

# **SUMMARY ACTION MINUTES**

## **(REVISED)**

### **REGULAR MEETING**

#### **FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION**

*Wednesday, February 2, 2022, 9:00 A.M.*

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

**RAMIN BASCHSHI, MD**  
Chair

**DEBRA BAETZ**  
Commissioner

**DOUG CHAFFEE**  
Commissioner

**CLAYTON CHAU, MD**  
Commissioner

**KATHERINE CHIU, MD, MBA**  
Commissioner

**LEAH ERSOYLU, PhD.**  
Commissioner

**JACKIE FILBECK**  
Commissioner

**YVETTE LAVERY, MPA, MBE**  
Commissioner

**SUSAN MCCLINTIC**  
Commissioner

ATTENDANCE: All Present

EXCUSED: None

PRESENT: PRESIDENT/CEO  
COMMISSION COUNSEL  
CLERK OF THE COMMISSION

Kimberly Goll  
Cassie Trapesonian  
Maria Lopez, Deputy

#### **PLEDGE OF ALLEGIANCE**

Pledge of Allegiance led by Commission Counsel Cassie Trapesonian

#### **PRESENTATIONS:**

1. Receive Presentation and Discuss Strategies for First 5 Orange County's Next Funding Cycle

#### **PRESENTED**

*(Commissioners Filbeck, Ersoylu abstained from discussion and vote on this matter as it related to school districts)*

## SUMMARY ACTION MINUTES (REVISED)

### **CONSENT CALENDAR:** (Items 2 - 5)

192345678      **APPROVED AS RECOMMENDED**

x

2. Appoint Dawn Smith to the First 5 Orange County Technical Advisory Committee
3. Receive Update on First 5 Orange County's Equity Work
4. Adopt resolution finding that, due to the proclaimed state of emergency arising from the novel coronavirus (COVID-19), meeting in person presents imminent risks to the health and safety of attendees, and the emergency continues to directly impact the ability of the members to meet safely in person.  
*RESO: 22-002 C&FC*
5. Receive update on Request for Proposals for audit services and Request for Qualifications for consultant services

### **REGULAR ITEMS:** (Items 6 -7)

6. Receive Financial Update

**RECEIVED**

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

743125689      **APPROVED AS RECOMMENDED**

x

A

*(Commissioner McClintinc abstained from discussion and vote on this matter.)*

*RESO: 22-003 C&FC*

**PUBLIC COMMENTS:** None

**COMMISSION COMMENTS:** None

**ADJOURNED:** 9:58 A.M.

## SUMMARY ACTION MINUTES

\*\*\* KEY \*\*\*

### *Left Margin Notes*

- 1 Debra Baetz
- 2 Ramin Baschshi, MD
- 3 Doug Chaffee
- 4 Clayton Chau, MD
- 5 Katherine Chiu, MD, MBA
- 6 Leah Ersoylu, PhD
- 7 Jackie Filbeck
- 8 Yvette Lavery, MPA, MBE
- 9 Susan McClintic

A = Abstained  
X = Excused  
N = No  
C.O. = Commission Order

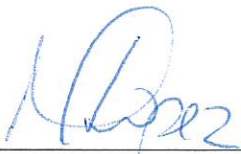
Reso = Resolution  
Ord = Ordinance

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



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RAMIN BASCHSHI, MD  
*Chair*



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MARIA LOPEZ, Deputy  
*Clerk of the Commission*

**PRESENTATION**  
**Agenda Item 1**  
**February 2, 2022**

**DATE:** January 11, 2021

**TO:** First 5 Orange County

**FROM:** Kimberly Goll, President/CEO



**ACTION:** Receive Presentation and Discuss Strategies for First 5 Orange County's Next Funding Cycle

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Many programs funded by First 5 Orange County have agreements that conclude in June 2023. This group of agreements includes all school districts, the Family Solutions Collaborative (homeless prevention), Engaged Neighborhoods, hospitals and home visiting providers. In preparation for future investment decisions, and to provide ample time for Commissioner discussion and input along with program evaluation and stakeholder engagement, staff will present a proposed funding review process for the Commission's consideration.

