

SUMMARY ACTION MINUTES

SPECIAL MEETING FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

Wednesday, August 3, 2022, 9:00 A.M.

Delhi Center
505 E. Central Ave.
Santa Ana, California 92707

RAMIN BASCHSHI, MD
Chair

DOUG CHAFFEE
Vice Chair

DEBRA BAETZ
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: Commissioners: Baetz, Chaffee, Chau, Chiu, Ersoylu, Lavery and McClintic

EXCUSED: Commissioners: Baschshi and Filbeck

PRESENT: PRESIDENT/CEO
COMMISSION COUNSEL
CLERK OF THE COMMISSION

Kimberly Goll
Cassie Trapesonian
Maria Lopez, Deputy

PLEDGE OF ALLEGIANCE

Commission Counsel Cassie Trapesonian led the Pledge of Allegiance

PRESENTATIONS: (Item 1)

1. Receive presentation on First 5 Orange County's Development Screening Efforts
PRESENTED

SUMMARY ACTION MINUTES

CONSENT CALENDAR: (Items 2 - 4)

412356789 **APPROVED AS RECOMMENDED WITH THE EXECPTION OF ITEM 3 WHICH WAS**
x x **PULLED FOR DISCUSSION AND SEPARATE VOTE**

2. Receive Financial Update
3. Receive Report on Access to Speech and Language Services
RECEIVED AND FILED
4. Receive Update on Systems Change Efforts

REGULAR ITEMS: (Items 5 - 9)

5. Receive a Progress Update and Provide Direction to Staff to Return in October with a Formalized Plan to Extend School District Agreements for One Year

152346789 **APPROVED AS RECOMMENDED**
x A x *(Commissioner Ersoylu abstained from discussion on this matter and declared her affiliation with Newport-Mesa Unified School District)*

6. Approve additional terms to the contract boilerplate for contract PS-272, Navisite, LLC

841235679 **APPROVED AS RECOMMENDED**
x x

7. Adopt Resolution Authorizing an Agreement with Orange County Association for the Education of Young Children (OCAEYC) to Support New or Existing Child Care Provider

851234679 **APPROVED AS RECOMMENDED**
x x A *(Commissioner McClintic abstained from discussion on this matter and declared her affiliation with Orange County Association for the Education of Young Children)*
RESO: 22-023 C&FC

8. Adopt Resolution Authorizing an Agreement with the University of California, Irvine Medical Center for a Three-Year Integrated Primary Care Behavioral Health Program

412356789 **APPROVED AS RECOMMENDED**
x A x *(Commissioner Chiu abstained from discussion on this matter and declared her affiliation with University California Irvine)*
RESO: 22-024 C&FC

9. Annual Review and Updates to Administrative Policies and Procedures

192345678 **APPROVED AS RECOMMENDED**
x x

PUBLIC & COMMISSION COMMENTS:

PUBLIC COMMENTS:

Kimberly Goll on behalf of staff and Commissioners - Thanked Commissioner Baetz for her service to the Commission and with heart felt gratitude congratulate her on her retirement

COMMISSION COMMENTS: None

ADJOURNED: 10:02 A.M.

SUMMARY ACTION MINUTES

*** KEY ***

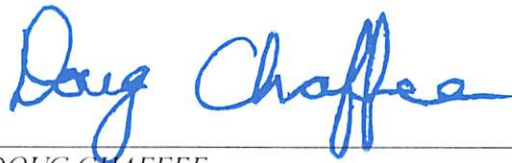
Left Margin Notes

- 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)



DOUG CHAFFEE
Vice Chair




Maria Lopez, Deputy
Clerk of the Commission



Agenda Item 1
August 3, 2022

DATE: July 19, 2022

TO: First 5 Orange County, Children and Families Commission

FROM: Kimberly Goll, President/CEO 

ACTION: Receive Presentation on First 5 Orange County's Development Screening Efforts

A focus area of First 5 Orange County's Strategic Plan is well-child visits, developmental screenings, and linkage to services. In this area, our goal is to partner with stakeholders to help families get the most out of well-child visits and screenings.

First 5 Orange County has three efforts underway to make progress on this goal, including implementing HealthySteps at Federally Qualified Health Centers; working with CHOC Children's to fund a quality improvement team to increase the use of screenings with a validated screening tool by pediatric practices; and supporting the collaborative, Detect & Connect OC.

At this meeting, the Board will hear from Lisa Burke along with Debra Mathias, the consultant who is supporting the HealthySteps implementation. They will share specifics about these programs and progress being made, along with work related to systems change.

ATTACHMENT:

1. Early Intervention Power Point

CONTACT: Lisa Burke

Getting the Most out of Well-Child Visits

Promoting Healthy Child Development & Early Identification and Intervention

Presentation
August 3, 2022



Our Strategic Plan recognizes the importance of well-child visits and regular screening



- Well-child visits, screening and linkage to services is a primary focus of our Strategic Plan
- Earlier identification of delays or needs provides opportunities for earlier intervention, leading to better outcomes for kids

The first five years are critical years for a child's healthy development

90% of a child's brain develops by age 5.

Adversity during this time can have far-reaching consequences, but this time can also provide a window of opportunity to build the basis for lifelong resilience.

Since 1967, recognizing the importance of early intervention, all Medicaid enrollees under age 21 are required to receive comprehensive and preventive health care services under **EPSDT**:

- **Early:** Assessing and identifying problems early
- **Periodic:** Checking children's health at periodic, age-appropriate intervals
- **Screening:** Providing physical, mental, developmental, dental, hearing, vision, and other screening tests to detect potential problems
- **Diagnostic:** Performing diagnostic tests to follow up when a risk is identified, and
- **Treatment:** Control, correct or reduce health problems found.

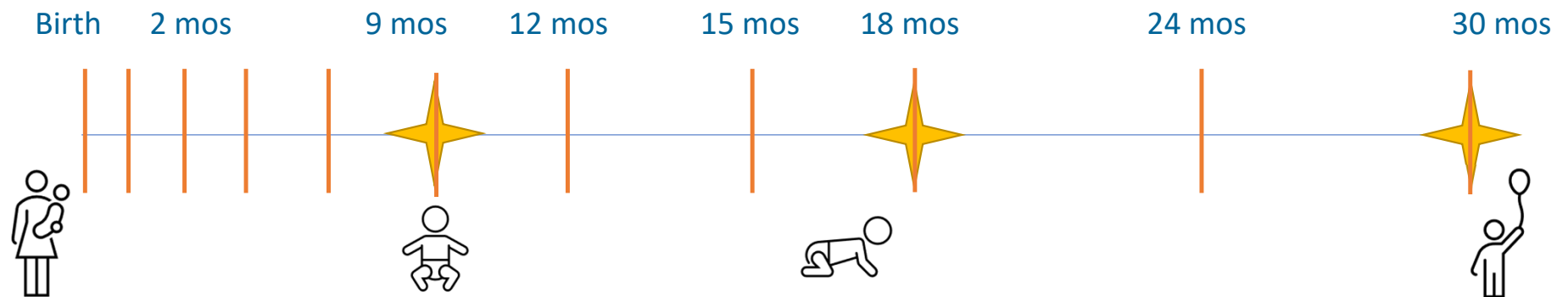
Sources

https://pn3policy.org/wp-content/uploads/2020/12/PN3PolicyImpactCenter_B001202101_WhyFocusonPN3.pdf

<https://www.medicaid.gov/medicaid/benefits/early-and-periodic-screening-diagnostic-and-treatment/index.html>



Health care settings provide a key platform for identification and early intervention



The American Academy of Pediatrics (AAP) Bright Future Guidelines provide the standard of care today and recommend that by the time a child reaches 2 ½, he/she should have:

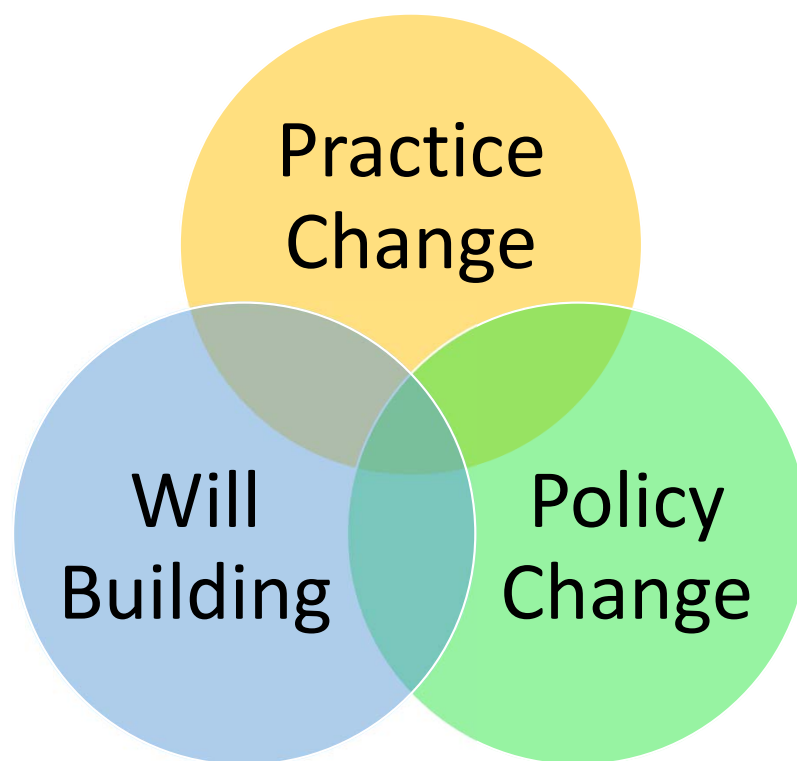
11 Well Child Visits

Three developmental screens using a validated screen

See Appendix for Bright Futures full periodicity schedule for children under 4

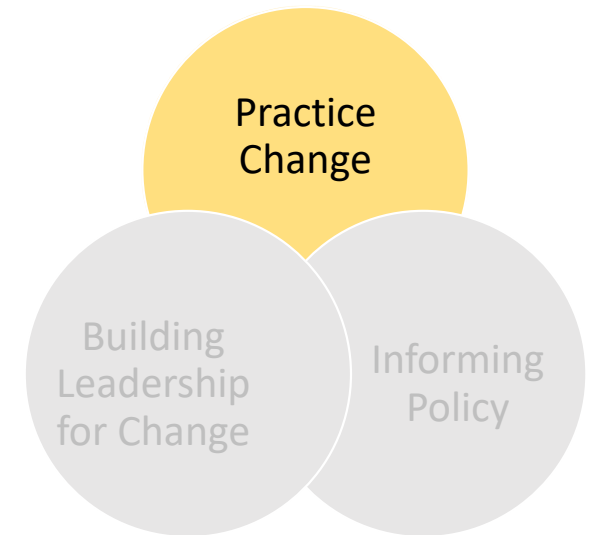
7/26/2022

First 5 is promoting access to early identification and intervention services through integrated strategies



Targeted Practice Interventions

- Improving the quality of primary care practices to:
 - Improve families' engagement in well-child visits
 - Support providers in using validated developmental screening tools at well-child visits
- Through targeted interventions with high volume medical practices
 - HealthySteps implementation, a national evidenced based model at four FQHC sites
 - Quality Improvement Advisors (QIAs) at CHOC Children's (IGT funded)



HealthySteps



PEDIATRIC CARE • SUPPORTING • PARENTING
A Program of ZERO TO THREE

HealthySteps Logic Model

HealthySteps transforms the promise of pediatric care to improve the health and well-being of babies and young children so that they thrive in school and life. We set the standard by integrating a child development specialist into the primary care team to promote healthy relationships, foster positive parenting, strengthen early social and emotional development, and ensure access to services that address both child and family needs, with a particular emphasis on families living in low-income communities.

