AMENDMENT TO AGREEMENT NO. PS-227 WITH CARAHSOFT TECHNOLOGY CORPORATION (SALESFORCE) FOR PLATFORM SUBSCRIPTION; AND AUTHORIZING APPROVAL AND EXECUTION OF SUCH AMENDMENT ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”) implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County (“Commission”); and

WHEREAS, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County’s children prenatal to five years of age as codified in the Act; and

WHEREAS, the President/CEO and Commission Counsel have prepared a standard Consultant Services Agreement, which was approved by the Commission; and

WHEREAS, the Commission desires to enter the First Amendment to Agreement No. PS-227 (“Amendment”) with Carahsoft Technology Corporation (hereinafter referred to as “Contractor”) for platform subscription services for the terms and in the amounts as specified in the April 7, 2021 staff report; and

WHEREAS, Commission desires to enter into the Amendment with Contractor in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the applicable Amendment; and

WHEREAS, Commission has reviewed the staff report for the April 7, 2021 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Amendment is in furtherance of and consistent with the Commission’s Strategic Plan; and

WHEREAS, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Amendment with the Contractor in the amount and for the terms as specified in the April 7, 2021 staff report for this Agenda Item;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Amendment with the Contractor to provide platform subscription services in the amounts and for the terms consistent with the April 7, 2021 staff report and scope of services referenced therein.

Section 3 The form of the Amendment with the Contractor shall be reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Agreement shall be conclusively evidenced by the execution of such Amendment by the Commission Chair and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves the Amendment with Contractor for platform subscription services in the amounts and for the terms as specified in the April 7, 2021 staff report for this Agenda Item.

Section 5 The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Amendment on behalf of the Commission.

Section 6 A copy of the Amendment when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Amendment shall be placed on file in the office of the Clerk of the Commission.

Section 7 In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Amendment(s), (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such Amendment(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such Amendment(s) in the furtherance thereof.

Section 8 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 7, 2021 to wit:

AYES Commissioners: _____

NOES Commissioner(s): _____

EXCUSED Commissioner(s): _____

ABSTAINED Commissioner(s): _____

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

ROBIN STIELER
Clerk of the Commission, Children and Families
Commission of Orange County, County of Orange,
State of California

Resolution No: __-20-C&FC

Agenda Date: April 7, 2021

Item No. __



I certify that the foregoing is a true and correct copy of the Resolution adopted by the

ROBIN STIELER, Clerk of the Commission

By: _____

Deputy

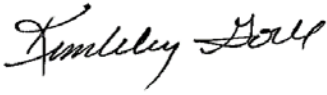
EXHIBIT A TO RESOLUTION OF COMMISSION

(Attach copy(ies) of final executed Amendment)

Agenda Item 12
April 7, 2021

DATE: March 9, 2021

TO: First 5 Orange County, Children and Families Commission

FROM: Kimberly Goll, President/CEO 

ACTION: Amendment to Agreement with Woodruff, Spradlin & Smart

SUMMARY:

First 5 Orange County, Children and Families Commission has a professional services agreement with Woodruff, Spradlin & Smart for general legal services. James Donich currently serves as First 5 Orange County's Commission Counsel and Supervising Attorney and requests approval to amend the agreement to designate Cassie Trapesonian as Commission Counsel and Supervising Attorney.

DISCUSSION:

James Donich has served as First 5 Orange County's Commission Counsel and Supervising Attorney since 2012 pursuant to First 5 Orange County's agreement with Woodruff, Spradlin & Smart for professional legal services. During this time, Mr. Donich has represented First 5 Orange County in various matters involving contracts, lawsuits, and large catalytic investment projects. Working closely with Mr. Donich, his Assistant Commission Counsel, Cassie Trapesonian, has advised First 5 Orange County since 2015. In recognition of her work and dedication to First 5 Orange County, Mr. Donich recommends appointing Ms. Trapesonian as Commission Counsel and Supervising Attorney as called for in the legal services agreement.

Ms. Trapesonian is a Partner at Woodruff, Spradlin & Smart and routinely provides legal services and advice to Commission Members, Executive Management, and Staff. For the past six years, she has attended Commission meetings, negotiated and provided counsel on contracts and procurements, guided First 5 Orange County through complex issues related to data and privacy compliance, and advised Staff on the ongoing catalytic projects. Amending the agreement with Woodruff, Spradlin & Smart to designate Cassie Trapesonian as Commission Counsel and Supervising Attorney is recommended by the current Commission Counsel and supported by the President/CEO.

STRATEGIC PLAN & FISCAL SUMMARY:

There is no funding action related to this item.

PRIOR COMMISSION ACTIONS:

- April 3, 2013 – Approved amendment to agreement with Woodruff, Spradlin & Smart updating rates for professional legal services.

- September 5, 2012 – Approved amendment to agreement with Woodruff, Spradlin & Smart designating new Supervising Attorney and Commission Counsel.
- October 2006 - Approved agreement with Woodruff, Spradlin & Smart for professional legal services.

RECOMMENDED ACTION:

1. Authorize the President/CEO, or designee, to amend Agreement C-207 with Woodruff, Spradlin & Smart to designate Cassie Trapesonian as Commission Counsel and Supervising Attorney.

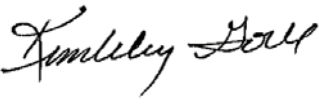
ATTACHMENTS: NONE

CONTACT: James Donich, Commission Counsel

Agenda Item 13
April 7, 2021

DATE: April 7, 2021

TO: First 5 Orange County, Children and Families Commission

FROM: Kimberly Goll, President/CEO 

ACTION: Receive the President/CEO's Report

Financial and Quarterly Investment Report

Financial highlight reports for the months of January (Attachment 1) and February (Attachment 2) are included. The reports summarize information regarding year-to-date revenue, expenses and encumbrances. Pursuant to First 5 Orange County's fiscal year 2020/2021 Investment Policy Statement, the Orange County Treasurer submits Quarterly Investment Reports to the Commission. This Investment Report (Attachment 3) summarizes investment activities for the three-month period from October 1 through December 31, 2020. The primary objective of the Treasurer is to invest the Commission's funds to provide safety of principal and liquidity, while providing a reasonable return on investments. Currently, the Treasurer has invested 100 percent of the Commission's funds in the Orange County Investment Pool (OCIP). A summary of key OCIP investment information is in Attachment 3.

Policy and Communications Update

Advocacy Day

The First 5 Advocacy Day is an annual event when the 58 First 5 county commissions, First 5 California and the First 5 Association converge on the State Capitol to discuss early childhood issues and the positive impact of the governor's budget proposal for young children and families. First 5 Orange County Commissioners are invited to participate in this year's virtual event. A legislative "Lunch and Learn" will be held on Tuesday, April 27 from 11:30 am to 12:30 pm. Commission members are also invited to join the First 5 Orange County team with follow-up visits to those Legislative offices that were unable to attend the Lunch and Learn. Please contact Tiffany Alva at Tiffany.alva@cfcoc.ocgov.com if you are interested in attending.

Ongoing Legislative Briefings

We have been meeting with Orange County state and federal delegation members to update them on our ongoing child care work and to preview for them our 2021 legislative priorities. Since the new year, Tiffany Alva, our consultants at Curt Pringle & Associates, and I have met with Congresswoman Young Kim (CA-39), State Senator David Min (SD-37), State Senator Josh Newman (SD-29), Assemblywoman Cottie Petrie-Norris (AD-74), Assemblywoman Laurie Davies (AD-73), and key staff members from the offices of Congresswoman Michelle Steel (CA-46) and Assemblymembers Tom Daly (AD-69) and Janet Nguyen (AD-72).

Child Care Efforts Expanding

First 5 Orange County and others' efforts to shine an educated light on the landscape of child care are gaining momentum in Sacramento. Legislation has been introduced to improve child

care through standardization of the reimbursement rate paid to child care and early learning services (SB 246-Levy) and to create a California Master Plan for Early Childhood Learning and Care (SB 50-Limon). Additionally, State Senator Josh Newman (SD-29) is the Chair of the State Senate's Special Committee on Pandemic Emergency Response. One of his first acts as Chair was to host a special hearing, "Childcare During and After the COVID-19 Pandemic: Surviving the Crisis and Supporting a Strong Recovery". [Click here to view the hearing.](#)

Communicating Success Stories

We are growing First 5 Orange County's success story library with written and video interviews as well as photos of families, child care providers, home visiting recipients and more. The first few of these have published on First 5 Orange County's website here. Our communications team is also in contact with the First 5 Association for ways this material can be used statewide. We have created two videos featuring child care providers and the Boys and Girls Clubs of Huntington Valley. A third video is in the works featuring the supply drives for child care providers.