Lisa Burke, Vice President of Learning and Integration, will walk Commissioners through the proposed funding review process and describe guiding principles for the board's consideration and discussion. Staff have developed a suggested approach for future First 5 investments and will share this approach as well as potential impacts and next steps should the board agree. Strawman examples will be provided to illustrate the approach and foster additional conversation about go-forward strategies for First 5 Orange County funding.

**RECOMMENDED ACTION:**

Receive presentation and discuss strategies for First 5 Orange County's next funding cycle.

**ATTACHMENTS:**

1. Presentation slides: Preparation for Funding Review

**CONTACT:** Lisa Burke

# First 5 OC Investment Strategy: Preparation for Funding Review

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February 2, 2022



# Why are we talking about this now?

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- Most programmatic funding agreements end June 2023
- Thinking about future investment, we want to:
  - Use the Strategic Plan to guide investment strategy
  - Incorporate an increased systems focus
  - Engage Commissioner input in the process



# Current 3-Year Funding Cycle

Conditions We Address	Programmatic Agreements (concluding June 2023)	Related Investments (not on 3-year cycle)
Early and Ongoing Health & Development	<ul style="list-style-type: none"> <li>Hospital contracts – bedside screening and referral</li> <li>Home Visiting</li> </ul>	<ul style="list-style-type: none"> <li>Help Me Grow</li> <li>Pediatric Support Programs (Healthy Steps and DULCE)</li> <li>Prenatal Home Visiting</li> <li>Perinatal Mood &amp; Anxiety Disorder</li> </ul>
A Safe, Stable and Nurturing Home	<ul style="list-style-type: none"> <li>Homeless Diversion and Housing Navigation</li> <li>Parent Child Interaction Therapy</li> </ul>	<ul style="list-style-type: none"> <li>Shelter Expansion – capital improvements</li> </ul>
Neighborhoods that Support Young Children and Families & Equitable Distribution of Resources	<ul style="list-style-type: none"> <li>25 School Districts (including Early Developmental Index)</li> <li>Engaged Neighborhood Collaboratives</li> <li>Early Childhood OC</li> <li>Community Health Initiative of Orange County (CHIOC)*</li> </ul>	<ul style="list-style-type: none"> <li>Family Ambassadors</li> <li>Child Care Sector Support</li> <li>Pretend City</li> <li>Various Collaboratives (e.g., Detect &amp; Connect, ACEs, Be Well)</li> </ul>

*\*Currently funded through June 2022*

1/26/2022

# Proposed Guiding Principles

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- **Align with Strategic Plan**
  - Does our investment strategy align or do we need to adjust?
  - Do we need additional evaluation to inform how to strengthen system change efforts?
- **Provide robust communication and stakeholder engagement**
  - Have we planned enough time for stakeholder and community input, evaluation, potential Request for Proposal/Request for Qualification?





# Proposed Guiding Principles (cont.)

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- Balance investment with funding constraints
  - Do our investments manage ongoing demand against the Commission's budget?
  - Do our investments maximize impact of one-time funds?
- Leverage Commissioner and Technical Advisory Committee input in development of funding recommendations
- Respect impact of ongoing COVID-19 disruption

# Proposed Funding Review Approach

- Allow enough time to evaluate effects of pivot from last funding cycle
  - E.g., extend agreements with school districts, Family Solutions Collaborative (time, funding, scope amendments)
- Allow current systems analysis and countywide collaborative work to inform funding decisions
  - E.g., continue Prenatal-to-Three/Home Visiting analysis and collaborative work and related programmatic investments

# Proposed Funding Review Approach (cont.)

- Develop shared measurement and definition of success to inform work focused on community engagement
  - E.g., for Engaged Neighborhoods, contract with evaluation firm with expertise in place-based strategy
- Develop processes to engage stakeholders
- Incorporate related investments





# Next Steps

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- For each programmatic funding category, develop plan and timeline for review
- Return to Commission
  - Vet the review plans/timelines
  - Propose Commissioner/TAC involvement
  - Propose stakeholder engagement



**Agenda Item 2**  
**February 2, 2022**

**DATE:** January 4, 2022

**TO:** First 5 Orange County

**FROM:** Kimberly Goll, President/CEO



**ACTION:** Appoint Dawn Smith to the First 5 Orange County Technical Advisory Committee

**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 health and development experts. This agenda item recommends the appointment of an additional 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, reflecting the desire to engage the TAC in First 5's systems change efforts. Since then, the First 5 Board has appointed additional members to the TAC to represent key organizations and systems of care in Orange County including Social Services Agency, Orange County Department of Education, and CalOptima.