INPUTS

- HealthySteps Specialist (HSS), families, Physician Champion, and clinic staff, all working as a team
- Training, technical assistance, and ongoing professional development from the National Office
- Diverse funding streams

APPROACH

- Preventive
- Family-centered
- Strengths-focused
- Interdisciplinary
- Relationship-based
- Culturally & linguistically attuned
- Well-coordinated

CORE COMPONENTS (SERVICES)

TIER 1. UNIVERSAL SERVICES

- ✓ Child developmental, social-emotional & behavioral screening
- ✓ Screening for family needs (i.e., maternal depression, other risk factors, social determinants of health)
- ✓ Child development support line (e.g., phone, text, email, online portal)

TIER 2. SHORT-TERM SUPPORTS (mild concerns)

- All Tier 1 services plus...
- ✓ Child development & behavior consults
 - ✓ Care coordination & systems navigation
 - ✓ Positive parenting guidance & information
 - ✓ Early learning resources

TIER 3. COMPREHENSIVE SERVICES (families most at risk)

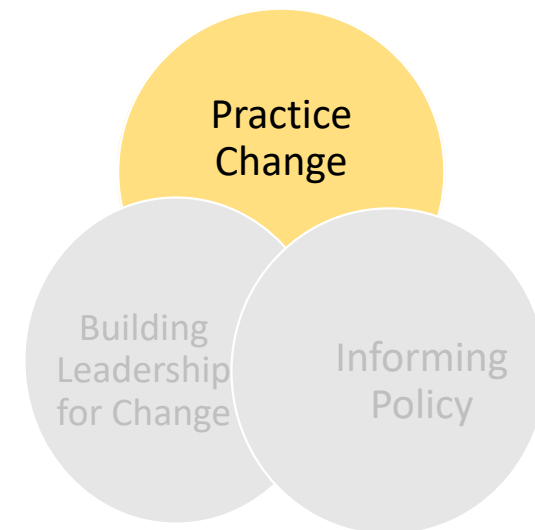
- All Tier 1 & 2 services plus...
- ✓ Ongoing, preventive team-based well-child visits (WCV)

KEY OUTPUTS

- Number of screenings for child/family concerns
- Number of support line inquiries
- Number of developmental & behavioral consults
- Number of preventive team-based WCV
- Number of referrals to needed services
- Number of families receiving positive parenting guidance & early learning resources

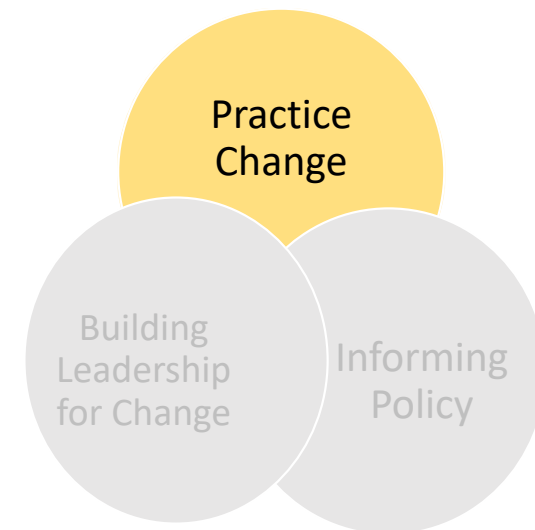
Practice and Workflow Changes

- Develop Implementation Plan
- Identify Team
- Develop new policies, procedures, and processes for:
 - Care coordination and systems navigation
 - Preventive team-based well-child visits
 - Child development & behavioral health consults
 - Track Tier 2 & 3 appointments
- Provide training to all clinic staff



Practice and Workflow Changes (cont.)

- **Evidence-based screening tools and support:**
 - Developmental screening tools (ASQ, M-CHAT, etc.)
 - Child development support line
 - Social Determinants of Health screening including ACEs
- **Onsite behavioral health treatment:**
 - Children routinely screened for physical, cognitive, language, social-emotional and behavioral risks and needs
 - HealthySteps team members receive training to administer and score screening tools and discuss results with families
 - Provides real-time child development and behavior consults (Tier 2 and 3)



Nearly 4,000 Children Served by HealthySteps Today

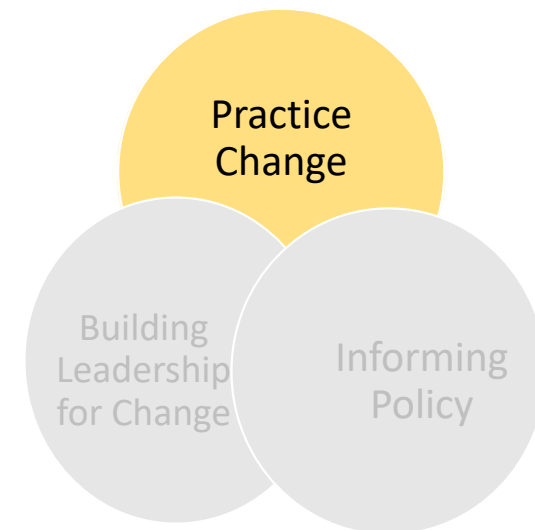
Federally Qualified Health Center	Number of Children Covered by HealthySteps
Share Our Selves	1,638
Families Together of OC	371
Friends of Family Health Center	1,996
UCI: Anaheim and Santa Ana Clinics*	2,993
	6,998

**Note: HealthySteps Expansion to UCI Anaheim and Santa Ana Clinics is proposed.*

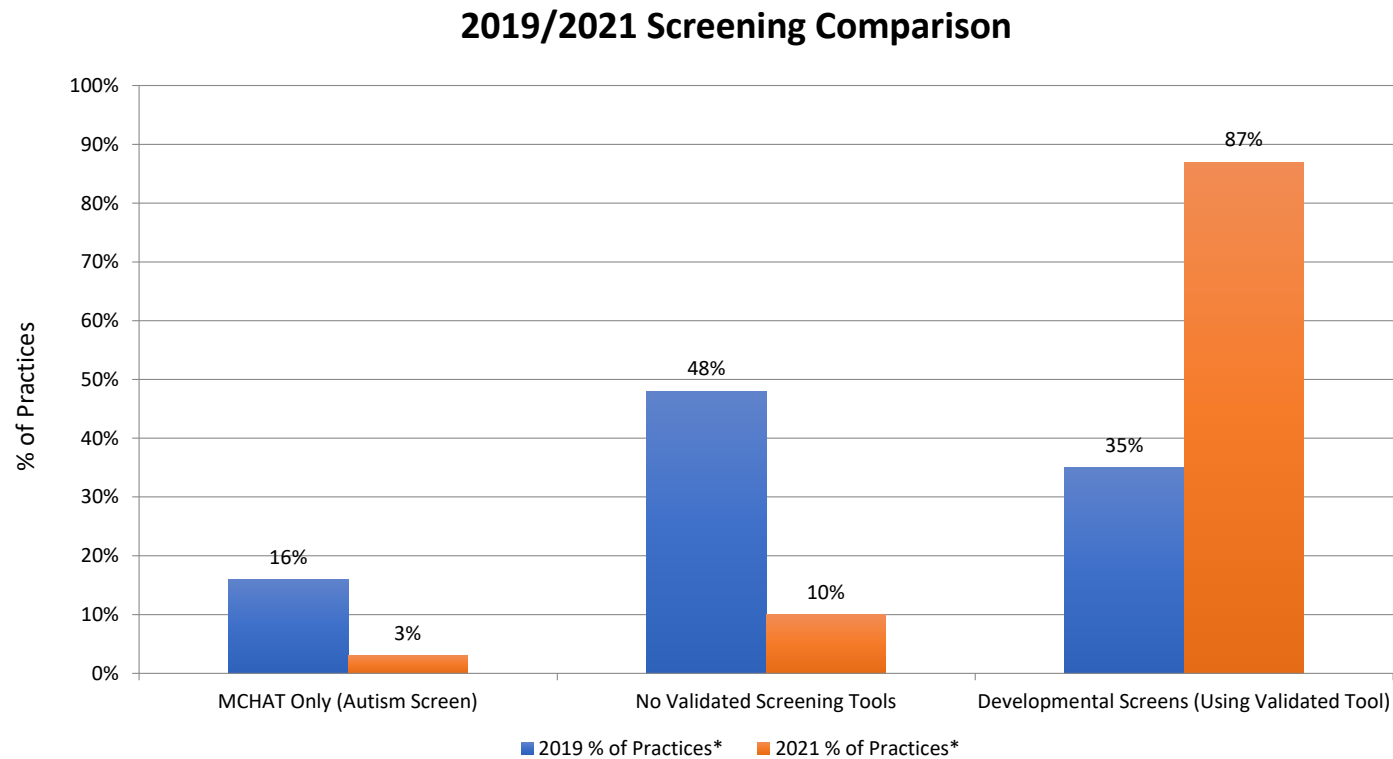
CHOC Quality Improvement Advisors

Practice and Workflow Changes

- **Quality Improvement Advisors (QIAs) at CHOC Health Alliance work with 130+ practices**
 - Incorporate developmental screening into workflow
 - Partner with Help Me Grow to train on use of validated tools
 - Train on use of OC Children's Screening Registry
 - Support connection to services when needed