Commissioners and Parents Read Children's Books

We have also worked on creating videos to help promote literacy. Several Commissioners and parents have supported the effort, reading their favorite children's books young kids. The first batch of these videos was tied to Read Across America and a second batch will launch during Dia de los Ninos. We promote the videos across our social media platforms.

Social Media and Website

Our social posts continue to share resources and support for parents and child care providers, including regarding earned income tax credits and the COVID-19 vaccine and eligibility. The First 5 Orange County website redesign continues to roll forward toward its summer launch, with new design, text, and materials that will reflect the updated First 5 Orange County Strategic Plan, areas of focus, and a new section for parent and provider resources.

REDI (Race, Equity, Diversity & Inclusion) Efforts

Our REDI work continues to move forward with support from Commissioners, staff, consultants, and other stakeholders. This month, the first cohort of the OC Human Relations reStructure program launched its year-long curriculum, with seven participants put forward by First 5 Orange County. The first meeting, held March 26th, allowed for the 26 participants to get to know each other, to learn about historical events that influenced Orange County's racial and systemic development, and begin to understand and discuss topics of privilege such as race, gender, class, citizenship and religion. Several additional Commissioners, staff and consultants, and funded and community partners have expressed interest in participating in future OC Human Relations reStructure cohorts.

We have also finalized an agreement with The Center for the Study of Social Policy (CSSP) to support our staff and consultant equity work. We will first complete an assessment of individual and organization status related to REDI, followed by an all staff and consultant meeting in April. Together with CSSP, we have identified the following goals for this work:

- Build individual and collective capacity/knowledge
 - Strengthen organizational stance on racial equity, anti-racism
 - Translate this stance into a new way of approaching the work
 - Participate actively and help hold spaces for racial equity work in Orange County with new and existing collaborators - parents, organizations, agencies, other stakeholders
- Equity Update

Updates on OCAEYC Project Partnership

In January of 2021, First 5 Orange County's funded partner, the Orange County Association for the Education of Young Children (OCAEYC), found that, on average and due to the pandemic, child care providers suffered a 27% loss in staff and more critically, 62% may have to close their doors within one to six months if they remain operating at or below 80% of capacity. Through this survey, other surveys and the Child Care Landscape Analysis, we continue to hear that smaller child care providers in Orange County need assistance. First 5 is currently finalizing a contract with OCAEYC for an amount not to exceed \$20,000 to fund supplemental materials, stipends and a portion of a business consultant to assist child care providers with training and technical assistance. OCAEYC's Board has approved the contracting process with Child360, a leading nonprofit with a focus in advancing early education program quality, strengthening family engagement and training early educators and child care providers. The cohort of child care providers to receive training, materials and stipends has been finalized and we're thrilled to continue to support child care providers in Orange County.

2021 Commissioner Recruitment and Application Process

The Orange County Board of Supervisors extended the application deadline for candidates to serve on the First 5 Orange County Children and Families Commission to April 16, 2021. Three at large Commission positions are open, two in the education category and one in the health category. Commissioners that fill these positions must have relevant experience or expertise in the category. New applicants and current members are invited to apply for the three seats for the 2021-2023 term. The recruitment package has been distributed through each Board of Supervisor's office, as well as through email blasts from First 5 Orange County and several partners. The application package is also available on our website [2021-Application-Package-3-1-2021.pdf \(occhildrenandfamilies.com\)](https://www.occhildrenandfamilies.com/2021-Application-Package-3-1-2021.pdf). After April 16, 2021, Chairman Do will nominate two candidates for the Health seat and Vice Chairman Chaffee and Supervisor Foley will nominate at least two candidates for each of the Education seats. Appointments will take place at an Orange County Board of Supervisors public meeting in May.

Attachment:

1. Financial Highlights-January
2. Financial Highlights-February
3. Investment Report- October-December 2020

Financial Highlights as of January 31, 2021

Comparison of Budget vs. Actual Fiscal Year 2020-21 Unaudited Period Ending 1/31/21

	FY 2020-21 Amended Budget	FY 2020-21 Actuals	
Financing Sources			
Tobacco Tax Revenue	\$21,554,480	\$16,830,835	78.1%
Interest Earnings	100,000	236,675	236.7%
Other Revenue	<u>10,733,500</u>	<u>-3,047,081</u>	
Revenue Total	\$32,387,980	\$14,020,429	
Expenses*			
Prenatal-to-Three	\$12,289,862	\$1,684,091	13.7%
School Readiness Initiative	9,110,192	1,424,135	15.6%
Homeless Prevention	1,865,000	147,192	7.9%
Children's Dental	7,000,000	2,008,419	28.7%
Systems Building	975,327	428,201	43.9%
Performance Evaluation	<u>1,252,746</u>	<u>441,616</u>	35.3%
Program Services	\$32,493,127	\$6,133,654	
Admin. Functions**	<u>1,484,320</u>	<u>475,278</u>	32.0%
Total Operating Exp.	\$33,977,447	\$6,608,932	

*Including One-Time Systems Expenses (previously called Catalytic)

**Administrative costs and functions are defined by State Commission guidelines (Fiscal Memo No. 05-01, dated April 14, 2006) pursuant to Chapter 284, Statutes of 2005 (AB 109). Actual Administrative expenses of \$475,278 and encumbrances of \$266,279 were 2% of the Fiscal Year 2020/2021 Amended Budget of \$34 million. Final administrative expenses are projected to be 6% at year-end.

Total Encumbrances as of January 31, 2021 including multi-year contracts through Fiscal Year 2022/2023

Prenatal-to-Three	\$17,381,278
School Readiness Initiative	\$16,673,907
Homeless Prevention	\$1,863,591
Children's Dental	\$9,571,540
Systems Building	\$614,183
Performance Evaluation	\$1,030,306
Admin. Functions	\$266,279

Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue received through January 2021 is \$16.8 million. Current year revenue (July 2020 – June 2021) as reported by First 5 California is \$15.6 million including the annual backfill amount of \$5.9 and revenue through December.

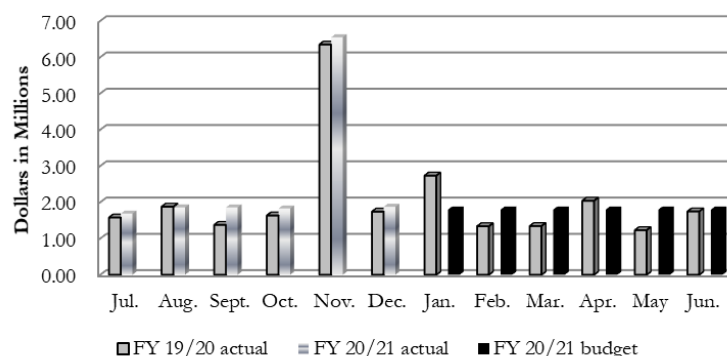
Interest earnings for July 2020 through December 2020 are \$236,675.

Systems Funding Update

\$43,193,819 in One-Time Systems Funding was expensed from FY 2012-13 through FY 2019-2020.

As of January 31, 2021, \$4,685,856 was encumbered for one-time Systems Building programs. Nearly \$3.6 million is encumbered for Children's Dental and \$1 million for Developmental Services.

Fiscal Year 2019-20 & 2020-21 Tobacco Monthly Revenues



Fiscal Year 2019-20 Ending Fund Balance From Commission Long Term Financial Plan

Beginning Fund Balance, July 1, 2019	\$37,293,188
Total Revenue	37,404,178
Total Program Expenses	(31,371,697)
Fund Balance for Systems Building Projects	<u>(17,161,352)</u>

June 30, 2020 Fund Balance \$26,164,317*

*Based on Commission action through December 2019 and financial results through June 30, 2020. Final fund balance does not include One-time Systems Building Projects. For financial planning purposes, One-time Systems Building Projects have been designated by Commission action and removed from available fund balance.