Currently, Dr. David Nunez, Medical Director of the Community and Nursing Services Division at OC Health Care Agency, serves on the TAC, bringing to the table a maternal-child public health perspective. We are proposing to add a representative from the behavioral health side of OC Health Care Agency to bring expertise and experience related to children and families' mental health. Dawn Smith, Division Manager of Children, Youth and Prevention Mental Health and Recovery Services at OC Health Care Agency is interested and willing to participate on the TAC. A brief biography for Dawn is provided in Attachment 1.

Staff anticipates bringing recommendations for additional TAC members to the Commission in the future to include other systems of care impacting young children and families.

**STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended action presented in this staff report has been reviewed in relation to the Strategic Plan and is consistent with applicable goals. This agenda item does not include a funding request.

**PRIOR COMMISSION ACTIONS:**

- December 2021- Appoint Gail Araujo and Scott Burdick to the First 5 Orange County Technical Advisory Committee
- August 2021 – Appoint Pshyra Jones to the First 5 Orange County Technical Advisory Committee
- April 2021 – Appoint Edwin Poon to the First 5 Orange County Technical Advisory Committee
- December 2019 – Approve appointments to the Technical Advisory Committee
- August 2019 – Approve updated Administrative Policies and Procedures relating to the Technical Advisory Committee

**RECOMMENDED ACTION:**

Appoint Dawn Smith to the First 5 Orange County Technical Advisory Committee.

**ATTACHMENTS:**

1. Dawn Smith biography

**CONTACT:** Lisa Burke



**Dawn M. Smith, LCSW  
OC Health Care Agency**


**Division Manager - Children, Youth and Prevention Mental Health and Recovery Services**

Dawn M. Smith earned her Bachelor of Arts degree in Social Ecology at the University of California, Irvine and her Master of Social Work degree at California State University, Long Beach and has been a Licensed Clinical Social Worker since 2002. Dawn joined the County of Orange Health Care Agency, Behavioral Health Services division in 1998 providing direct services in Lanterman Petris-Short (LPS) and adult outpatient settings and later providing supervisory oversight as a Service Chief I to adult outpatient clinics. Dawn worked with the County's adult inpatient programs as a Service Chief II providing oversight of daily operations and contract monitoring for acute hospital settings, long term care settings such as Institutes for Mental Diseases (IMDs), and the State Hospital. Dawn also served as an Administrative Manager II for four years with the Behavioral Health Services Prevention and Intervention programs overseeing county-operated programs funded with Mental Health Services Act dollars. In 2018, Dawn became the Division Manager for Children and Youth Behavioral Health. In this capacity, Dawn has had the opportunity to develop and oversee programs that serve children (0-17), transitional aged youth (16-25), and their families across the full continuum of care for both the Mental Health Plan and Drug MediCal-Organized Delivery System (DMC-ODS). She collaborates closely with Social Services Agency, Probation, and the Courts to ensure seamless delivery of behavioral health services to system-involved youth in facility and community settings. Dawn brings a systems perspective with a focus on collaboration between child-serving entities and stakeholders in Orange County and across the State.

**Agenda Item 3**  
**February 2, 2022**

**DATE:** January 7, 2021

**TO:** First 5 Orange County

**FROM:** Kimberly Goll, President/CEO 

**ACTION:** Receive Update on First 5 Orange County's Equity Work

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**SUMMARY:**

First 5 Orange County is striving to advance our understanding of race, equity, diversity, and inclusion and to change our policies and practices to reduce equity gaps among Orange County's young children and their families. Two organizations are assisting us in this work; this agenda item provides a summary of recent activities.

**DISCUSSION:**

First 5 Orange County has two equity-related efforts underway, working with Orange County Human Relations Commission and the Center for the Study of Social Policy.

Orange County Human Relations

As you know, First 5 Orange County is participating in the Orange County Human Relations (OC Human Relations) reStructure program. In February of 2021, First 5 OC approved \$50,000 to sponsor a total of 33 participants across multiple cohorts of the program. The first cohort includes eight people sponsored by First 5 including a Commissioner, First 5 staff, First 5 consultants and three community partners from Social Services Agency and Orange County Business Council. We sponsored 11 people in the second cohort including First 5 staff and consultants along with seven community partners from Children's Bureau, Families Together, OC Health Care Agency, The Priority Center, Families Forward, Multi-Ethnic Collaborative of Community Agencies, and Orange County Association for the Education of Young Children.