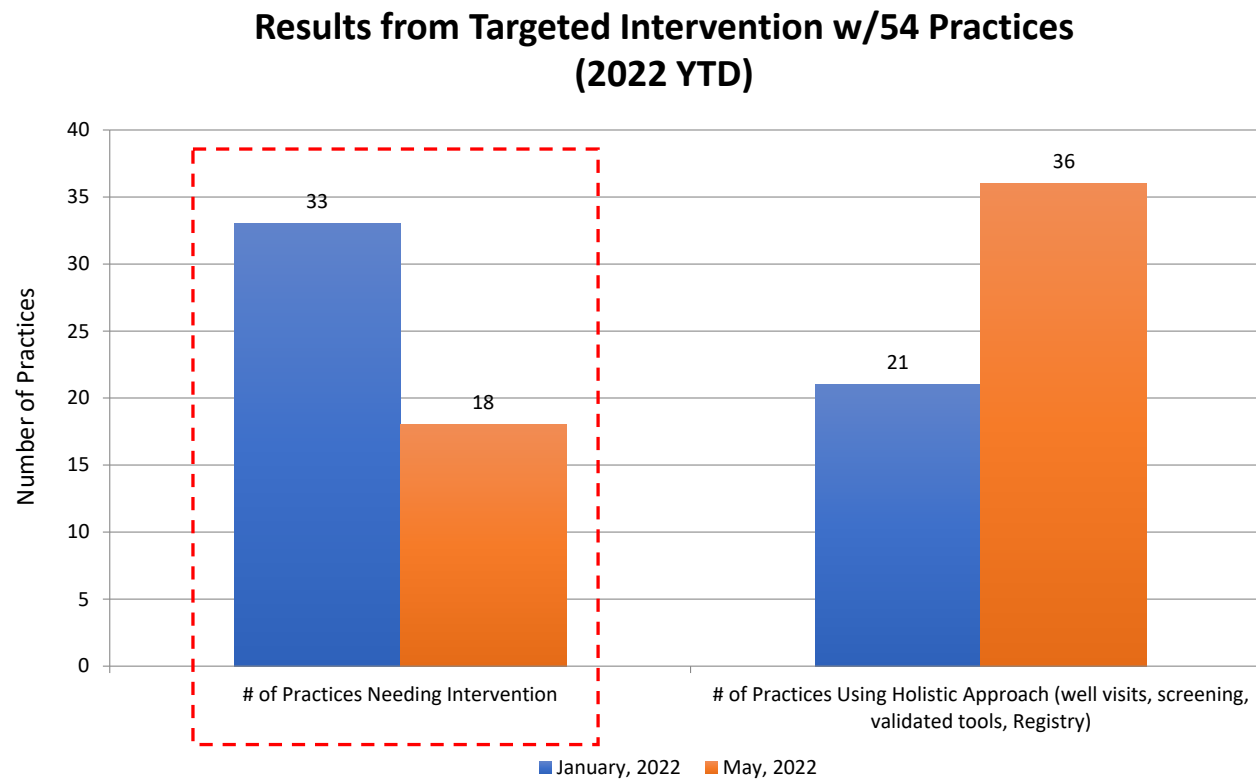
Increased Developmental Screens



*2019: 158 Practices in Denominator; 2021: 134 Practices in Denominator

7/26/2022

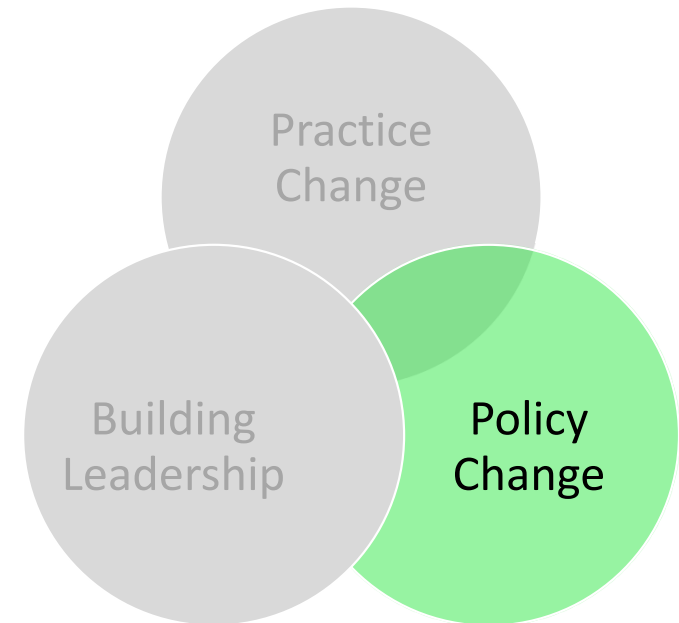
Targeted Interventions Yield Results



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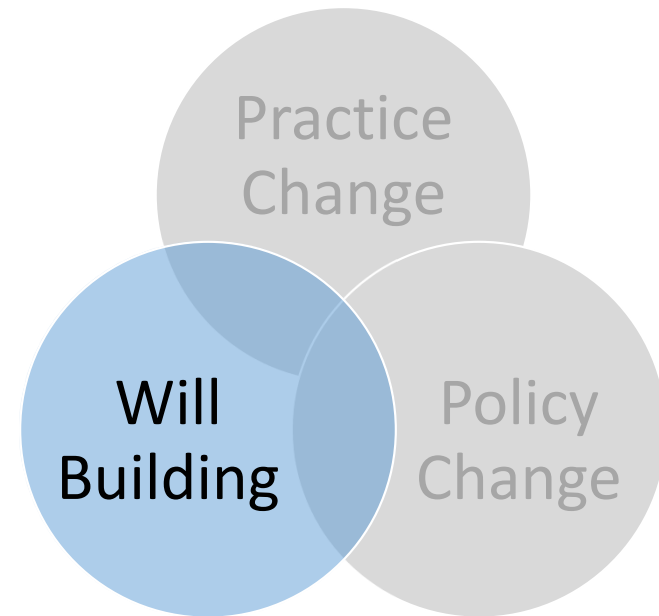
Policy Change through Tracking Local Implementation and Sharing Results

- Participating in state advocacy efforts through First 5 Association
- Increasing awareness of state policies that promote developmental screening
- Monitoring Orange County performance on required MediCal performance metrics



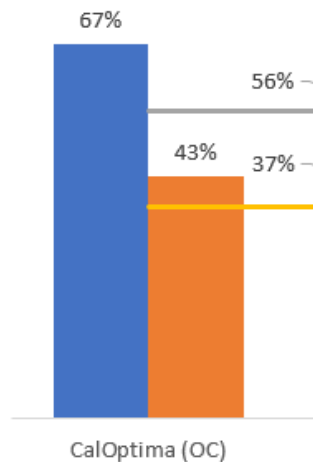
Will Building through Collaborative Partnerships

- Launched in 2019, Detect & Connect OC is a countywide, cross-sector, collaborative
- Shared Vision
 - Ensure all children in Orange County receive timely, recommended developmental screenings in accordance with national, evidence-based guidelines, and are connected to resources and interventions as early as possible

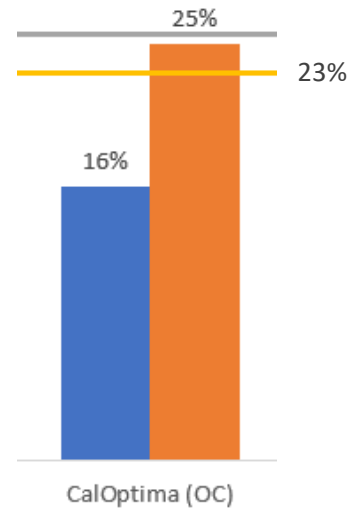


First 5 and Partner Investments are Demonstrating Impact

Well-Child Visits in the First 15 Months of Life
Six or More Well-Child Visits



Developmental Screening in
the First Three Years of Life



- Despite a decline in FY 20/21, OC performance on well-child visits exceeded the statewide average for the past two years.
- At the same time, OC experienced more than 50% improvement in rates of developmental screening, exceeding statewide average

■ FY 19/20 ■ FY 20/21 — FY 19/20 Statewide Average — FY 20/21 Statewide Average

But There is More Work to be Done



Priorities for FY 2022/23

- **Practice Change**

- Expand HealthySteps to two additional FQHC sites with significant Medi-Cal child populations
- Continued Practice Change with CHOC QIAs

- **Policy Change**

- Continuous Medi-Cal communication
- Work to ensure practices are drawing down Prop 56 payments and capturing the good work they are doing so it is reflected in HEDIS measurement
- Explore opportunities to leverage the new Community Health Worker benefit to support developmental screenings and follow up

- **Will Building**

- Continue to build countywide support for Detect & Connect OC; add HealthySteps representative
- Engage new partners such as schools and Regional Center to ensure continuity of care

DATE: July 11, 2022**TO:** First 5 Orange County**FROM:** Kimberly Goll, President/CEO**ACTION:** Receive Financial Update

SUMMARY:

First 5 Orange County monitors tax revenues and expenses throughout the year and is required to conduct an annual audit of all finances and prepare the Annual Comprehensive Financial Report (ACFR) that is submitted to First 5 California each year. This agenda item provides an update on the annual audit process that began in June 2022.

DISCUSSION:

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 the 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 base their opinion on the review and testing of financial data and information maintained by the county commission.

First 5 Orange County's audit services are provided by Eide Bailly LLP. The contract for audit services was approved at the April 2022 meeting with a term of five years. Attachment 1 is a direct communication from Eide Bailly regarding the process.

Fiscal Year 2021-2022 Annual Financial Audit – Progress Report

Interim audit fieldwork for the Fiscal Year 2021-2022 ACFR began on June 20, 2022. During this time the audit team began planning and testing transactions and events across different business areas. Examples of the tested items are cash receipts, disbursements, human resources, payroll, contracting/procurement, and information technology with related security.

Final fieldwork is scheduled to begin August 29, 2022. The audit is scheduled to be substantially completed in September. As noted above, the annual deadline to file the audited financial statements with First 5 California and the State Controller's Office is November 1st. Staff is expecting the supporting financial schedules for the Commission's participation in County of Orange Retiree Medical Plan in August or September, but the information has not been available until October in prior years. This information is necessary to complete the ACFR and allow the auditors to finish test work. As in recent years, First 5 Orange County staff will submit an extension request, if necessary, to the State Controller's Office due to the availability of the required

information. The ACFR will be scheduled for the December Commission meeting for review and approval.

Financial Highlights

Tobacco tax revenues are monitored throughout the year and compared to annual budget estimates. Revenue through April has been posted by First 5 California in the amount of \$20 million. At this time, tobacco tax revenue is tracking above budget estimates. Final financial results for Fiscal Year 2021-2022 will be presented in the Commission's Annual Comprehensive Financial Report scheduled for the October meeting. The May financial highlights summary report is included as Attachment 2.

Quarterly Investment Report (January – March 2022)

Pursuant to the First 5 Orange County Children and Families Commission's Fiscal Year 2021-2022 Investment Policy Statement, the Orange County Treasurer submits Quarterly Investment Reports to the Commission. This Investment Report summarizes investment activities for the three-month period from January 1 through March 31, 2022. 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). As of March 31, 2022, these totaled \$65,196,261. All funds are managed by the Office of the Orange County Treasurer. A summary of key OCIP investment information is in Attachment 3.