Financial Highlights as of February 28, 2021

Comparison of Budget vs. Actual Fiscal Year 2020-21 Unaudited Period Ending 2/28/21

	FY 2020-21 Amended Budget	FY 2020-21 Actuals	
Financing Sources			
Tobacco Tax Revenue	\$21,554,480	\$18,704,515	86.8%
Interest Earnings	100,000	266,930	266.9%
Other Revenue	<u>10,733,500</u>	<u>-1,547,241</u>	
Revenue Total	\$32,387,980	\$17,424,204	
Expenses*			
Prenatal-to-Three	\$12,289,862	\$2,296,748	18.7%
School Readiness Initiative	9,110,192	2,127,104	23.3%
Homeless Prevention	1,865,000	285,274	15.3%
Children's Dental	7,000,000	2,110,725	30.2%
Systems Building	975,327	485,856	49.8%
Performance Evaluation	<u>1,252,746</u>	<u>491,347</u>	39.2%
Program Services	\$32,493,127	\$7,797,155	
Admin. Functions**	<u>1,484,320</u>	<u>583,207</u>	39.3%
Total Operating Exp.	\$33,977,447	\$8,380,362	

*Including One-Time Systems Expenses (previously called Catalytic)

**Administrative costs and functions are defined by State Commission guidelines (Fiscal Memo No. 05-01, dated April 14, 2006) pursuant to Chapter 284, Statutes of 2005 (AB 109). Actual Administrative expenses of \$491,347 and encumbrances of \$243,186 were 2.4% of the Fiscal Year 2020/2021 Amended Budget of \$34 million. Final administrative expenses are projected to be 6% at year-end.

Total Encumbrances as of February 28, 2021 including multi-year contracts through Fiscal Year 2022/2023

Prenatal-to-Three	\$17,015,864
School Readiness Initiative	\$19,421,695
Homeless Prevention	\$1,750,509
Children's Dental	\$9,574,727
Systems Building	\$717,888
Performance Evaluation	\$980,575
Admin. Functions	\$243,186

Revenue and Cash Balance Update

Tobacco Tax Revenue has been received through December 2020. Current year revenue (July 2020 – June 2021) as reported by First 5 California is \$17.8 million including the annual backfill amount of \$5.9 and revenue through January.

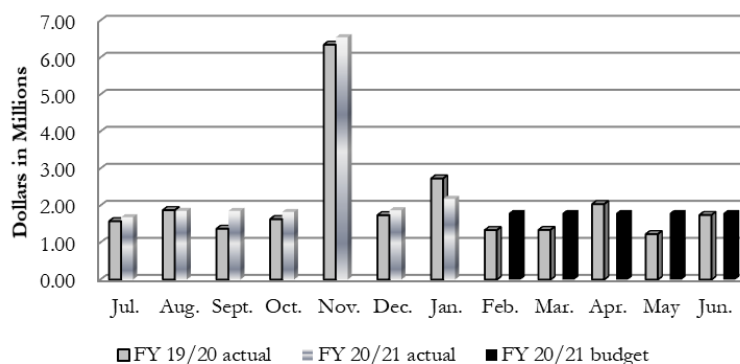
Interest earnings for July 2020 through January 2021 are \$266,930.

Systems Funding Update

\$43,193,819 in One-Time Systems Funding was expensed from FY 2012-13 through FY 2019-2020.

As of February 28, 2021, \$4,685,856 was encumbered for one-time Systems Building programs. Nearly \$3.6 million is encumbered for Children's Dental and \$1 million for Developmental Services.

Fiscal Year 2019-20 & 2020-21 Tobacco Monthly Revenues



Fiscal Year 2019-20 Ending Fund Balance From Commission Long Term Financial Plan

Beginning Fund Balance, July 1, 2019	\$37,293,188
Total Revenue	37,404,178
Total Program Expenses	(31,371,697)
Fund Balance for Systems Building Projects	<u>(17,161,352)</u>

June 30, 2020 Fund Balance \$26,164,317*

*Based on Commission action through December 2019 and financial results through June 30, 2020. Final fund balance does not include One-time Systems Building Projects. For financial planning purposes, One-time Systems Building Projects have been designated by Commission action and removed from available fund balance.

First 5 Orange County, Children & Families Commission
Quarterly Investment Report
October 1, 2020 through December 31, 2020

OVERVIEW

Pursuant to the First 5 Orange County, Children & Families Commission (Commission) fiscal year 2020/2021 Investment Policy Statement (IPS), the Treasurer submits this Quarterly Investment Report to the Commission. This Investment Report summarizes investment activities for the Commission for the three-month period from October 1 through December 31, 2020.

COMMISSION INVESTMENTS

The primary objective of the Treasurer is to invest the Commission's funds to provide safety of principal and liquidity, while providing a reasonable return on investments. Currently, the Treasurer has invested 100% of the Commission's funds in the Orange County Investment Pool (OCIP). As of December 31, 2020, these totaled \$48,235,807.48. All funds are managed by the Office of the Orange County Treasurer. We have attached a summary of key OCIP investment information (Attachment A).

ORANGE COUNTY INVESTMENT POOL

The primary goal of the OCIP is to invest public funds in a manner which will provide the maximum security of principal invested with secondary emphasis on providing adequate liquidity to Pool Participants and lastly to achieve a market rate of return.

PORTFOLIO PERFORMANCE SUMMARY – QUARTERLY

The following table presents an overview of the Commission's investments for the months of October, November and December 2020. The net year-to-date yield for fiscal year 2020/2021 is 0.932%, net of the estimated investment administrative fee of 5.9 basis points. The current gross and net yields forecast for fiscal year 2020/2021 for the Commission's investment in the OCIP is 0.86%. The OCIP has a net asset value (NAV) of 1.00 and there is sufficient liquidity to meet the forecasted expenditures for the next six months.

Month Ended	Commission's Month End Balance	Commission's Monthly Gross Yield	OCIP Market Value	OCIP Book Value	Weighted Average Maturity	Net Asset Value	Modified Duration
October	\$45,459,670	0.956%	\$5,318,822,328	\$5,286,855,995	251 days	1.01	0.68
November	\$47,317,238	0.899%	\$5,186,612,681	\$5,157,909,275	248 days	1.01	0.67
December	\$48,235,807	0.767%	\$5,496,853,516	\$5,471,362,174	227 days	1.01	0.61

ECONOMIC UPDATE

The job market added 680,000 (revised) jobs in October, added 264,000 (revised) jobs in November, and lost 227,000 jobs in December. The unemployment rate decreased to 6.9% in October from the prior month's rate of 7.8%, continued to decrease to 6.7% in November, and remained unchanged at 6.7% in December. The U.S. Gross Domestic Product third quarter of 2020 rate increased to 33.4% from the prior quarter's rate of -31.4%. The index for pending home sales on a year-over-year basis increased by 22.2%, 19.7% and 16.1% in September, October and November respectively.

U.S. Treasury Yield Curve: Yields on the 5-year and 10-year Treasury increased, the yields on the 2-year Treasury were unchanged and yields on the 3-month and the 30-year Treasury decreased during the Quarter ended December, 2020.

	Quarter Ended September 30, 2020	Quarter Ended December 31, 2020
3 - Month	0.10%	0.09%
2 - Year	0.13%	0.13%
5 - Year	0.28%	0.36%
10 - Year	0.69%	0.93%
30 - Year	1.46%	1.45%

Source U.S. Department of Treasury

COMPLIANCE MONITORING

As of December 31, 2020, 100% of the holdings of the Commission are in compliance with the Commission's IPS. The investment portfolios had three IPS compliance exceptions in the month of December, 2020. These compliance deficiencies were related to the IPS issuer and portfolio limits of 10% and 20% respectively for the AAAM rated Government Money Market Mutual Funds and were cured within two business days.

The County Treasurer's investments are audited regularly by the County Auditor-Controller Internal Division (ACIAD). The ACIAD issued two reports (Attachments D and E) during the quarter ended June 30, 2020 as follows:

Report of the Schedule of Assets Held by the County Treasury as of June 30, 2019.

The Auditor-Controller contracted with Eide Bailly (EB) to perform one of their required audits of the Treasury. EB issued their report on December 24, 2020. They opined that the Schedule of Assets Held by the County Treasury presents fairly, in all material respects, the assets held in the County Treasury as of June 30, 2019, in accordance with the modified basis of accounting as described in the notes to the financial schedule.

Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended September 30, 2020.

Auditor-Controller issued their report on December 28, 2020 stating that two compliance exceptions were identified and that they were reported in the August Treasurer's Monthly Investment Report.

We have attached the IPS and the Treasury Oversight Committee Compliance Summary as reported in the Treasurer's Monthly Report for the months of October, November and December 2020 (Attachment B). This summary tracks compliance in a variety of areas.

PORTFOLIO HOLDINGS OF DEBT ISSUED BY POOL PARTICIPANTS

Under guidelines outlined in the County's current IPS, the County Treasurer may invest in A or above rated securities issued by municipalities. Municipal debt issued by the County of Orange is exempt from this credit rating requirement. OCIP may invest no more than 5% of pool assets in any one issuer, with the exception of the County of Orange which has a 10% limit. As of December 31, 2020, OCIP has a total market value of \$115 million in County of Orange debt, which represents approximately 2% of total OCIP assets.

STATEMENT OF ACTIVITY

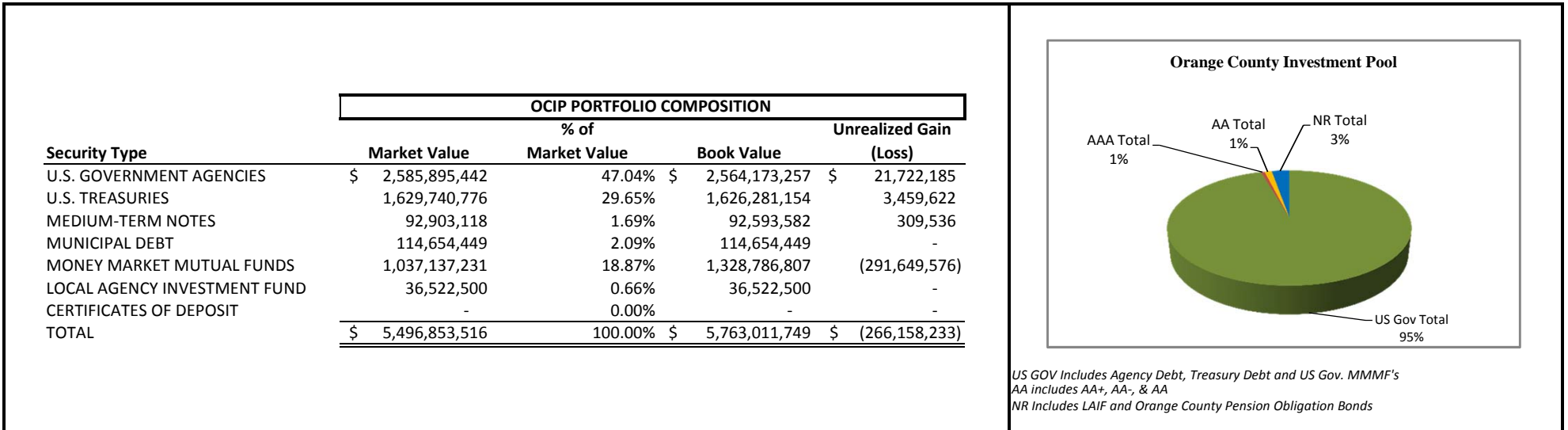
We have attached the Statement of Activity for the months of October, November and December 2020. (Attachment C). These Statements report the beginning and ending balances of the Commission's funds invested in the OCIP.

Attachments:

- A. Orange County Investment Pool Summary
- B. Investment Policy and Treasury Oversight Committee Compliance Summary for October, November and December 2020
- C. Statement of Activity for the months of October, November and December 2020
- D. Report of the Schedule of Assets Held by the County Treasury as of June 30, 2019
- E. Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended September 30, 2020

**ORANGE COUNTY TREASURER-TAX COLLECTOR
ORANGE COUNTY INVESTMENT POOL
INVESTMENT POOL SUMMARY
AT DECEMBER 31, 2020**

ATTACHMENT A



SUMMARY OF INVESTMENT DATA								
INVESTMENT TRENDS								
OCIP								
	DECEMBER 2020	NOVEMBER 2020	INCREASE (DECREASE)	NET CHANGE %	DECEMBER 2019	INCREASE (DECREASE)	NET CHANGE %	
Orange County Investment Pool (OCIP)								
End Of Month Market Value ^{1,2}	\$ 5,496,853,516	\$ 5,186,612,681	\$ 310,240,835	5.982%	\$5,091,530,022	\$ 405,323,494	7.961%	
End Of Month Book Value ²	\$ 5,471,362,174	\$ 5,157,909,275	\$ 313,452,899	6.077%	\$5,074,870,551	\$ 396,491,623	7.813%	
Monthly Average Balance ²	\$ 6,401,432,470	\$ 5,274,661,709	\$ 1,126,770,761	21.362%	\$5,625,603,546	\$ 775,828,924	13.791%	
Year-To-Date Average Balance	\$ 5,088,152,087	\$ 4,825,496,011	\$ 262,656,076	5.443%	\$4,303,850,963	\$ 784,301,124	18.223%	
Monthly Accrued Earnings ³	\$ 4,278,266	\$ 3,969,109	\$ 309,157	7.789%	\$9,423,469	\$ (5,145,203)	-54.600%	
Monthly Net Yield ^{2,3,4}	0.708%	0.840%	-0.132%	-15.714%	1.881%	-1.173%	-62.360%	
Year-To-Date Net Yield ³	0.932%	0.993%	-0.061%	-6.133%	2.112%	-1.180%	-55.871%	
Annual Estimated Gross Yield ^{3,4}	0.860%	0.860%	0.000%	0.000%	1.868%	-1.008%	-53.961%	
Weighted Average Maturity (WAM)	227	248	(21)	-8.527%	219	8	3.653%	

¹ Market values provided by Bloomberg and Northern Trust.

² The OCIP Monthly Average Balance was higher than the prior month and the Monthly Average Balance and Year-to-Date Average Balance were higher than the prior year primarily due to higher property tax receipts and some remaining unspent funds from the \$554 million CARES Act funds from the Federal Government received in March 2020.

³ The OCIP Monthly Accrued Earnings, Monthly Net Yield, Year-To-Date Net Yield and Annual Estimated Gross Yield were lower than the prior year primarily due to the five Federal Reserve short-term rate cuts totaling 2.25% since June 2019. The OCIP Monthly Accrued Earnings were lower than the prior month due to investment maturities being replaced with lower yielding and shorter-term investments.

⁴ The OCIP Annual Estimated Gross Yields for December 2019 are reported at the actual annual adjusted gross yields for FY 19-20.

**ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY
October 31, 2020**

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2019 not started.
Quarterly Compliance Monitoring	TOC	TOC Directive	June 30, 2020 completed. September 30, 2020 in progress.
Annual Statement of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2019 in progress.
Quarterly Statement of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	September 30, 2020 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 17/18, FY 18/19 and FY 19/20 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2019 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	2020 IPS certifications received for active approved brokers.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	As of October 31, 2020, two compliance exceptions have been identified (self-identified), both in August 2020.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made no changes at the October 28, 2020 meeting. No BOS approval required.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 28, 2020 meeting and did not make any additional changes. BOS approval scheduled for November 17, 2020.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2019 Annual Report was approved by TOC on January 29, 2020 and approved by the BOS on April 28, 2020.
Broker/Financial Institution List	TTC	OC Gift Ban Ordinance and Form 700	The TOC members were provided a list of active TTC Broker/Dealers and Financial Institutions at the TOC meeting on October 28, 2020.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	The TOC members are in compliance for calendar year 2020.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	The TOC members are in compliance for calendar year 2018.
Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	All current TOC members and designated employees are in compliance for calendar year 2019.