The reStructure program is a year-long curriculum aimed at creating a more inclusive Orange County through supporting local organizations to enhance their diversity, equity, and inclusion. This peer learning cohort meets monthly in a community of practice that includes both training and interactive facilitated dialogue to positively impact the thinking and practice of individuals along with their organization's policies and practices.

The reStructure program explores personal, organizational and systemic REDI issues. As an outgrowth of this work with OC Human Relations, First 5 OC has conducted a diversity assessment among staff and consultants and is preparing to develop an equity statement for the organization. In addition, we are considering conducting an annual assessment of the organization's racial equity using a tool provided through reStructure.

This tool offers a series of questions to help organizations explore issues related to equity in the following 12 organizational focus areas for the purpose of identifying potential areas for further work:

- |                   |                    |
|-------------------|--------------------|
| 1. DEI Vision     | 7. Training        |
| 2. Commitment     | 8. Decisions       |
| 3. Leadership     | 9. Policies        |
| 4. Infrastructure | 10. Data           |
| 5. Diversity      | 11. Accountability |
| 6. Inclusion      | 12. Community      |

Cohort 1 ends in April and Cohort 2 in August. OC Human Relations is planning to hold a reStructure summit in the fall and launch Cohort 3 following the summit. Prior to engaging Cohort 3, they will evaluate the outcomes of their work with the first two cohorts and modify the reStructure curriculum as needed. First 5 plans to sponsor several additional participants and will update the Commission as Cohort 3 is launched so that Commissioners can participate if interested.

#### Center for the Study of Social Policy

Since April of last year, First 5 OC has been holding monthly training sessions with staff and consultants with the help of the Center for the Study of Social Policy (CSSP). Through the curriculum provided by CSSP, we have collectively broadened our knowledge and deepened our comfort and familiarity in understanding and addressing issues of racial equity, anti-racism, and parent engagement.

In January, we moved from monthly all staff-consultant meetings with CSSP into smaller working groups to begin translating our learnings into project-specific work. We have developed or are developing workgroups to support the integration of REDI in three areas, initially. These include the development of an organizational equity statement, and longer-term, First 5's Commissioner recruitment process and the funding process for First 5's programmatic investment (both working towards implementation in 2023). The workgroups are being led by CSSP or First 5 staff, with support from consultants as appropriate. We anticipate this work to be incremental, evolving and building slowly and steadily. We will engage Commissioners, community partners and parents as the work progresses.

#### **STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended actions presented in this staff report have been reviewed in relation to the Strategic Plan and are consistent with applicable goals. This agenda item does not include a funding request.

#### **PRIOR COMMISSION ACTIONS:**

- June 2021 – Receive Update on First 5 Orange County Equity Work
- February 2021 – Receive Update and Authorize Agreements for Technical Support Related to Advancing Equity
- October 2020 – Update on First 5 Orange County's Equity Work

#### **RECOMMENDED ACTION:**

Receive Update

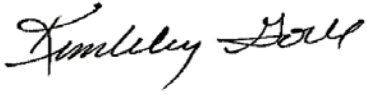
**ATTACHMENTS:** None

**CONTACT:** Lisa Burke

**Agenda Item 4**  
**February 2, 2022**

**DATE:** January 7, 2022

**TO:** First 5 Orange County

**FROM:** Kimberly Goll, President/CEO 

**ACTION:** Adopt resolution finding that, due to the proclaimed state of emergency arising from the novel coronavirus (COVID-19), meeting in person presents imminent risks to the health and safety of attendees, and the emergency continues to directly impact the ability of the members to meet safely in person

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**SUMMARY:**

The First 5 Orange County Children and Families Commission holds regular public meetings to act on measures related to its programs, projects, and services. To conduct teleconferencing meetings in compliance with the Ralph M. Brown Act (Brown Act), it is recommended that the Board of Commissioners adopt a resolution finding that, due to the proclaimed state of emergency arising from the novel coronavirus (COVID-19), meeting in person presents imminent risks to the health and safety of attendees and the emergency continues to directly impact the ability of the members to meet safely in person.