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 funding action proposed for this item.

PRIOR COMMISSION ACTIONS:

- April 2022 – Authorized agreement with Eide Bailly LLP for audit services
- December 2021 – Authorized Executive Director to submit the Fiscal Year 2019-2020 Comprehensive Annual Financial Report to First 5 California and the State Controller's Office
- April 2021 – 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

RECOMMENDED ACTION:

Receive update on financial audit.

ATTACHMENTS:

1. First 5 Orange County 2022 Audit Governance Planning Letter
2. Financial Highlights – May 2022
3. First 5 Orange County Quarterly Investment Report Ending March 2022

CONTACT: Michael Garcell

July 18, 2022

To the Board of Commissioners
First 5 Orange County, Children and Families Commission
Orange, California

This letter is provided in connection with our engagement to audit the financial statements of First 5 Orange County, Children and Families Commission (Commission) as of, and for the year ended, June 30, 2022. Professional standards require that we communicate with you, certain items including our responsibilities with regard to the financial statement audit and the planned scope and timing of our audit, including significant risks we have identified.

Our Responsibilities

As stated in our engagement letter dated June 20, 2022, we are responsible for conducting our audit in accordance with auditing standards generally accepted in the United States of America and in accordance with *Government Auditing Standards*, and State of California's *Standards and Procedures of Audits of California Counties Participating in the California Children and families Program*, issued by the California State Controller's Office for the purpose of forming and expressing an opinion about whether the financial statements that have been prepared by management, with your oversight, are prepared, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit does not relieve you or management of your respective responsibilities.

Planned Scope of the Audit

Our audit will include examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. Our audit is designed to provide reasonable, but not absolute, assurance about whether the financial statements as a whole are free of material misstatement, whether due to error, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations. Because of this concept of reasonable assurance, and because we will not examine all transactions, there is a risk that material misstatements may exist and not be detected by us.

Our audit will include obtaining an understanding of the entity and its environment, including its internal control, sufficient to assess the risks of material misstatement of the financial statements and as a basis for designing the nature, timing, and extent of further audit procedures, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. However, we will communicate to you at the conclusion of our audit, any material weaknesses or significant deficiencies identified. We will also communicate to you:

- Any violation of laws or regulations that come to our attention;
- Our views relating to qualitative aspects of the entity's significant accounting practices, including accounting policies, accounting estimates, and financial statement disclosures;

- Significant difficulties, if any, encountered during the audit;
- Disagreements with management, if any, encountered during the audit;
- Significant unusual transactions, if any;
- The potential effects of uncorrected misstatements on future-period financial statements; and
- Other significant matters that are relevant to your responsibilities in overseeing the financial reporting process.

Professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as “significant risks.” Although we are currently in the planning stage of our audit, we have preliminarily identified the following significant risks that require special audit consideration.

- The potential for management override of internal control.
- Implementation of a new accounting standard, GASB 87 - Leases.

We began our audit on June 20, 2022 and anticipate issuing our report in October 2022.

This information is intended solely for the information and use of the Board of Commissioners and management and is not intended to be and should not be used by anyone other than these specified parties.

Respectfully,



Laguna Hills, California



Financial Highlights as of May 31, 2022

Comparison of Budget vs. Actual Fiscal Year 2021-2022 Unaudited Period Ending 5/31/22

	<u>FY 2021-22 Budget</u>	<u>FY 2021-22 Actuals</u>	
Financing Sources			
Tobacco Tax Revenue	\$23,354,480	\$19,414,416	83.3%
Interest Earnings	100,000	137,703	137.7%
Other Revenue	<u>4,105,234</u>	<u>3,204,463</u>	78.1%
Revenue Total	\$27,559,714	\$22,756,582	
Expenses*			
Prenatal-to-Three*	\$10,424,567	\$5,677,474	54.5%
School Readiness Initiative	8,913,740	5,195,338	58.3%
Homeless Prevention	1,049,000	467,408	44.6%
Children's Dental*	1,400,000	128,250	9.2%
Systems Building	1,092,750	762,885	69.8%
Performance Evaluation	<u>1,036,125</u>	<u>481,547</u>	46.5%
Program Services	\$23,916,182	\$12,712,901	
Admin. Functions**	<u>1,534,090</u>	<u>1,084,750</u>	70.7%
Total Operating Exp.	\$25,450,272	\$13,797,651	

*Including One-Time System 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 \$1,084,750 and encumbrances of \$342,044 were 5.6% of the Fiscal Year 2021-2022 Budget of \$25.5 million. Final administrative expenses are projected to be 7% at year-end.

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

Prenatal-to-Three	\$19,986,089
School Readiness Initiative	\$11,183,127
Homeless Prevention	\$1,748,567
Children's Dental	\$3,406,660
System Building	\$975,102
Performance Evaluation	\$769,797
Admin. Functions	\$342,044

Revenue and Cash Balance Update

Tobacco Tax Revenue has been received through April 2022. Current year revenue (July 2021 – April 2022) as reported by First 5 California is \$20.9 million including the annual backfill amount of \$6 million and revenue through April.

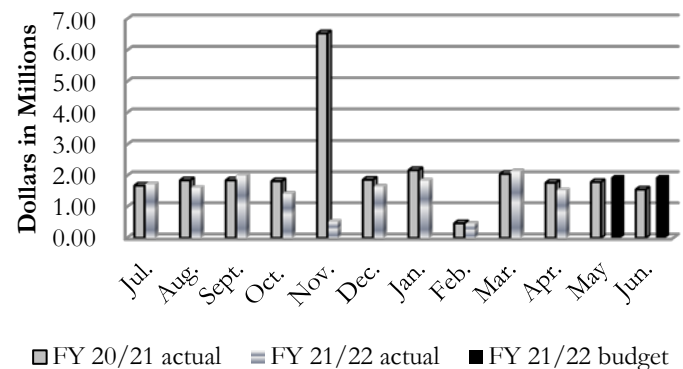
Interest earnings for July 2021 through May 2022 are \$111,721.

Systems Funding Update

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

As of May 31, 2022, \$7.9 million was encumbered for one-time System Building programs. \$3.4 million is encumbered for Children's Dental and \$4.5 million for Prenatal to Three Services

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 System 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 System Building Projects. For financial planning purposes, One-time System Building Projects have been designated by Commission action and removed from available fund balance.

First 5 Orange County, Children & Families Commission
Quarterly Investment Report
January 1, 2022 through March 31, 2022

OVERVIEW

Pursuant to the First 5 Orange County, Children & Families Commission (Commission) fiscal year 2021/2022 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 January 1 through March 31, 2022.

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 March 31, 2022, these totaled \$65,196,261. 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 January, February and March 2022, which are invested 100% in OCIP. The net year-to-date yield for fiscal year 2021/2022 is 0.431%, net of the estimated investment administrative fee of 5.8 basis points. We expect to provide our updated forecasted gross and net yields for fiscal year 2021/2022 in the next Monthly Investment report.

Month Ended	Commission's Month End Book Balance	Commission's Monthly Gross Yield	OCIP Market Value	OCIP Book Value	Weighted Average Maturity	Net Asset Value	Modified Duration
January	\$59,693,035	0.402%	\$5,751,675,626	\$5,781,469,836	371 days	.9948	1.03
February	\$64,039,275	0.439%	\$5,991,013,935	\$6,033,341,535	359 days	.9930	0.99
March	\$65,196,261	0.462%	\$6,258,292,832	\$6,336,387,507	338 days	.9877	0.93

During the first quarter, short-term rates have risen slightly causing the OCIP market value to drop below book value (see the U.S. Treasury Yield Curve below). The OCIP maintains sufficient liquidity to meet projected cash flow needs. The OCIP market value is sensitive to changes of interest rates as it invests 100% in fixed income investments. With an OCIP market value of \$6.3 billion and a duration of 0.93, every 1% increase in short-term interest rates would have an additional estimated \$58 million decrease in the OCIP market value below book value.

ECONOMIC UPDATE

The U.S. economic expansion continued in the first quarter of 2022 with strong employment and elevated inflation. Gross Domestic Product in the fourth quarter of 2021 increased to 6.9% from 2.3% in the third quarter. Employment remained robust with an increase of 1.7 million, slowing from the prior quarter's 1.9 million. The unemployment rate decreased to 3.6% from 3.9% and is approaching the 70-year low of 3.5%. The Consumer Price Index rose 8.5% year/year as higher commodity prices drove the rate above the prior quarter's 7.0%. The Federal Open Market Committee (FOMC) raised the Fed Funds Rate (Rate) to a range of 0.50-1.00% from 0.25-0.50% on May 4th, 2022 and indicated they will commence reducing their balance sheet. The FOMC indicated they intend to raise the Rate at subsequent meetings as the economy remains strong with inflation higher than their target rate.

U.S. Treasury Yield Curve: Yields increased for all key terms during the quarter.

	Quarter Ended December 31, 2021	Quarter Ended March 31, 2022
3 - Month	0.06%	0.52%
2 - Year	0.73%	2.28%
5 - Year	1.26%	2.42%
10 - Year	1.52%	2.32%
30 - Year	1.90%	2.44%

COMPLIANCE MONITORING

As of March 31, 2022, 100% of the holdings of the Commission are in compliance with the Commission's IPS. The investment portfolio had no compliance exceptions for the quarter ended March 31, 2022.

The County Treasurer's investments are audited regularly by the County Auditor-Controller, Internal Division (ACID). The ACID issued four reports (Attachments D, E, F, and G) during the quarter ended March 31, 2022, as follows:

Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended September 30, 2021.

In the report issued on January 18, 2022, the Auditor-Controller stated no compliance exceptions were identified.

Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended December 31, 2021.

In the report issued on March 8, 2022, the Auditor-Controller stated no compliance exceptions were identified.

Review of the Schedule of Assets Held by the County Treasury as of September 30, 2021.

On January 21, 2022 the Auditor-Controller issued their review stating that they were not aware of any material modifications, except that Management has elected to omit disclosures, which is consistent with prior review reports.

First Follow-up Audit of Management Letter on Review of the Schedule of Assets Held by the County Treasury as of December 31, 2020.

On February 10, 2022, the Auditor-Controller issued the First Follow-Up Audit stating that the one outstanding recommendation is currently being tested and will be completed by March 31, 2022.

We have attached the Investment Policy (IPS) and Treasury Oversight Committee Compliance Summary as reported in the Treasurer's Monthly Report for the months of January, February and March 2022 (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 AA 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 March 31, 2022, OCIP has a total market value of \$329 million in County of Orange debt, which represents approximately 5.3% of total OCIP assets.