LEGEND	
Auditor-Controller	AC
Board of Supervisors	BOS
Treasury Oversight Committee	TOC
Office of Treasurer-Tax Collector	TTC

**ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY
November 30, 2020**

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2019 not started.
Quarterly Compliance Monitoring	TOC	TOC Directive	September 30, 2020 in progress.
Annual Statement of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2019 in progress.
Quarterly Statement of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	September 30, 2020 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 17/18, FY 18/19 and FY 19/20 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2019 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	2020 IPS certifications received for active approved brokers.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	As of November 30, 2020, two compliance exceptions have been identified (self-identified), both in August 2020.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made no changes at the October 28, 2020 meeting. No BOS approval required.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 28, 2020 meeting and did not make any additional changes. BOS approved on November 17, 2020.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2019 Annual Report was approved by TOC on January 29, 2020 and approved by the BOS on April 28, 2020.
Broker/Financial Institution List	TTC	OC Gift Ban Ordinance and Form 700	The TOC members were provided a list of active TTC Broker/Dealers and Financial Institutions at the TOC meeting on October 28, 2020.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	The TOC members are in compliance for calendar year 2020.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	The TOC members are in compliance for calendar year 2018.
Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	All current TOC members and designated employees are in compliance for calendar year 2019.

LEGEND	
Auditor-Controller	AC
Board of Supervisors	BOS
Treasury Oversight Committee	TOC
Office of Treasurer-Tax Collector	TTC

**ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY
December 31, 2020**

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2019 not started.
Quarterly Compliance Monitoring	TOC	TOC Directive	September 30, 2020 and December 31, 2020 in progress.
Annual Statement of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2019 complete.
Quarterly Statement of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	September 30, 2020 and December 31, 2020 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 17/18, FY 18/19 and FY 19/20 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2019 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	2020 IPS certifications received for all active approved brokers.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	As of December 31, 2020, five compliance exceptions have been identified (self-identified), two in August 2020 and three in December 2020.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made no changes at the October 28, 2020 meeting. No BOS approval required.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 28, 2020 meeting and did not make any additional changes. BOS approved on November 17, 2020.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2019 Annual Report was approved by TOC on January 29, 2020 and approved by the BOS on April 28, 2020.
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LEGEND	
Auditor-Controller	AC
Board of Supervisors	BOS
Treasury Oversight Committee	TOC
Office of Treasurer-Tax Collector	TTC



COUNTY OF ORANGE
OFFICE OF THE TREASURER-TAX COLLECTOR
 Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM
 P. O. BOX 4515
 SANTA ANA, CA 92702-4515



ocgov.com/ocinvestments

October 31, 2020

FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

Attn: Kimberly Goll, Executive Director
 1505 E. 17th Street, Suite 230
 Santa Ana, CA 92705

Monthly Apportionment Gross Yield: 0.956%
 Estimated Investment Administration Fee Rate: -0.059%
 Monthly Apportionment Net Yield: 0.897%

Fund Number : 225

OCTOBER 2020 STATEMENT

INVESTMENT BALANCE IN OCIP

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
10/01/2020	September 2020 Investment Admin Fee	\$ (2,195.10)
10/29/2020	July 2020 Interest Paid	\$ 47,604.48

Summary

Total Deposit:	\$ 2,055,880.16	Beginning Balance:	\$ 46,665,018.18
Total Withdrawal:	\$ (3,261,198.73)	Ending Balance:	\$ 45,459,699.61

ACCRUED INVESTMENT INCOME

Description

Amount

August 2020 Interest Accrued	\$ 44,613.10
September 2020 Interest Accrued	\$ 39,424.20
Total	<u>\$ 84,037.30</u>

October 2020 Interest to be accrued in November 2020	\$ 39,640.04
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COUNTY OF ORANGE
OFFICE OF THE TREASURER-TAX COLLECTOR

Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM
 P. O. BOX 4515
 SANTA ANA, CA 92702-4515



ocgov.com/ocinvestments

November 30, 2020

FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

Attn: Kimberly Goll, Executive Director
 1505 E. 17th Street, Suite 230
 Santa Ana, CA 92705

Monthly Apportionment Gross Yield: 0.899%
 Estimated Investment Administration Fee Rate: -0.059%
 Monthly Apportionment Net Yield: 0.840%

Fund Number : 225

NOVEMBER 2020 STATEMENT

INVESTMENT BALANCE IN OCIP

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
11/02/2020	October 2020 Investment Admin Fee	\$ (2,447.01)
11/25/2020	August 2020 Interest Paid	\$ 44,613.10

Summary

Total Deposit:	\$ 2,708,584.22	Beginning Balance:	\$ 45,459,699.61
Total Withdrawal:	\$ (851,046.08)	Ending Balance:	\$ 47,317,237.75

ACCRUED INVESTMENT INCOME

Description

Amount

September 2020 Interest Accrued	\$ 39,424.20
October 2020 Interest Accrued	\$ 39,640.04
Total	<u>\$ 79,064.24</u>
November 2020 Interest to be accrued in December 2020	\$ 34,355.46



COUNTY OF ORANGE
OFFICE OF THE TREASURER-TAX COLLECTOR
 Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM
 P. O. BOX 4515
 SANTA ANA, CA 92702-4515



ocgov.com/ocinvestments

December 31, 2020

FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

Attn: Kimberly Goll, Executive Director
 1505 E. 17th Street, Suite 230
 Santa Ana, CA 92705

Fund Number : 225

DECEMBER 2020 STATEMENT

INVESTMENT BALANCE IN OCIP

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
12/01/2020	November 2020 Investment Admin Fee	\$ (2,253.96)
12/30/2020	September 2020 Interest Paid	\$ 39,424.20

Summary

Total Deposit:	\$ 3,622,461.35	Beginning Balance:	\$ 47,317,237.75
Total Withdrawal:	\$ (2,703,891.62)	Ending Balance:	\$ 48,235,807.48

ACCRUED INVESTMENT INCOME

Description

Amount

October 2020 Interest Accrued	\$ 39,640.04
November 2020 Interest Accrued	\$ 34,355.46
Total	<u>\$ 73,995.50</u>
December 2020 Interest to be accrued in January 2021	\$ 31,037.82



Report of the Schedule of Assets
Held by the County Treasury
June 30, 2019

Orange County Treasury

Independent Auditor’s Report 1

Financial Schedule

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Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other
Matters Based on an Audit of Financial Statements Performed in Accordance
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Independent Auditor's Report

The Honorable Board of Supervisors
County of Orange, California

Report on the Financial Statements

We have audited the accompanying modified cash basis Schedule of Assets Held by the County Treasury (Schedule) of the County of Orange, California (County), as of June 30, 2019, and the related notes to the Schedule.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the modified cash basis of accounting described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the Schedule in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Schedule, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Schedule in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the Schedule.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Schedule referred to above presents fairly, in all material respects, the assets held by the County Treasury of the County of Orange, California, as of June 30, 2019, in accordance with the modified cash basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the Schedule, which describes the basis of accounting used in preparation of the Schedule. The Schedule was prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated December 24, 2020, on our consideration of the County Treasury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County Treasury's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County Treasury's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Laguna Hills, California
December 24, 2020

Orange County Treasury
Schedule of Assets Held by the County Treasury
(Dollar Amounts in Thousands)
June 30, 2019

		OCIF	
	Pooled	Non-Pooled	Total
Cash			
Cash on hand	\$ 51	\$ -	\$ 51
Cash on deposit	30,911	14,681	45,592
Total cash	30,962	14,681	45,643
Investments, Stated at Fair Value			
Pooled Funds	9,835,506	-	9,835,506
Non-Pooled	-	108,933	108,933
Total investments	9,835,506	108,933	9,944,439
Total assets	\$ 9,866,468	\$ 123,614	\$ 9,990,082

Note 1 - Summary of Significant Accounting Policies

DEPOSITS AND INVESTMENTS:

The accompanying Schedule of Assets Held by the County Treasury (Schedule) is intended to separately report deposits and investments in the County Treasury included in the basic financial statements of the County of Orange, State of California (County). For additional disclosure information and contingencies, please refer to the June 30, 2019 publication of the County Comprehensive Annual Report.

The Schedule includes the cash balances of all funds that the Office of the Treasurer-Tax Collector (Treasurer) invests according to California Government Code and the Treasurer's Investment Policy Statement (IPS). These public funds are called the Orange County Investment Fund (OCIF). For reporting purposes, the OCIF is further divided into the Orange County Investment Pool (OCIP) and the Orange County Educational Investment Pool (OCEIP), the latter of which is utilized exclusively by the County's public school and community college districts. The OCIF is maintained for the County and other non-County entities for the purpose of benefiting from economies of scale through pooled investment activities. The pooled funds are not registered with the Securities and Exchange Commission ("SEC") as an investment company.