**DISCUSSION:**

Assembly Bill 361 (Chapter 165, Statutes of 2021) amended the Brown Act to allow local legislative bodies to meet using abbreviated teleconferencing procedures during a proclaimed state of emergency. If the Board of Commissioners wishes to conduct meetings virtually using the abbreviated teleconferencing procedures during the proclaimed state of emergency due to COVID-19, it must determine by resolution that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees. To allow the Board of Commissioners and its Technical Advisory Committee to continue meeting virtually, the Board must reconsider the circumstances of the state of emergency every 30 days and determine that the state of emergency continues to directly impact the ability of the members to meet safely in person.

By adopting the Resolution (Attachment 1), the Board of Commissioners and its Technical Advisory Committee will be permitted to meet virtually for 30 days in accordance with the Brown Act teleconferencing requirements.

**STRATEGIC PLAN & FISCAL SUMMARY:**

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

**RECOMMENDED ACTION:**

Adopt Resolution finding that, due to the proclaimed state of emergency arising from COVID-19, meeting in person presents imminent risks to the health and safety of attendees, and the emergency continues to directly impact the ability of the members to meet safely in person.

**ATTACHMENTS:**

1. Resolution

**CONTACT:**

Kimberly Goll

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_\_-22-C&FC**

**February 2, 2022**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY FINDING THAT, DUE TO THE PROCLAIMED STATE OF EMERGENCY ARISING FROM THE NOVEL CORONAVIRUS (COVID-19), MEETING IN PERSON PRESENTS IMMINENT RISKS TO THE HEALTH AND SAFETY OF ATTENDEES, AND THE EMERGENCY CONTINUES TO DIRECTLY IMPACT THE ABILITY OF THE MEMBERS TO MEET SAFELY IN PERSON.**

**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**, the Board of Commissioners holds regular and special public meetings pursuant to the Ralph M. Brown Act (the “Brown Act”), Government Code section 54950, *et seq.*; and

**WHEREAS**, the Brown Act, as amended by Assembly Bill 361 (Chapter 165, Statutes of 2021), permits the Commission to use teleconferencing for meetings of the Board of Commissioners without complying with specified teleconferencing requirements imposed by the Brown Act when the Board of Commissioners holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; and

**WHEREAS**, to continue to hold teleconferencing meetings during the proclaimed state of emergency, the Brown Act requires the Board of Commissioners to make findings every thirty (30) days, by at least a majority vote, that the Board of Commissioners has reconsidered the circumstances of the state of emergency and determines that the state of emergency continues to directly impact the ability of the members to meet safely in person.

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

**Section 1** The above findings and recitals are true and correct and are incorporated herein in full by this reference.

**Section 2** Governor Gavin Newsom has proclaimed a state of emergency due to the global pandemic caused by the novel coronavirus (COVID-19), which remains active as of the adoption of this Resolution.



**Section 3** The Board of Commissioners must continue to hold regular and special meetings, pursuant to the Brown Act, during the proclaimed state of emergency.

**Section 4** As a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

**Section 5** The Board of Commissioners has reconsidered the circumstances of the state of emergency and determines that it continues to directly impact the ability of the members to meet safely in person.

**Section 6** This Resolution shall take effect upon adoption.

**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 February 2, 2022 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: \_\_-22-C&FC

Agenda Date: February 2, 2022

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

**DATE:** January 5, 2022**TO:** First 5 Orange County**FROM:** Kimberly Goll, President/CEO**ACTION:** Receive Update on Request for Proposals for Audit Services and Request for Qualifications for Consultant Services

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**SUMMARY:**

On January 10, 2022, a formal Request for Proposal (RFP) was released to select a financial audit firm to perform annual audits of the Commission for up to five years beginning for the Fiscal Year 2021-2022. In February 2022, a Request for Qualifications (RFQ) for consultant services will be released. This agenda item includes a summary of both the RFP and RFQ processes.

**DISCUSSION:****Request for Proposal Process**

First 5 Orange County's current contract for financial audit services expired on December 31, 2021. Each county commission is required under the California Health and Safety Code Section 130150 to submit an annual audit report to First 5 California, and the State Controller's Office by November 1. As recommended by the First 5 Financial Management Guide, the county commission prepares an Annual Comprehensive Financial Report (ACFR) that includes all required financial statements along with introductory, supplemental, and statistical information.