STATEMENT OF ACTIVITY

We have attached the Statement of Activity for the months of January, February and March 2022. (Attachment C). These Statements report the beginning and ending balances of the Commission's funds invested in the OCIP.

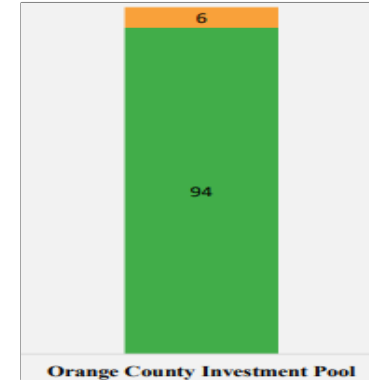
Attachments:

- A. Orange County Investment Pool Summary.
- B. Investment Policy and Treasury Oversight Committee Compliance Summary for January, February and March 2022.
- C. Statement of Activity for the months of January, February and March 2022.
- D. Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended September 30, 2021.
- E. Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended December 31, 2021.
- F. Review of the Schedule of Assets Held by the County Treasury as of September 30, 2021.
- G. First Follow-up Audit of Management Letter on Review of the Schedule of Assets Held by the County Treasury as of December 31, 2020.

ATTACHMENT A

ORANGE COUNTY TREASURER-TAX COLLECTOR ORANGE COUNTY INVESTMENT POOL INVESTMENT POOL SUMMARY AT March 31, 2022

Security Type	OCIP PORTFOLIO COMPOSITION			
	Market Value ¹	% of Market Value	Book Value ¹	Unrealized Gain (Loss)
U.S. TREASURIES	\$ 3,175,806,073	50.76%	\$ 3,233,480,776	\$ (57,674,703)
U.S. GOVERNMENT AGENCIES	1,808,249,729	28.90%	1,828,669,701	(20,419,972)
MONEY MARKET MUTUAL FUNDS	906,789,253	14.49%	906,789,253	-
MUNICIPAL DEBT	327,590,108	5.24%	329,340,465	(1,750,357)
LOCAL AGENCY INVESTMENT FUND	38,107,312	0.61%	38,107,312	-
TOTAL	\$ 6,256,542,475	100.00%	\$ 6,336,387,507	\$ (79,845,032)



■ US GOV Includes Agency Debt, Treasury Debt and US Gov. MMMF's
■ NR Includes LAIF and Orange County Pension Obligation Bonds

SUMMARY OF INVESTMENT DATA INVESTMENT TRENDS OCIP

	MARCH 2022	FEBRUARY 2022	INCREASE (DECREASE)	NET CHANGE %	MARCH 2021	INCREASE (DECREASE)	NET CHANGE %
Orange County Investment Pool (OCIP)							
End Of Month Market Value ^{1,2}	\$ 6,256,542,475	\$ 5,991,013,935	\$ 265,528,540	4.43%	\$5,549,386,374	\$ 707,156,101	12.74%
End Of Month Book Value ²	\$ 6,336,387,507	\$ 6,033,341,535	\$ 303,045,972	5.02%	\$5,528,689,718	\$ 807,697,789	14.61%
Monthly Average Balance	\$ 6,002,731,714	\$ 5,816,142,612	\$ 186,589,102	3.21%	\$5,507,323,509	\$ 495,408,205	9.00%
Year-To-Date Average Balance	\$ 5,663,651,027	\$ 5,621,265,941	\$ 42,385,086	0.75%	\$5,164,199,328	\$ 499,451,699	9.67%
Monthly Accrued Earnings ³	\$ 2,388,242	\$ 1,994,182	\$ 394,060	19.76%	\$2,864,210	\$ (475,968)	-16.62%
Monthly Net Yield ³	0.404%	0.381%	0.023%	6.04%	0.565%	-0.161%	-28.50%
Year-To-Date Net Yield ³	0.431%	0.435%	-0.004%	-0.92%	0.835%	-0.404%	-48.38%
Annual Estimated Gross Yield ³	0.360%	0.360%	0.000%	0.00%	0.802%	-0.442%	-55.11%
Weighted Average Maturity (WAM) ⁴	338	359	(21)	-5.85%	274	64	23.36%

¹ Market values provided by Bloomberg and Northern Trust.

² Market values for OCIP are lower than book values. Short-term rates have risen slightly causing the market values of this pool to continue to drop slightly. The OCIP has sufficient liquidity to meet projected cash flow needs. The OCIP End Of Month Market Values and End Of Month Book Values were higher than the prior year due to the unspent ARRA funds and higher capital projects balances.

³ The OCIP Monthly Accrued Earnings are higher than the prior month due to a higher Monthly Average Balance and slightly higher yields. The OCIP Monthly Accrued Earnings, Monthly Net Yields, Year-To-Date Net Yields and Annual Estimated Gross Yields were lower than the prior year primarily due to the five Federal Reserve (Fed) short-term rate cuts totaling 2.25% since June 2019 offset by the Fed short-term rate increase of 0.25% on March 16, 2022 and anticipated Fed short-term rate increases. The OCIP Annual Estimated Gross Yields for March 2021 are reported at the actual annual adjusted gross yields for FY 20-21.

⁴ The OCIP WAM increased from the prior year as portfolio duration is being extended as current liquidity is sufficient to cover expected expenditures.

**ORANGE COUNTY TREASURER-TAX COLLECTOR
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY
January 31, 2022**

ATTACHMENT B

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2021 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	September 30, 2021 completed. December 31, 2021 in progress.
Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2021 in progress.
Quarterly Schedule of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	September 30, 2021 completed. December 31, 2021 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013 and IPS Section XVI.	FY 17/18, FY 18/19, FY 19/20 and FY 20/21 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2020 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	2021 IPS certifications received for all active approved brokers.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	As of January 31, 2022 all three compliance exceptions have been self identified for FY 21/22, one in July 2021 and two in October 2021.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed Bylaws changes at the October 28, 2021 meeting and approved the Bylaw changes. BOS approved on December 14, 2021.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 28, 2021 meeting and provided input on the proposed IPS changes. BOS approved on December 14, 2021.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2021 Annual Report was approved by TOC on January 26, 2022 and is scheduled for the BOS March 8, 2022 meeting.
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, 2021.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	The TOC members are in compliance for calendar year 2021.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	The TOC members are in compliance for calendar year 2020.
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 2020.

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
February 28, 2022**

ATTACHMENT B

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2021 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	December 31, 2021 in progress.
Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2021 in progress.
Quarterly Schedule of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	December 31, 2021 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013 and IPS Section XVI.	FY 17/18, FY 18/19, FY 19/20 are complete and refunds will be posted to accounts over the next several months. FY 20/21 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2020 completed in March 2022.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	2021 IPS certifications received for all active approved brokers.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	As of February 28, 2022 all three compliance exceptions have been self identified for FY 21/22, one in July 2021 and two in October 2021.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed Bylaws changes at the October 28, 2021 meeting and approved the Bylaw changes. BOS approved on December 14, 2021.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 28, 2021 meeting and provided input on the proposed IPS changes. BOS approved on December 14, 2021.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2021 Annual Report was approved at the BOS meeting on March 8, 2022.
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, 2021.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	The TOC members are in compliance for calendar year 2021.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	The TOC members are in compliance for calendar year 2020.
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 2020.

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
March 31, 2022**

ATTACHMENT B

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2021 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	December 31, 2021 completed.
Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2021 in progress.
Quarterly Schedule of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	December 31, 2021 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013 and IPS Section XVI.	FY 17/18, FY 18/19, FY 19/20 are complete and refunds will be posted to accounts over the next several months. FY 20/21 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2021 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	2022 IPS certification requests in progress.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	As of March 31, 2022 all three compliance exceptions have been self identified for FY 21/22, one in July 2021 and two in October 2021.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed Bylaws changes at the October 28, 2021 meeting and approved the Bylaw changes. BOS approved on December 14, 2021.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 28, 2021 meeting and provided input on the proposed IPS changes. BOS approved on December 14, 2021.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2021 Annual Report was approved at the BOS meeting on March 8, 2022.
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, 2021.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	Review for calendar year 2021 in progress.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	The TOC members are in compliance for calendar year 2020.
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 2020.

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

January 31, 2022

FIRST 5 ORANGE COUNTY

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

Fund Number : 225

JANUARY 2022 STATEMENT

INVESTMENT BALANCE IN OCIP

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
01/03/2022	December 2021 Investment Admin Fee	\$ (2,917.83)
01/31/2022	October 2021 Interest Paid	\$ 24,341.09

Summary

Total Deposit:	\$ 2,460,628.93	Beginning Balance:	\$ 59,215,333.37
Total Withdrawal:	\$ (1,982,926.96)	Ending Balance:	\$ 59,693,035.34

ACCRUED INVESTMENT INCOME

Description

Amount

November 2021 Interest Accrued	\$ 25,166.04
December 2021 Interest Accrued	\$ 19,940.84
Total	<u>\$ 45,106.88</u>

March 2022 Interest to be accrued in April 2022	\$ 20,274.88
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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

February 28, 2022

FIRST 5 ORANGE COUNTY

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

Fund Number : 225

FEBRUARY 2022 STATEMENT

INVESTMENT BALANCE IN OCIP

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
02/01/2022	January 2022 Investment Admin Fee	\$ (2,925.80)
02/28/2022	November 2021 Interest Paid	\$ 25,166.04

Summary

Total Deposit:	\$ 6,453,792.08	Beginning Balance:	\$ 59,693,035.34
Total Withdrawal:	\$ (2,107,551.85)	Ending Balance:	\$ 64,039,275.57

ACCRUED INVESTMENT INCOME

Description

Amount

December 2021 Interest Accrued	\$ 19,940.84
January 2022 Interest Accrued	\$ 20,274.88
Total	<u>\$ 40,215.72</u>

March 2022 Interest to be accrued in April 2022	\$ 21,943.84
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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

March 31, 2022

FIRST 5 ORANGE COUNTY

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

Fund Number : 225

MARCH 2022 STATEMENT

INVESTMENT BALANCE IN OCIP

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
03/01/2022	February 2022 Investment Admin Fee	\$ (2,901.65)
03/30/2022	December 2021 Interest Paid	\$ 19,940.84

Summary

Total Deposit:	\$ 2,679,882.45	Beginning Balance:	\$ 64,039,275.57
Total Withdrawal:	\$ (1,522,896.59)	Ending Balance:	\$ 65,196,261.43

ACCRUED INVESTMENT INCOME

Description

Amount

January 2022 Interest Accrued	\$ 20,274.88
February 2022 Interest Accrued	\$ 21,943.84
Total	<u>\$ 42,218.72</u>

March 2022 Interest to be accrued in April 2022	\$ 25,604.69
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Frank Davies, CPA

Orange County Auditor-Controller

Internal Audit



Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended September 30, 2021

Audit Manager: Michael Steinhaus, CPA, CISA, CGMA
Auditor II: John Lim

Audit Number 2103
Report Date: January 18, 2022



OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

FRANK DAVIES, CPA
AUDITOR-CONTROLLER

Transmittal Letter

Audit No. 2103

January 18, 2022

TO: Members, Treasury Oversight Committee

SUBJECT: Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter
Ended September 30, 2021

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, 2021. 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
Frank Kim, County Executive Officer
Shari Freidenrich, Treasurer-Tax Collector
James Kim, Assistant Treasurer-Tax Collector
Brian Winn, Accounting/Compliance Manager
Salvador Lopez, Chief Deputy Auditor-Controller
Michael Steinhaus, Audit Manager
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, 2021. 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 Treasurer'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, no compliance exceptions were identified.