The Schedule is presented on the modified cash basis, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). Receipts are recognized when received by the Treasurer; disbursements are recognized when paid by the bank; and the value of investments is stated at fair value. The Schedule's modified cash basis primarily differs from the cash basis of accounting by the amount of outstanding checks of \$161,000 at June 30, 2019.

The Treasurer has stated required investments at fair value in the accompanying Schedule, using the fair value measurement within the fair value hierarchy established by U.S. GAAP.

The Treasurer values participants' shares in the pools using an amortized cost basis. Specifically, the pools distribute income to participants based on their relative participation during the period. Income is calculated based on (1) realized investment gains and losses calculated on an amortized cost basis, (2) interest income based on stated rates (both paid and accrued), (3) amortization of discounts and premiums on a straight-line basis, and reduced by (4) actual administrative cost of such investing, depositing or handling of funds. This method differs from the fair value method used to value investments in this Schedule because the amortized cost method does not distribute to participants all unrealized gains and losses in the fair values of the pools' investments.

Note 2 - Deposits and Investments

The Treasurer is responsible for authorizing all County bank accounts and pursuant to California Government Code (CGC) Sections 27000.1 – 27000.5, 27130 – 27137, and 53600 – 53686 is responsible for conducting County investment activities of the County's investment pooled funds in addition to various individual investment accounts outside of the pooled funds. The County's Investment Pools are not registered with the Securities and Exchange Commission (SEC) as an investment company, and therefore are exempt from SEC rules. In addition to the pooled fund in the OCIF, the Treasurer separately invests other non-pooled funds (Specific investments), including John Wayne Airport Investment Fund (JWA).

The Treasurer further invests pooled funds from the OCIF into three funds, the Orange County Money Market Fund (OCMMF), the Orange County Educational Money Market Fund (OCEMMF), and the Extended Fund. On December 6, 2019, Standard & Poor's (S&P) reaffirmed its highest rating of AAAM Principal Stability Fund Rating (AAAM) on the OCMMF and the OCEMMF. The Treasurer will act on a "best efforts" basis to stabilize the Net Asset Value (NAV) of OCMMF and OCEMMF at or above \$0.9975 (in absolute dollar amounts). The pooled funds do not have any legally binding guarantees of share values.

The maximum maturity of investments for the two money market funds is 13 months with a maximum weighted average maturity (WAM) of 60 days. The maximum maturity of the Extended Fund is five years per CGC. The IPS provides that all pools, except short-term pools, shall have a maximum duration of 1.50 years.

Pursuant to CGC Sections 27130-27137, the Board has established a Treasury Oversight Committee (TOC) that monitors and reviews the IPS annually and also ensures that the Treasurer has an audit annually, which includes limited tests of compliance with laws and regulations. The TOC consists of the County Executive Officer, the elected County Auditor-Controller, the County Superintendent of Schools, or their respective designees, and four public members, with at least three having expertise in, or an academic background in, public finance.

The investment practices and policies of the Treasurer are based on compliance with state law and prudent money management. The primary goal is to invest public funds in a manner which will provide maximum security of principal invested with secondary emphasis on providing adequate liquidity to pool participants. The last goal is to achieve a market rate of return within the parameters of prudent risk management while conforming to all applicable statutes and resolutions governing the investment of public funds.

Interest is allocated to individual funds monthly based on the average daily balances on deposit with the Treasurer.

1. Deposits

CGC Section 53652 et. seq. and the IPS prescribe the amount of collateral that is required to secure the deposit of public funds. The pledge to secure deposits is administered by the California Commissioner of Business Oversight. Collateral is required for demand deposits at 110% of all deposits not covered by Federal Depository Insurance Corporation (FDIC) if obligations of the United States and its agencies, or obligations of the State or its municipalities, school districts, and district corporations are pledged. Collateral of 150% is required if a deposit is secured by first mortgages or first trust deeds upon improved residential real property located in California. All such collateral is considered to be held by an agent of depository pursuant to CGC Section 53658. Obligations pledged to secure deposits must be delivered to an institution other than the institution in which the deposit is made; however, the trust department of the same institution may hold them. Written agreements are required to provide, among other things, that the collateral securities are held separately from the assets of the custodial institution. FDIC is available for demand deposits and time saving deposits at any one financial institution up to a maximum of \$250.

Custodial Credit Risk – Deposits

The custodial credit risk for deposits is the risk that the County will not be able to recover deposits that are in the possession of an outside party. Deposits are exposed to custodial credit risk if they are not insured or collateralized. The County's deposits are not exposed to custodial credit risk, since all of its deposits are covered by FDIC or collateralized with securities held by the County or its agent in the County's name in accordance with CGC Section 53652 and 53658.

2. Investments

The CGC Sections 53601 and 53635, Board ordinances and resolutions, the County's IPS, the bond indenture documents, trust agreements, and other contractual agreements govern the investments that may be purchased and may include certain restrictions on investment maturity, maximum portfolio percentages, term, value, credit quality and timing to minimize the risk of loss. The IPS adds further restrictions to permitted investments from the CGC. As of June 30, 2019, the Treasurer was in full compliance with the more restrictive IPS for the OCIF and Specific Investments accounts.

The following table provides a summary listing of the authorized investments as of June 30, 2019.

Type of Investment	CGC % of Funds Permitted	Orange County IPS %	CGC Maximum Final Maturity	Orange County IPS Maximum Final Maturity (All Pooled Funds Except Short-Term Funds)	Orange County IPS Maximum Final Maturity (Short-Term Fund)
U.S. Treasury Securities	100%	100%	5 Years	5 Years	397 Days
U.S. Government Agency Securities (GSEs)	100%	100%	5 Years	5 Years	397 Days
Municipal Debt	100%	20% total, no more than 5% in one issuer except 10% County of Orange	5 Years	3 Years	397 Days
Medium-Term Notes	30%	20% total, no more than 5% in one issuer	5 Years	2 Years	397 Days
Bankers Acceptances	40%, 30% of Single Issuer	40% total, no more than 5% in one issuer	180 Days	180 Days	180 Days
Commercial Paper	40%, 10% of Single Issuer	40% total, no more than 5% in one issuer	270 Days	270 Days	270 Days
Negotiable Certificates of Deposits	30%	20% total, no more than 5% in one issuer	5 Years	18 Months	397 Days
State of California Local Agency Investment Fund	\$65 million per account	State limit (\$65 million per pool)	N/A	N/A	N/A
Repurchase Agreements	100%	20% total, no more than 10% in one issuer	1 Year	180 Days	1 Year
Money Market Mutual Funds (MMMF)	20%	20% Total, no more than 10% in one MMMF account	N/A	N/A	N/A
Investment Pools (JPA)	100%	20% total, no more than 10% in one JPA Pool	N/A	N/A	N/A
Supranationals	30%	30% total, no more than 5% in one issuer	5 Years	5 Years	397 Days

The current IPS expressly prohibits leverage, reverse repurchase agreements as defined by CGC Section 53601, structured notes, structured investment vehicles, derivatives and money market mutual funds that do not maintain a constant net asset value. All investments must be United States dollar denominated. No investment may be purchased from an issuer and all related entities, including parent and subsidiaries, that has been placed on “credit watch-negative” by any of the Nationally Recognized Statistical Rating Organizations (NRSROs), or whose credit rating by any of the NRSROs is less than the minimum rating required by the IPS for that class of security unless the issuer has a short-term rating of A-1+ or F1+ or a long-term rating of at least a AA or Aa2; and the Treasurer has approved the purchase in writing prior to purchase.

Investments by the Treasurer are reported at fair value. Investments in the OCIF are marked-to-market on a daily basis.

Unless otherwise required in a trust agreement or other financing document, assessment districts, Superior Courts, public school and community college districts, including certain bond-related funds, are required by legal provisions to deposit their operating and bond financing funds with the County Treasurer. At June 30, 2019, the OCIF includes approximately 61.8% of these involuntary participant deposits.

Investment Disclosures

The following table presents a summary of the County’s investments, the credit quality distribution, and concentration of credit risk by investment type as a percentage of the OCIF’s fair value at June 30, 2019.