An independent, external review by an audit firm is required to determine that the financial statements fairly present the financial position of the Commission in accordance with the Generally Accepted Accounting Principles (GAAP). The auditors will base the opinion on the review and testing of financial data and information maintained by the county commission.

In addition to the standard financial audit, commissions are required to go through an expanded audit per Code Section 130151, following the Expanded Audit Guide produced by the State Controller's Office. The same auditor will conduct the expanded audit covering the areas of contracting, procurement, administrative costs, county ordinances, long-range financial planning, program evaluation costs, salary and benefits, and conflict of interest policies.

The Federal Office of Management and Budget published the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. This Single Audit requirement applies to any agency expending \$750,000 or more per fiscal year in federal awards. Although the Commission has not been required to perform a Single Audit in recent years, the RFP included a provision for the Single Audit. The purpose of including the Single Audit provision is to have the scope and funding amount agreed upon in advance in the event a Federal award is received by the Commission within the term covered by the RFP.

On January 10th, a formal RFP was issued seeking a qualified firm to perform audits for fiscal years covering July 1, 2022 through June 30, 2026. The final date of submission for RFP applicants was January 31<sup>st</sup>. Proposals will be evaluated and scored using a point formula by a Rating Panel, and a recommendation regarding contracting authority and funding will be submitted to the Commission at the April meeting.

#### **Request for Qualifications for Consultant Services**

The First 5 Orange County business model uses technical and project management consultants to help develop and implement strategies established by the Commission. Periodically, a Request for Qualifications (RFQ) is released to invite applicants interested in providing consultant services to ensure that First 5 has access to the most comprehensive pool of qualified consultants. A new and updated RFQ will be released in February 2022 to create new consultant roster. Additional areas of expertise have been included in the RFQ to address skills related to family engagement as well as race, equity, diversity and inclusion. Responses will be due in March 2022, and an updated roster of qualified applicants, along with a request to enter into consultant contracts for next fiscal year, will be brought to the June 2022 Commission meeting.

#### **STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended action has been reviewed in relation to the Strategic Plan and is in alignment. There is no funding action proposed for this item.

#### **PRIOR COMMISSION ACTIONS:**

- April 2021 – Adopted resolution authorizing agreements or amendments to agreements with designated individuals and organizations to provide consultant services
- April 2017 – Authorized agreement with the selected firm to perform organization-wide financial audits of the Commission's financial statements for Fiscal Year 2016-2017 through Fiscal Year 2020-2021.

#### **RECOMMENDED ACTION:**

Receive update on Request for Proposals for audit services and Request for Qualifications for consultant services.

**ATTACHMENTS:**      None

**CONTACT:**              Michael Garcell



**Agenda Item 6**  
**February 2, 2022**

**DATE:** January 21, 2021  
**TO:** First 5 Orange County  
**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. Prior to updating the Long-Term Financial Plan staff provides an update on the year-end financial results and future-year revenue projections, which are included in the following item.

**DISCUSSION:**

**Fiscal Year 2020/2021 Results**

*Revenue*

Tobacco tax revenue for the Fiscal Year 2020/2021 ended the year above budget, \$25.5 million actual compared to \$21.6 million budgeted. The increased revenue is again due to a larger backfill distribution related to the \$2.00 per pack tax increase under Prop. 56. A year-over-year increase was expected following an 11.79% decline FY 2017/18 from the increase in the legal smoking age from 18 to 21, as well as the increase sales tax of an additional \$2.00 per pack approved by voters, and the expected annual decline in tobacco product sales. The definition of tobacco products was expanded to include electronic smoking devices which to a lesser extent offsets some of the factors causing the decline.

Tobacco Tax Revenue (in millions)								
Fiscal Year	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
Prop 10 Revenue	\$26.40	\$25.94	\$25.88	\$24.79	\$21.87	\$23.57	\$24.99	\$25.50
% Change from Prior Year	-2.33%	-1.71%	-0.25%	-4.20%	-11.79%	+7.77%	+6.02%	+2.04%

*Program Expenses*

Program expenses ended the year below budget mostly because of the timing of expenditures. Fiscal Year 2020-2021 was year one of the current three-year program funding cycle. Other unspent amounts have been rolled forward into the fund balance to be used for future-year programs.