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 no exceptions.

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
January 18, 2022



Frank Davies, CPA
Orange County Auditor-Controller

Internal Audit

**Compliance Monitoring of the
Treasurer's Investment Portfolio for the
Quarter Ended December 31, 2021**

Audit Manager: Michael Steinhaus, CPA, CIA, CISA
Auditor II: John Lim

Audit Number 2104
Report Date: March 8, 2022



OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

FRANK DAVIES, CPA
AUDITOR-CONTROLLER

Transmittal Letter

Audit No. 2104

March 8, 2022

TO: Members, Treasury Oversight Committee

SUBJECT: Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended December 31, 2021

At the request of the Treasury Oversight Committee, we have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended December 31, 2021. 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.

A handwritten signature in blue ink, appearing to read "Frank Davies".

Frank Davies, CPA
Auditor-Controller

Other recipients of this report:

- Members, Board of Supervisors
- Members, Audit Oversight Committee
- Frank Kim, County Executive Officer
- Shari Freidenrich, Treasurer-Tax Collector
- James Kim, Assistant Treasurer-Tax Collector
- Brian Winn, Accounting/Compliance Manager
- Salvador Lopez, Chief Deputy Auditor-Controller
- Michael Steinhaus, Audit Manager
- 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 December 31, 2021. 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, no compliance exceptions were identified.

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 no exceptions.

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
March 8, 2022



Frank Davies, CPA
Orange County Auditor-Controller



Internal Audit

Review of the Schedule of Assets Held by the County Treasury as of September 30, 2021

Audit Manager: Michael Steinhaus, CPA, CISA, CGMA
Auditor II: John Lim

Audit Number 2106
Report Date: January 21, 2022



OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

FRANK DAVIES, CPA
AUDITOR-CONTROLLER

Transmittal Letter

Audit No. 2106

January 21, 2022

TO: Members, Board of Supervisors
Chairman Doug Chaffee, Fourth District
Vice Chairman Don Wagner, Third District
Andrew Do, First District
Katrina Foley, Second District
Lisa A. Bartlett, Fifth District

SUBJECT: Review of the Schedule of Assets Held by the County Treasury as of September 30, 2021

We have completed our Review of the Schedule of Assets Held by the County Treasury as of September 30, 2021. 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, Audit Oversight Committee
Frank Kim, County Executive Officer
Shari Freidenrich, Treasurer-Tax Collector
James Kim, Assistant Treasurer-Tax Collector
Christine Herrera, Director of Treasury, Treasurer-Tax Collector
Salvador Lopez, Chief Deputy Auditor-Controller
Michael Steinhaus, Audit Manager
Foreperson, Grand Jury
Robin Stieler, Clerk of the Board of Supervisors
Eide Bailly LLP, County External Auditor

Independent Accountant's Review Report

The Honorable Board of Supervisors
County of Orange, California

We have reviewed the accompanying Schedule of Assets Held by the County Treasury—Modified Cash-Basis (financial schedule) of the County of Orange, California, as of September 30, 2021, pursuant to Government Code Section 26920(a). A review includes primarily applying analytical procedures to management's financial data and making inquiries of department management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial schedule as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Financial Schedule

Management is responsible for the preparation and fair presentation of this financial schedule in accordance with the modified cash-basis of accounting; this includes determining that the basis of accounting the County Treasury uses for financial reporting is an acceptable basis for the preparation of financial schedules in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial schedules that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial schedule for it to be in accordance with the modified cash-basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, except for the issue noted in the Known Departure from Modified Cash-Basis of Accounting paragraph, we are not aware of any material modifications that should be made to the accompanying financial schedule in order for it to be in accordance with the modified cash-basis of accounting.

Known Departure from Modified Cash-Basis of Accounting

The financial schedule is prepared in accordance with the modified cash-basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. 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 modified cash-basis of accounting requires that financial statements include adequate disclosures. Management has elected to omit all disclosures ordinarily included in a financial schedule prepared on the modified cash-basis of accounting. If the omitted disclosures were included in the financial statement, they might influence the users' conclusions about the County Treasury's assets.

Other Matter

This report is intended solely for the information and use of the Board of Supervisors and the management of the Orange County Auditor-Controller. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in blue ink, appearing to read 'Frank Davies', with a stylized, cursive script.

Frank Davies, CPA
Auditor-Controller
January 21, 2022

Orange County Treasury
Schedule of Assets Held by the County Treasury
(Dollar Amounts in Thousands)
As of September 30, 2021

	Pooled	Assets Non-Pooled	Total
Cash			
Cash on Hand	\$ 36	\$ -	\$ 36
Cash on Deposit	360,772	26,016	386,788
Total Cash	360,808	26,016	386,824
Investments, stated at fair value	10,162,775	113,133	10,275,908
Total Assets	\$ 10,523,583	\$ 139,149	\$ 10,662,732

DATE: July 15, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO



ACTION: Receive Report on Access to Speech and Language Services

SUMMARY:

This item is a follow up from Board direction to investigate barriers to accessing early speech and language services. Staff has developed a framework and timeline for commissioner consideration.

DISCUSSION:

At the June Board meeting, Commissioners directed staff to investigate speech and language needs of young children in Orange County, with a focus on early intervention and including families that have private insurance which may inadvertently limit their access to services. The desire is to understand barriers that families are experiencing in accessing services and deepen our work to ensure children receive intervention as early as possible to have the greatest impact on their outcomes.

The specific example raised at the Board meeting related to speech therapy, and we know from historical information that speech is one of the top areas of concern for families of young children. We also know there are a wide range of other concerns and developmental delays that benefit from early identification and intervention, so we recommend that when we assess the needs and barriers to access, we look at early intervention more broadly.

Staff has begun to shape this effort and offers the following framework to conduct the analysis.

1. Conduct Situation Analysis

- a. Describe the range of early intervention needs in Orange County for young children (speech, physical therapy, occupational therapy, behavior, etc.)
- b. Describe the flow of children being referred into and receiving services (What is the process families must follow to get therapy? How does it differ between insurance types? Does it differ by age of the child?)
- c. Describe the difference in services for children younger than three years and over three years (Regional Center of Orange County and School Districts)

2. Understand the Referral and Enrollment Process

- a. Conduct a series of interviews/data analysis with the following stakeholders to understand what is the process and where does it break down? Things like referral, eligibility including insurance requirements, wait lists, etc.
 - i. Regional Center OC and Comfort Connection

- ii. Help Me Grow OC
- iii. Parents from diverse socioeconomic backgrounds
- iv. Providers (Unlimited Possibilities, Beyond Blindness, Providence Speech and Language, etc.)
- v. Therapists (they may have some interesting stories about their case loads and the business of being a provider)

3. Assess Access to Services

- a. Assess System Strengths and Challenges, Barriers and Opportunities
 - i. Current linkage to services
 - ii. Supply of therapists versus demand for services
 - iii. What information and how is information conveyed to parents about services and access?

4. Recommendations for First 5 Orange County

- a. Research best practices locally/nationally
- b. Determine what is the unique role for First 5 to play in addressing the need?

Below is a rough timeline for this analysis. We will most likely need to hire a consulting firm to support this work and will bring back an agenda item if needed for approval or to update the board on our progress.

Proposed Timeline

The following is an approximate timeline for this work effort.

	2022-2023							
Activity	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar
Secure Consultant Support								
Conduct Situation Analysis								
Understand the Referral and Enrollment								
Assess Access to Services								
Recommendations for First 5 Orange County								

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 and outcomes. There is no funding associated with this action.

RECOMMENDED ACTION:

Receive report and provide input.

ATTACHMENTS:

None

CONTACT:

Lisa



Agenda Item 4
August 3, 2022

DATE: June 21, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO

A handwritten signature in black ink, appearing to read "Kimberly Goll", is written over the printed name.

ACTION: Receive Update on Systems Change Efforts

SUMMARY:

This agenda item provides an update on First 5 Orange County's investment in systems change work through sharing the results of the 2021-2022 Systems Change Questionnaire.

DISCUSSION:

Since its inception, First 5 Orange County has invested in programs and projects intended to improve the system of care for young children and families. In recent years, we've been explicitly naming this work as "systems change," and acknowledging and collaborating with the many partners needed to make progress. We have identified three key strategies that describe our systems change efforts: practice change, policy change, and will building.

While the work of improving systems happens slowly and incrementally, we are seeing progress. Three years ago, we began thinking about how we could show progress in systems change, which is more difficult to define and describe than programmatic investments. Programs are often measured by things like the number of children served or the number referred or linked to services. These types of outputs are important, but don't get us to a sustainable change in population level outcomes. We believe it is important to monitor the outputs of specific interventions while we are also tracking changes in the system of care for a particular focus area.

To measure the success of a collaborative or countywide convening, or progress towards a more seamless system of care for families, a different type of assessment is needed. We developed a tool we call the Systems Change Questionnaire (SCQ). We piloted it last year with several funded partners and the Engaged Neighborhood Collaboratives and broadened to several more partners this year. Attachment 1 are sample questionnaires for funded partners and collaboratives. The questionnaire covers key areas of systems work such as shared vision and goals; being responsive to parent and community voices and empowering them to be champions; sharing data to improve coordination, services, and service delivery; and leveraging funds for early childhood.

As we've been using the questionnaire with our partners, we have found it serves multiple functions. It familiarizes people with what systems change is – moving from a nebulous term: "What exactly is systems change?" to an actionable concept and response of: "I want to be part of this impactful work!" It has generated robust dialogue among collaboratives and partners about systems work and brought into focus gaps or priorities where agencies and collaboratives can direct their energy.