With Treasurer: OCIF	Fair Value	Principal	Interest Rate Range (%)	Maturity Range	Weighted Average Maturity (Years)	Ratings ⁽¹⁾	% of Portfolio
U.S. Treasuries	\$ 2,406,317	\$ 2,407,150	0.00-3.50%	7/02/2019 - 5/31/2022	0.751		24.47%
U.S. Government Agencies	6,170,101	6,145,329	0.00-8.10%	7/01/2019 - 3/08/2024	0.992	AA	62.73%
Municipal Debt	402,182	402,182	2.82-2.90%	7/31/2019 - 4/30/2020	0.462	NR	4.09%
Medium-Term Notes	531,516	531,537	1.10-4.25%	8/02/2019 - 5/06/2021	1.043	A	5.40%
Local Agency Investment Fund	60,503	60,400	0.00%	7/01/2019	0.003	NR	0.62%
Money Market Mutual Funds	264,887	264,887	0.00%	7/01/2019	0.003	AAA	2.69%
	<u>\$ 9,835,506</u>	<u>\$ 9,811,485</u>			<u>0.881</u>	⁽²⁾	<u>100.00%</u>

With Treasurer: Specific Investments	Fair Value	Principal	Interest Rate Range (%)	Maturity Range	Weighted Average Maturity (Years)	Ratings ⁽¹⁾	% of Portfolio
U.S. Treasuries	\$ 38,312	\$ 37,865	0.00-4.50%	7/05/2019-2/15/2036	2.151		35.17%
U.S. Government Agencies	70,597	68,019	0.00-6.75%	7/03/2019-11/02/2035	4.028	AA	64.81%
Money Market Mutual Funds	24	24	0.00%	7/01/2019	0.003	AAA	0.02%
	<u>\$ 108,933</u>	<u>\$ 105,908</u>			<u>3.367</u>	⁽²⁾	<u>100.00%</u>

⁽¹⁾ The County obtains credit ratings from S&P, Moody's, and Fitch. The ratings indicative of the greatest degree of risk have been disclosed. NR means not rated. The County is not required to disclose the credit ratings of obligations of the U.S. government or obligations explicitly guaranteed by the U.S. Government, and the ratings for U.S. Treasuries are not disclosed.

⁽²⁾ Portfolio weighted average maturity.

Fair Value Measures

The County categorizes its fair value measurements within the fair value hierarchy established by GASB Statement No. 72. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices based on quoted identical assets in an active market.
- Level 2: Investments reflect prices that are based on identical or similar assets in inactive markets or similar assets in active markets. Inputs other than quotes are observable.
- Level 3: Investments reflect prices based on significant unobservable inputs.

Fair value measurement is based on pricing received from the County's third party vendors. Investments in money market mutual funds are priced using amortized cost, which approximates fair value, with a net asset value of \$1.00 (in absolute dollar amounts) per share, and per GASB Statement No. 72 are not subject to the fair value hierarchy. Additionally, the Local Agency Investment Fund (LAIF) is not subject to the fair value hierarchy. The County uses the market approach method as a valuation technique in the application of GASB Statement No. 72. This method uses prices and other relevant information generated by market transactions involving identical or similar assets or groups of assets.

The following table presents a summary of the County's investments according to the assigned fair value hierarchy level as of June 30, 2019.

		Fair Value Measurement		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>OCIF</u>	<u>Total</u>			
U.S. Treasuries	\$ 2,406,317	\$ -	\$ 2,406,317	\$ -
U.S. Government Agencies	6,170,101	-	6,170,101	-
Medium-Term Notes	531,516	-	531,516	-
Municipal Debt	402,182	-	-	402,182
	<u>Total</u>	<u>\$ -</u>	<u>\$ 9,107,934</u>	<u>\$ 402,182</u>
Investments Not Subject to Fair Value Hierarchy:				
Money Market Mutual Funds	\$ 264,887			
Local Agency Investment Fund	60,503			
	<u>Total</u>			
	<u>\$ 9,835,506</u>			
<u>Specific Investments</u>				
U.S. Treasuries	\$ 38,312	\$ -	\$ 38,312	\$ -
U.S. Government Agencies	70,597	-	70,597	-
	<u>Total</u>	<u>\$ -</u>	<u>\$ 108,909</u>	<u>\$ -</u>
Investments Not Subject to Fair Value Hierarchy:				
Money Market Mutual Funds	\$ 24			
	<u>Total</u>			
	<u>\$ 108,933</u>			

Investment in County of Orange Taxable Pension Obligation Bonds 2019, Series A

On January 14, 2019, the OCIF purchased the County issued Taxable Pension Obligation Bonds 2019, Series A (2019 POBs) in the principal amount of \$402,182. The 2019 POBs were issued with a fixed coupon rate and with maturities from July 2019 to April 2020 and are solely owned by the OCIF. The obligation of the County to pay principal and interest on the 2019 POBs is an obligation imposed by law and is absolute and unconditional. As of June 30, 2019, the outstanding principal amount of the 2019 POBs is \$402,182. The bonds are not rated by any of the NRSROs. The County's investment in the 2019 POBs is disclosed herein as Municipal Debt.

Interest Rate Risk – Investments

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, investments of longer maturities are more sensitive to changes in market interest rates. The Treasurer manages its exposure to interest rate risk by carefully matching incoming cash flows and maturing investments and by maintaining a duration of 1.5 years or less. Declines in the fair value of investments are managed by limiting the length of the maturity of the securities. In general, the maximum maturity allowed is five years unless the Board has granted express authority either specifically or as part of an investment policy. Actual weighted average days to maturity by investment type for the funds invested in the Pools are presented in the table in the Investment Disclosures section. The OCIF at June 30, 2019 has 46% of investments maturing in six months or less and 54% maturing between six months and five years. As of June 30, 2019, the OCIF has no variable-rate notes.

Interest Rate Risk-Weighted Average Maturity

At June 30, 2019, the short-term pools investment fair values amounted to \$2,032,431. In accordance with the Board approved IPS, the Treasurer manages the Pool's short-term exposure to declines in fair value for deposits and investments by limiting the WAM to 60 days. As June 30, 2019, the WAM of the short-term portion of OCIF was less than 60 days. At the same date, the NAV of both short-term pools was \$1.00 (in absolute dollar amounts).

Interest Rate Risk-Duration

At June 30, 2019, the long-term pool investment fair value amounted to \$7,803,076. In accordance with the Board-approved IPS, the Treasurer manages investment related risk for deposits and investments by limiting duration to a maximum of 1.50 years.

As of June 30, 2019, the long-term pool had the following duration by investment type:

Investment Type	Fair Value	Portfolio %	Duration (In Years)
U.S. Treasuries	\$ 1,778,396	22.79%	0.96
U.S. Government Agencies	5,060,727	64.86%	1.19
Medium-Term Notes	501,267	6.42%	1.07
Municipal Debt	402,182	5.15%	0.46
Local Agency Investment Fund	60,504	0.78%	0.00
Total fair value	<u>\$ 7,803,076</u>	<u>100%</u>	
Portfolio Duration			1.08

Custodial Credit Risk

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The IPS does not permit investments in uninsured and unregistered securities not held by the County. The Treasurer utilizes third party Delivery Versus Payment (DVP) which mitigates any custodial credit risk. Securities purchased by the Treasurer are held by third party custodians in their trust department to mitigate custodial credit risk. At year-end, in accordance with the IPS, the County's external investment pools and specific investments did not have any securities exposed to custodial credit risk, and the Treasurer did not have any securities lending during the year (or at year-end).

Credit Risk - Investments

This is the risk that an issuer or other counterparty to an investment may not fulfill its obligations. The IPS sets forth the minimum acceptable credit ratings for investments from at least two of the following NRSROs: S&P, Moody's, or Fitch. For purchases of short-term debt, the issuer rating must be no less than A-1 or SP-1 (S&P), P-1 or MIG 1/VMIG 1 (Moody's), or F1 (Fitch) for purchases with remaining maturities less than 397 days, while purchases of long-term debt shall have issuer ratings no less than AA for purchases with remaining maturities longer than 397 days. Municipal debt issued by the County is exempt from the above credit rating requirements. As of June 30, 2019, the County's investments in OCIF were in compliance with the state law and IPS limits when purchased.

Concentration of Credit Risk

This is the risk of loss attributed to the magnitude of a government's investment in a single issuer. As of June 30, 2019, all investments were in compliance with state law and the IPS single issuer limits. See the County's investments table for concentrations of holdings. The following holdings with the Treasurer exceeded five percent of the portfolio at June 30, 2019.