*Administrative Expenses*

Administrative expenses for Fiscal Year 2020-2021 were below budget due to underspending in office expenses, travel, meetings, and some professional services. 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. The following tables present two versions of revenue projections by the California Department of Finance. On August 28, 2020, Governor Newsom signed SB 793 (Hill) which banned the sale of flavored tobacco products. In January 2021, a referendum placed SB 793 on hold and qualified it for the November 2022 ballot. If the flavor ban is upheld, projections for future-year tobacco tax revenues would be reevaluated and are expected to decline from the most recent trends. The flavor ban would not start impacting revenue projections until Fiscal Year 2022-2023. The first table provides estimates if the flavor ban is overturned, and the second table presents estimates of the flavor ban being upheld.

Long-Term Financial Plan Projected Tobacco Tax Revenue - NO FLAVOR BAN (in millions)									
2021/22 Budget	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Estimate								
\$23.35	\$24.35	\$23.66	\$23.28	\$22.90	\$22.10	\$21.33	\$20.58	\$19.86	\$19.17
	+4.3%	-2.8%	-1.6%	-1.6%	-3.5%	-3.5%	-3.5%	-3.5%	-3.5%

Long-Term Financial Plan Projected Tobacco Tax Revenue - WITH FLAVOR BAN (in millions)									
2021/22 Budget	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
	Estimate								
\$23.35	\$22.25	\$19.93	\$19.07	\$18.22	\$17.43	\$16.69	\$15.97	\$15.28	\$14.62
	-4.7%	-10.4%	-4.3%	-4.5%	-4.3%	-4.2%	-4.3%	-4.3%	-4.3%

### Long Term Financial Plan Update

Following past practice, the next step is to refresh the Long-Term Financial Plan with the most recent financial results and revenue projections. The financial plan has historically taken the approach of planning future step-downs in total program funding to align with the declining revenue source from tobacco taxes. The past three years of revenue receipts over budget combined with funding assumptions that prepared for declining revenue have resulted in higher fund balance levels than anticipated.

The April Commission meeting will include a report on the updated Plan and begin the conversation around different approaches regarding the use of additional fund balance along with the potential flavor ban's implications on revenue and program funding planning scenarios.

### 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 2021 – Received the Comprehensive Annual Financial Report for the Year Ended June 30, 2021
- June 2021 – Approved the Annual Operating Budget for Fiscal Year 2021/2022 and confirmed the 10 percent limitation on administrative expenditures for the operating budget
- April 2021 – Received Financial Update



**RECOMMENDED ACTION:**

Receive Financial Update

**ATTACHMENTS:**

1. Financial Highlights as of December 31, 2021

**CONTACT:**

Michael Garcell

# Financial Highlights as of December 31, 2021

## Comparison of Budget vs. Actual Fiscal Year 2021-2022 Unaudited Period Ending 6/30/22

	<u>FY 2021-22 Amended Budget</u>	<u>FY 2021-22 Actuals</u>	
<b><u>Financing Sources</u></b>			
Tobacco Tax Revenue	\$23,354,480	\$8,326,470	35.7%
Interest Earnings	100,000	130,960	131.0%
Other Revenue	<u>4,105,234</u>	<u>8,466,050</u>	
<b>Revenue Total</b>	<b>\$27,559,714</b>	<b>\$37,728,876</b>	
<b><u>Expenses*</u></b>			
Prenatal-to-Three*	\$10,424,567	\$2,440,707	23.4%
School Readiness Initiative	8,913,740	1,130,943	12.7%
Homeless Prevention	1,049,000	93,275	8.9%
Children's Dental*	1,400,000	128,250	9.2%
Systems Building	1,092,750	445,111	40.7%
Performance Evaluation	<u>1,036,125</u>	<u>307,951</u>	29.7%
<b>Program Services</b>	<b>\$23,916,182</b>	<b>\$4,546,236</b>	
Admin. Functions**	<u>1,534,090</u>	<u>457,213</u>	29.8%
<b>Total Operating Exp.</b>	<b>\$24,450,272</b>	<b>\$5,003,449</b>	

\*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 \$457,213 and encumbrances of \$477,113 were 3.7% of the Fiscal Year 2021/2022 Budget of \$24.5 million. Final administrative expenses are projected to be 7% at year-end.