School District Partners

Now in the second year of using the questionnaire to observe and gain understanding about how systems work develops, we have some findings to share. Attachment 2 provides a summary of results from all 25 school districts. Here are a few highlights:

- There has been a positive shift in the number of school districts that are active participants within an initiative or collaborative focused on early childhood. The number of districts that are “well on their way” in this area more than doubled (from 5 to 12 districts), and none of the districts are now indicating that they haven’t started work in this area.
- Similarly, there has been a doubling in the number of districts that seek, incorporate, and are responsive to voices of community residents who have children under age five (from 3 districts in 2020 to 6 districts now). And when asked in 2022, none of the districts indicated that they haven’t started work in this area.
- The number of districts well on their way in initiating innovative and best practices to address the needs and gaps in the county’s early childhood system of care more than doubled, from 4 districts in 2020 to 9 districts in 2022.

While we are seeing positive outcomes from continued discussion about systems work with the school districts, we have received feedback that several of the focus areas of the questionnaire are duplicative of the Early Childhood Accountability Plan (ECAP) – another planning and goal-setting tool that is part of First 5 OC’s scope of work for the districts. Since the desired outcome of the SCQ is to facilitate discussion and generate ideas for actionable work – and this seems to be happening through the ECAPs – staff will work with our consulting team and districts to resolve the duplication while ensuring all the focus areas are incorporated.

Collaboratives

Completing the SCQ is a process of reflection and brainstorming and is a facilitated conversation with our partners. This year, we spent a significant amount of time with staff and consultants who work with these partners to support their facilitation of that conversation. The four Engaged Neighborhood collaboratives completed the questionnaire last year. The knowledge gained from that experience as well as our efforts to expand to other early childhood collaboratives led to changes in the collaborative-focused questionnaire. As a result, the early childhood collaboratives, including Engaged Neighborhoods, are just beginning to collect SCQ data. Each of the following entities had robust discussion using the questionnaire. We have baseline information from this year and look forward to sharing updates in the future.

- Engaged Neighborhoods (Anaheim, Garden Grove, La Habra and Santa ana)
- Detect & Connect OC
- Early Childhood Mental Health Collaborative
- Family Solutions Collaborative

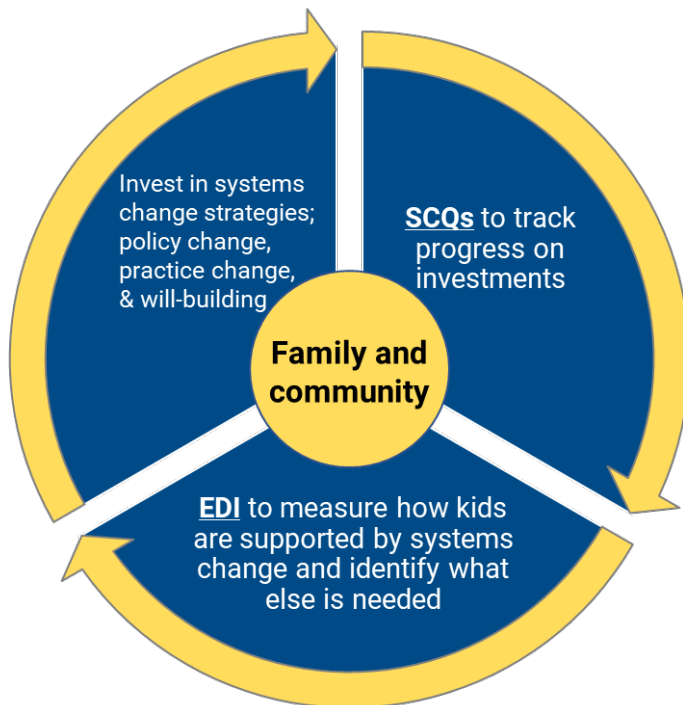
We also facilitated the SCQ with several other funded partners (not school districts and not collaboratives) including the Orange County Association for the Education of Young Children, Orange County Department of Education’s Early Learning Department and IMPACT, Healthy Smiles, Help Me Grow OC, and Pretend City.

An important part of our learning is the experience of our partners as they do this work and reflect on it through the questionnaire. We asked staff and consultants to share their takeaways from this year’s efforts, as well as what they view as most impactful about conducting the questionnaire and any interesting comments from partners around the table. A selection of their responses is

provided in Attachment 3. They also shared ways to improve the process this year, and we will gather them together to share their learnings and further refine and develop our approach.

Next Steps

As we continue developing our strategy for renewal of First 5 Orange County investments, this grounding in systems work and its impact is important. We developed a visual to depict a cycle for systems improvement.



We will return to the Board after working with staff, consultants and partners over the year to continue the systems change discussion, both in our renewal strategy and discussion with community partners.

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 and outcomes. There is no funding associated with this action.

RECOMMENDED ACTION:

Receive update.

ATTACHMENTS:

1. Sample Questionnaires
2. School District Systems Questionnaire Summary
3. Reflections from Staff and Consultants

CONTACT: Lisa Burke



Systems Change Questionnaire (Program)

Introduction:

In recent years, First 5 Orange County has begun funding “systems change” work. Rather than providing direct services, systems change efforts strive to shift the conditions that are holding stubborn problems in place. An example of systems change work is the recently completed Child Care Landscape Analysis and our work to develop stronger partnerships with child care providers, legislators, the business community, and parents. The goal of these efforts is to improve Orange County’s child care delivery system and inspire more champions for young children and families.

Similarly, First 5 Orange County seeks to facilitate discussion with funded partners about how we can collectively create seamless systems of care for young children and families. We believe four of the most effective strategies to drive systems change include: getting involved early, elevating equity, empowering champions, and aligning systems of care, and that making progress in these areas will greatly benefit Orange County’s children and families.

Measuring progress on this work will be more qualitative than quantitative. Systems work does not have the same type of measurement as traditional program analysis, which quantifies outputs or outcomes like the number of children served, or the number of children who are 100% immunized by the end of the program we are funding. We are asking our partners to complete the short Systems Change Questionnaire, attached, to better understand how our joint work is positively helping to shift systems of care, and to create actions to move toward more seamless systems. We will share the results of the questionnaires back with you and provide TA support as desired.

For those organizations that completed a questionnaire (Strategic Directions Questionnaire) as part of last year’s pilot, you may notice that some of the headings/questions are slightly altered to align with First 5’s updated Strategic Plan.

If you have any questions about this questionnaire, please feel free to reach out to your program lead or to Lisa Burke, First 5 Orange County, at (714) 277-5878 or lisa.burke@cfcoc.ocgov.com. Thank you for your continued support.

Systems Change Questionnaire (Program)

Organization Name: _____ Program Name: _____ F5OC Contract #: _____

Date Questionnaire Completed: _____

Contact Person: _____ Contact Email: _____

Please review the aspirational statements below and indicate to what extent your organization has reached each of these levels. Use the Comments column to provide details that support progress made on each statement.

Desired System Change	Not Started	Just Getting Started	Making Progress	Well on our Way	Comments
Getting Involved Early					
1. Our organization has made a commitment to early childhood:					
1a. Our organization is an active participant within a taskforce, initiative or collaborative focused on early childhood	<input type="checkbox"/> Our organization is not yet part of an early childhood group	<input type="checkbox"/> Our organization has identified a group and are in process of becoming members or are in process of creating a group	<input type="checkbox"/> Our organization attends meetings with a group regularly	<input type="checkbox"/> Our organization is engaged in active and strategic work within an early childhood group (e.g., our organization shares data or work towards shared measures, or contributes to the work product within a strategic initiative of the group)	
1b. Our organization has adopted guidelines that prioritize positive early childhood outcomes, which are used during development of organizational goals, policies, programming, and communications. An example of such guidelines is the Early Childhood Policy Framework (https://earlychildhoodoc.org/)	<input type="checkbox"/> Our organization has not yet adopted guidelines that prioritize early childhood	<input type="checkbox"/> Our organization has identified potential guidelines that prioritize early childhood	<input type="checkbox"/> Our organization has adopted guidelines that prioritize early childhood	<input type="checkbox"/> Our organization is actively applying guidelines that prioritize early childhood	

Desired System Change	Not Started	Just Getting Started	Making Progress	Well on our Way	Comments
Getting Involved Early (cont.)					
1c. Our organization makes financial investments in early childhood beyond First 5 OC funding	<input type="checkbox"/> Our organization does not yet make financial investments in early childhood	<input type="checkbox"/> Our organization has started meeting to identify potential investment strategies to sustain or enhance early childhood quality services	<input type="checkbox"/> Our organization has implemented an investment strategy to sustain or enhance early childhood quality services	<input type="checkbox"/> Our organization is implementing more than one investment strategy to sustain or enhance early childhood quality services	
1d. Our organization initiates innovative and best practices to address emergent needs and gaps in the county's early childhood system of care	<input type="checkbox"/> Our organization maintains standard service practices to address a local need, but is not currently growing or advancing those practices	<input type="checkbox"/> Our organization stays current on national trends, promising practices, and emerging local needs by engaging with early childhood research data, professional organizations, and stakeholders	<input type="checkbox"/> Our organization is pioneering at least one innovative or best practice to address an unmet need	<input type="checkbox"/> Our organization regularly implements and tests program quality improvements and/or new service models and tools to address unmet needs and produce better early childhood outcomes	

Desired System Change	Not Started	Just Getting Started	Making Progress	Well on our Way	Comments
Elevating Equity by Engaging Families					
2. Our organization seeks, incorporates and is responsive to voices of community residents who have children ages 5 and younger	<input type="checkbox"/> Our organization does not yet solicit feedback from residents	<input type="checkbox"/> Our organization seeks feedback from residents on their needs	<input type="checkbox"/> Our organization has begun incorporating feedback from residents into work	<input type="checkbox"/> Our organization is a partner with our residents	
3. Our organization provides families and residents (with children ages 5 and younger) with resources and/or support for becoming advocates and agents of change in their community	<input type="checkbox"/> Our organization does not yet support families in advocating for their community	<input type="checkbox"/> Our organization works with families to help them understand their communities' early childhood health, developmental and early learning systems	<input type="checkbox"/> Our organization supports families in identifying and prioritizing community needs related to early childhood	<input type="checkbox"/> Our organization has developed formal protocols to help families advocate for identified community needs related to early childhood	



Systems Change Questionnaire (Collaborative)

Introduction:

In recent years, First 5 Orange County has begun funding “systems change” work. Rather than providing direct services, systems change efforts strive to shift the conditions that are holding stubborn problems in place. An example of systems change work is the recently completed Child Care Landscape Analysis and our work to develop stronger partnerships with child care providers, legislators, the business community, and parents. The goal of these efforts is to improve Orange County’s child care delivery system and inspire more champions for young children and families.

Similarly, First 5 Orange County seeks to facilitate discussion with community collaboratives about how we can collectively create seamless systems of care for young children and families. We believe four effective strategies to drive systems change include: getting involved early, elevating equity, empowering champions, and aligning systems of care, and that making progress in these areas will greatly benefit Orange County’s children and families.