<u>Investment Type</u>	<u>Issuer</u>	<u>Fair Value</u>	<u>Portfolio %</u>
U.S. Treasuries		\$ 2,406,317	24.50%
U.S. Government Agencies	Federal Home Loan Bank (FHLB) Bonds	3,258,422	33.10%
	Federal Farm Credit Bank (FFCB)	1,323,324	13.50%
	Federal National Mortgage Association (FNMA)	1,117,860	11.40%

Foreign Currency Risk

The IPS requires all securities to be U.S. dollar denominated. The OCIF is not exposed to foreign currency risk.

Note 3 - Subsequent Events

Investment Policy Statement: On November 19, 2019, and on November 17, 2020, the Board of Supervisors adopted Resolution 19-114 and Resolution 20-156 approving the 2020 and 2021 Investment Policy Statements (IPS) that delegated the investment and deposit for safekeeping authority to the Treasurer-Tax Collector for calendar year 2020 and 2021, respectively. The main changes to the 2020 IPS were to remove the maximum limitation per U.S. Government Agency Issuer limits, reduce the maximum limitation and maximum maturity on a number of authorized investments, require a minimum of AA ratings for all issuers of long-term debt and change the State of California Local Agency Investment Fund limit to match the State Pool limit.

Credit Ratings: On December 6, 2019 Standard & Poor's reaffirmed their highest rating of AAAm on the OCMMF and the OCEMMF.

Investment in County of Orange Taxable Pension Obligations Bonds 2020, Series A: On January 14, 2020, the OCIF purchased the County issued Taxable Pension Obligations Bonds 2020, Series A (2020 POBs) in the principal amount of \$463,895. The 2020 POBs were issued with a fixed coupon rate and with maturities from July 2020 to April 2021 and are solely owned by OCIP. The obligation of the county to pay principal and interest on the 2020 POBs is an obligation imposed by law and is absolute and unconditional. As of the report date, the outstanding principal amount of the 2020 POBs was \$231,947. The bonds are not rated by any of the NRSROs.

COVID-19: On March 19, 2020, the Governor of the State of California issued a stay at home order that effectively closed all non-essential businesses. The County closed its County Service Center on March 22, 2020, but maintained all essential operations. The County Service Center reopened again on June 22, 2020. For the Fiscal Year 2019-2020, the County secured property tax collection rate was 99.15% of the total amount billed, which has caused slightly less dollars to be invested and apportioned out of the County Treasury during this period. Property taxes fund over 90% of the County's discretionary Services. There was no material impact on the investments as they are, with the exception of the POBs, rated AA or higher and primarily invested in U.S. Treasuries and Government Sponsored Enterprises.

LAIF Deposit Limit: Effective January 1, 2020 the State Treasurer increased the Local Agency Investment Fund's deposit limit for regular accounts to \$75 million from \$65 million.



Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

The Honorable Board of Supervisors
County of Orange, California
California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the Schedule of Assets Held by the County Treasury (Schedule) of the County of Orange, California (County), as of and for the year ended June 30, 2019, and the related notes to the Schedule, and have issued our report thereon dated December 24, 2020.

Internal Control over Financial Reporting

In planning and performing our audit of the Schedule, we considered the County Treasury's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the Schedule, but not for the purpose of expressing an opinion on the effectiveness of the County Treasury's internal control. Accordingly, we do not express an opinion on the effectiveness of the County Treasury's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Treasurer's Schedule is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Laguna Hills, California
December 24, 2020



Frank Davies, CPA

Orange County Auditor-Controller

Internal Audit



Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended September 30, 2020

Audit Manager: Michael Steinhaus, CPA, CGMA
Auditor II: John Lim

Audit Number 2002
Report Date: December 28, 2020



OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

FRANK DAVIES, CPA
AUDITOR-CONTROLLER

Transmittal Letter

Audit No. 2002

December 28, 2020

TO: Members, Treasury Oversight Committee

SUBJECT: Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter
Ended September 30, 2020

At the request of the Treasury Oversight Committee, we have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended September 30, 2020. Our final report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Treasurer-Tax Collector during this engagement. If you have any questions please contact me at 714-834-2457 or Michael Steinhaus, Audit Manager, at 714-834-6106.

Frank Davies, CPA
Auditor-Controller

Other recipients of this report:

Members, Board of Supervisors
Members, Audit Oversight Committee
Shari Freidenrich, Treasurer-Tax Collector
Frank Kim, County Executive Officer
Gary Nguyen, Director of Investments, Treasurer-Tax Collector – Treasury
Salvador Lopez, Chief Deputy Auditor-Controller
Foreperson, Grand Jury
Robin Stieler, Clerk of the Board of Supervisors
Eide Bailly LLP, County External Auditors



Internal Auditor's Report

Alisa Backstrom, CCMT, CPFIM, Chair
Treasury Oversight Committee

We have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended September 30, 2020. The purpose of our engagement was to determine whether the pooled and non-pooled funds complied with the Treasurer's Investment Policy Statement (IPS) and compliance exceptions were reported in the Treasurer's Monthly Investment Report. The funds covered by this engagement include those of the Orange County Investment Pool (OCIP), Orange County Educational Investment Pool (OCEIP), and John Wayne Airport (JWA) Investment Fund. The Treasurer invests pooled funds from the OCIP and OCEIP into three funds: the Orange County Money Market Fund and the Orange County Educational Money Market Fund (collectively referred to as Money Market Funds), and the Extended Fund.

We performed our compliance monitoring of the Treasury's investment portfolio at the request of the Treasury Oversight Committee. It is designed to provide limited assurance to the Treasury Oversight Committee and the Office of the Treasurer-Tax Collector that the Treasurer's investment portfolio complies with the IPS and the Treasurer reports all compliance exceptions.

Our procedures included judgmentally selecting 15 business days for testing and importing the selected electronic downloads from the Treasurer's Quantum system into TeamMate Analytics, an Excel-based data analytics software, to perform calculations and determine whether investment purchases complied with the IPS.

Based on the procedures performed, we found two compliance exceptions and confirmed that they were reported in the Treasurer's Monthly Investment Report.

The following lists the procedures performed and the results achieved:

1. Authorized Investments (IPS Sections VI, VII, VIII, IX, and XI): We judgmentally selected 15 investments purchased during the quarter (one investment for each of the 15 business days selected for testing). We confirmed that the investments conformed to the investment requirements at the time of purchase and were purchased from issuers or brokers on the Treasurer's authorized lists per the IPS.

Results: We found no exceptions.

2. Diversification Limits (IPS Section VIII.1): We confirmed that the investments did not exceed the diversification limits for investment types per the IPS.

Results: We found no exceptions.

3. Weighted Average Maturity (WAM) Limits (IPS Section VIII.2): We confirmed that WAM did not exceed 60 days for the Money Market Funds per the IPS, and that WAM did not exceed 90 days for the JWA Investment Fund.

Results: We found no exceptions.



Internal Auditor's Report

4. Maximum Maturity Limits (IPS Section VIII.2): We confirmed that the maximum maturity of any investment purchased did not exceed 397 days for the Money Market Funds and five years for the Extended Fund per the IPS, and that the maximum maturity did not exceed 15 months for the JWA Investment Fund.

Results: We found no exceptions.

5. Investment Type Maximum Maturity Limits (IPS Section VIII.1): We confirmed that the maximum maturity of investment types purchased that have lower limits than those covered by IPS Section VIII.2 did not exceed 180 days for repurchase agreements in the Extended Fund and bankers' acceptances, 270 days for commercial paper, 18 months for negotiable certificates of deposit, and two years for medium-term notes in accordance with the IPS.

Results: We found no exceptions.

6. Issuer Concentration Limits (IPS Section VIII.1): We confirmed that the investments did not exceed the issuer concentration limits per the IPS.

Results: We found two exceptions that occurred on August 21, 2020. OCIP had 10.75% and OCEIP had 10.08% invested in a single Money Market Fund, exceeding the per issuer limit of 10%.

7. Financial Reporting (IPS Section XXI): We confirmed that any compliance exceptions identified during our testing were reported in the Treasurer's Monthly Investment Report per the IPS.

Results: We found no exceptions.

This report is intended solely for the information and use of the Treasury Oversight Committee and the Office of the Treasurer-Tax Collector; however, this report is a matter of public record and its distribution is not limited.

Frank Davies, CPA
Auditor-Controller
December 28, 2020