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

Prenatal-to-Three	\$22,553,888
School Readiness Initiative	\$15,071,795
Homeless Prevention	\$1,019,208
Children's Dental	\$4,807,839
Systems Building	\$1,119,525
Performance Evaluation	\$770,652
Admin. Functions	\$447,113

## Revenue and Cash Balance Update

Current year revenue (July 2021 – December 2021) as reported by First 5 California is \$8.9 million which does not include the annual backfill amount.

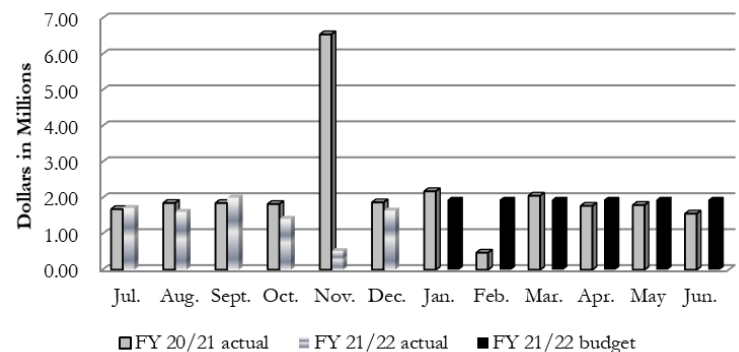
Interest earnings for July 2021 through December 2021 are \$130,960.

## Systems Funding Update

\$44,834,199 in One-Time Systems Funding was expensed from FY 2012-2013 through FY 2020-2021.

As of December 31, 2021, \$7.9 million was encumbered for one-time Systems Building programs. Nearly \$3.4 million is encumbered for Children's Dental.

Fiscal Year 2020-21 & 2021-22 Tobacco Monthly Revenues



## Fiscal Year 2020-2021 Ending Fund Balance From Commission Long Term Financial Plan

Beginning Fund Balance, July 1, 2020	\$43,325,669
Total Revenue	40,021,048
Total Program Expenses	(26,308,485)
Fund Balance for Systems Building Projects	<u>(21,065,801)</u>

**June 30, 2021 Fund Balance** **\$35,972,431\***


\*Based on Commission action through December 2020 and financial results through June 30, 2021. 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.



**Agenda Item 7**  
**February 2, 2022**

**DATE:** January 21, 2022

**TO:** First 5 Orange County

**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

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**SUMMARY:**

First 5 Orange County 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 June 2023.

**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 has just completed a two-year term as President of the executive committee and remains a member of the Executive Committee in a past president capacity. Membership dues are based on the Department of Finance birth rate numbers. Payment of membership dues, not to exceed \$75,000, 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 First 5 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 leaders 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.

One specific area to highlight is the continued effort to strengthen relationships with cities and businesses to co-create solutions to issues facing families. Joining chambers of commerce is proposed as one way to build these relationships. Staff proposes joining the Santa Ana Chamber of Commerce as the pilot membership to launch this approach.

The following memberships, sponsorships, and fees are recommended, consistent with prior years. A policy approved in May 2013 authorized the President/CEO to approve memberships within the funding authority of \$50,000, an amount previously established by the Commission. Memberships or sponsorships listed in the following table that are below \$50,000 will be paid using the President/CEO's authority but are included for informational purposes.

<b>Organization</b>	<b>Membership Fee</b>
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 Sponsorship	\$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

**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 2022/2023.

**PRIOR COMMISSION ACTIONS:**

- April 2021 – Adopted resolution authorizing payment for annual membership dues, professional association memberships, and regional meeting expenses.
- April 2020 – Adopted resolution authorizing payment for annual membership dues, professional association memberships, and regional meeting expenses.

**RECOMMENDED ACTIONS:**

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 President/CEO.

**ATTACHMENTS:**

1. Resolution

**CONTACT:** Michael Garcell

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_\_-22-C&FC**

**February 2, 2022**

**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 February 2, 2022 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 February 2, 2022 staff report for this Agenda Item in the amounts and for the terms consistent with the February 2, 2022 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 February 2, 2022 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 February 2, 2022 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: \_\_-22-C&FC

Agenda Date: February 2, 2022

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