Measuring progress on this work will be more qualitative than quantitative. Systems work does not have the same type of measurement as traditional program analysis, which quantifies outputs or outcomes like the number of children served, the number of home visits conducted, or the number of children who are 100% immunized by the end of the program we are funding. We are asking collaboratives to complete the short Systems Change Questionnaire, attached, to better understand how our joint work is positively helping to shift systems of care, and to create actions to move toward more seamless systems. We will share the results of the questionnaires back with you.

For those organizations that completed a questionnaire (Strategic Directions Questionnaire) as part of last year’s pilot, you may notice that some of the headings/questions are slightly altered to align with First 5’s updated Strategic Plan.

If you have any questions about this questionnaire, please feel free to reach out to your program lead or to Lisa Burke, First 5 Orange County, at (714) 277-5878 or lisa.burke@cfcoc.ocgov.com. Thank you for your continued support.

Systems Change Questionnaire (Collaborative)

Name of Collaborative: _____ Date Questionnaire Completed: _____

Contact person: _____ Contact Email: _____

Please review the aspirational statements below and indicate to what extent your organization has reached each of these levels. Use the Comments column to provide details that support progress made on each statement.

Desired System Change	Not Started	Just Getting Started	Making Progress	Well on our Way	Comments
Elevating Equity by Engaging Families					
1. Our collaborative seeks, incorporates and is responsive to voices of community residents who represent the needs of families raising young children	<input type="checkbox"/> Families are not yet active participants in our collaborative	<input type="checkbox"/> We have <u>identified</u> strategies for families to participate in our collaborative (e.g., time of meetings, language/translation, support for families)	<input type="checkbox"/> We have <u>implemented</u> strategies for families to participate in our collaborative	<input type="checkbox"/> Families are part of the collaborative's decision-making process	Note for future: evolve language to be more strengths-based, prevention focused? Caution to not get so broad that it doesn't relate to the collaborative
Aligning Systems of Care					
2. In general, our collaborative works together to create a seamless system of supports for families by having...					
2a. A common, stated vision and/or mission	<input type="checkbox"/> Our collaborative does not have a common, stated vision and / or mission	<input type="checkbox"/> Our collaborative has begun developing a common, stated vision and / or mission	<input type="checkbox"/> Our collaborative has ratified a common, stated vision and / or mission	<input type="checkbox"/> Our collaborative is actively promoting our common, stated vision and / or mission	
2b. Common, stated goals and/or objectives	<input type="checkbox"/> Our collaborative does not have common, stated goals and/or objectives	<input type="checkbox"/> Our collaborative has begun developing common, stated goals and/or objectives	<input type="checkbox"/> Our collaborative has ratified common, stated goals and/or objectives	<input type="checkbox"/> Our collaborative is implementing activities to achieve our stated goals and/or objectives	

Aligning Systems of Care (cont.)

2 (cont.) In general, our collaborative works together to create a seamless system of supports for families by having...

2c. Shared measurement regarding progress towards common goals and vision	<input type="checkbox"/> Our collaborative does not have shared measurement towards common goals and vision	<input type="checkbox"/> Our collaborative has developed shared measurement metrics and tools	<input type="checkbox"/> Our collaborative is collecting and/or evaluating data to support shared measurement metrics and tools	<input type="checkbox"/> Our collaborative is using our shared measurement data and results to drive our work going forward (e.g., identifying strategies to strengthen our impact)	
2d. Data sharing is in place to improve coordination of services among programs	<input type="checkbox"/> No data sharing has occurred	<input type="checkbox"/> Partners have begun to share data with the group to advance our shared work and identify data gaps and/or barriers	<input type="checkbox"/> Tools or processes have been identified/ developed to share data to address gaps and barriers	<input type="checkbox"/> New data sharing tools and processes are being consistently and systematically implemented	
3. Our collaborative is leveraging funding for early childhood					
3a. A commitment to family well-being is demonstrated by the joint, efficient, creative use of <u>existing</u> funding or leveraging of currently funded programs	<input type="checkbox"/> Organizations are not working together to leverage funding/funded programs to support families	<input type="checkbox"/> Organizations have met and are exploring ways of leveraging funding/ funded programs to support families	<input type="checkbox"/> Organizations have developed a plan to leverage funding streams or funded programs to support families	<input type="checkbox"/> Existing funds/funded programs are leveraged to support families	
3b. There is commitment to advancing early childhood demonstrated by joint efforts to secure <u>new</u> funding	<input type="checkbox"/> Organizations are not working together to identify new funding for early childhood	<input type="checkbox"/> Organizations have met and are exploring new funding streams to support early childhood	<input type="checkbox"/> Organizations have developed a plan to secure new funding streams to support early childhood	<input type="checkbox"/> New funds are secured to support early childhood policies and programs	

Empowering Champions					
4. In general, our collaborative is making a commitment to early childhood and this collaborative's shared vision by...					
4a. Including representation of relevant systems/sectors with a focus on families and community leaders	We have not thought about or identified pertinent sectors	We have identified pertinent sectors that are affected and needed for this work	We have invited organizations and have a plan to engage	Pertinent organizations are at the table and are engaged, and relevant systems are regularly reviewed and invited	
4b. Providing collaborative partners with the tools/materials they need to promote our shared vision	Have not yet identified opportunities to promote our shared vision	We have identified opportunities and tools needed to promote our shared vision	We have co-created or are co-creating tools needed to promote our shared vision	We are using the tools and advancing our shared vision in the community	Example of tools (talking points, social media posts, op-ed, PPT presentation, infographic, etc.)
Getting Involved Early					
5. Families are connected to resources as early as possible	<input type="checkbox"/> Our collaborative has not yet begun to identify strategies to connect families to resources as early as possible	<input type="checkbox"/> Our collaborative has begun to identify strategies to connect families to resources as early as possible	<input type="checkbox"/> Our collaborative has identified strategies to connect families to resources as early as possible	<input type="checkbox"/> Our collaborative is implementing strategies to connect families to resources as early as possible	Potentially, some groups like ECMH, could help us here – as them – what is the systems question(s) that would be good to be talking about and tracking over time

Questions for individual organizations that are members of the collaborative:					
Our organization is an active participant in this collaborative	<input type="checkbox"/> Our organization is committed to staying connected and aware of the work of the collaborative	<input type="checkbox"/> Our organization an active participant in this collaborative, with consistent participation in meetings, etc.	<input type="checkbox"/> Our involvement in this collaborative has informed our internal thinking and priorities around early childhood	<input type="checkbox"/> Our organization is engaged in active and strategic work focused on our shared vision (e.g., our organization shares data or work towards shared measures, or contributes to the work product within a strategic initiative of the group)	Use the polling tool in Zoom or other platform and get percentages for the response.
Our organization uses its voice and initiatives to advance the collaborative's shared vision	<input type="checkbox"/> We have not yet shared externally that we are part of this collaborative and support the shared vision	<input type="checkbox"/> We elevate our work through this collaborative in our initiatives and/or external messaging	<input type="checkbox"/> We have committed to leveraging our influence and being an active champion externally for our shared vision	<input type="checkbox"/> We use our influence to advance the shared vision of this collaborative (e.g., messaging/op-ed; practice change within our organization)	

Collaborative Participants

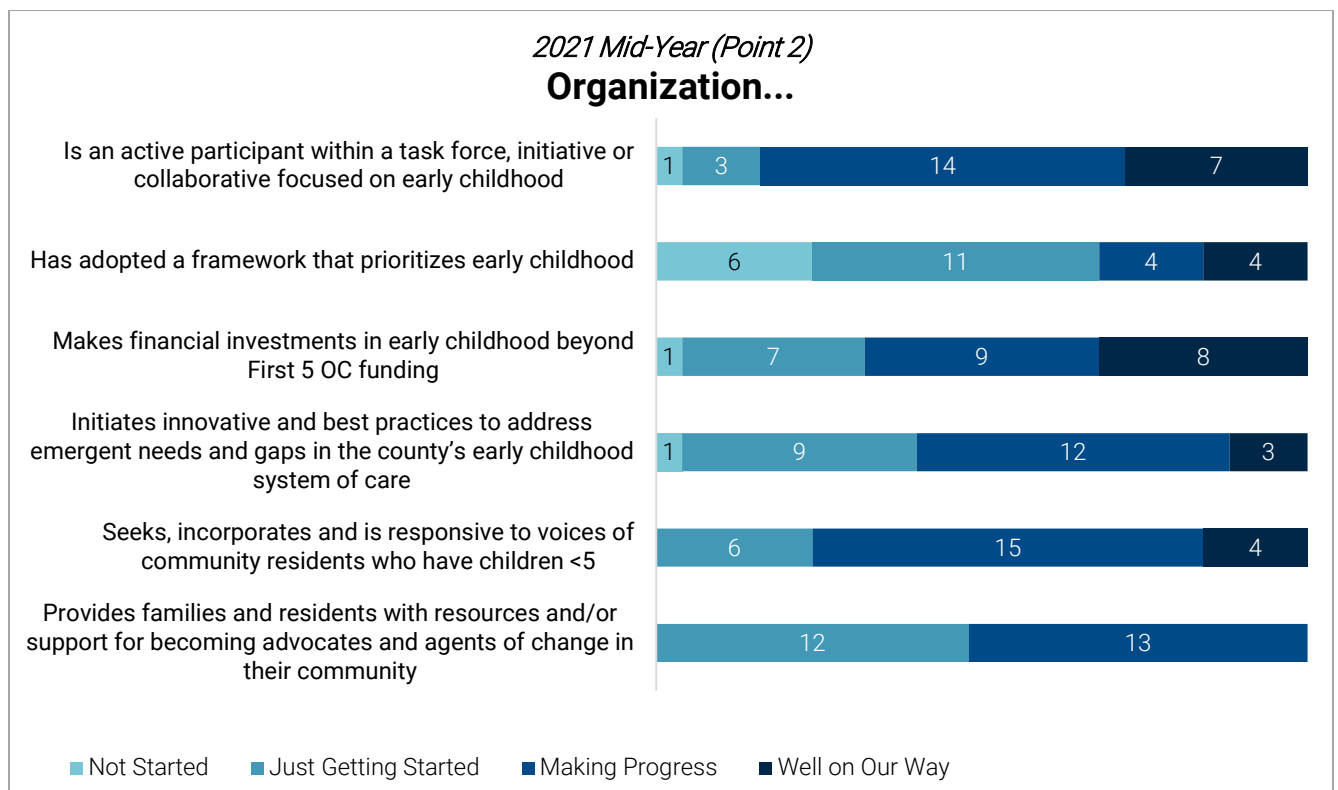
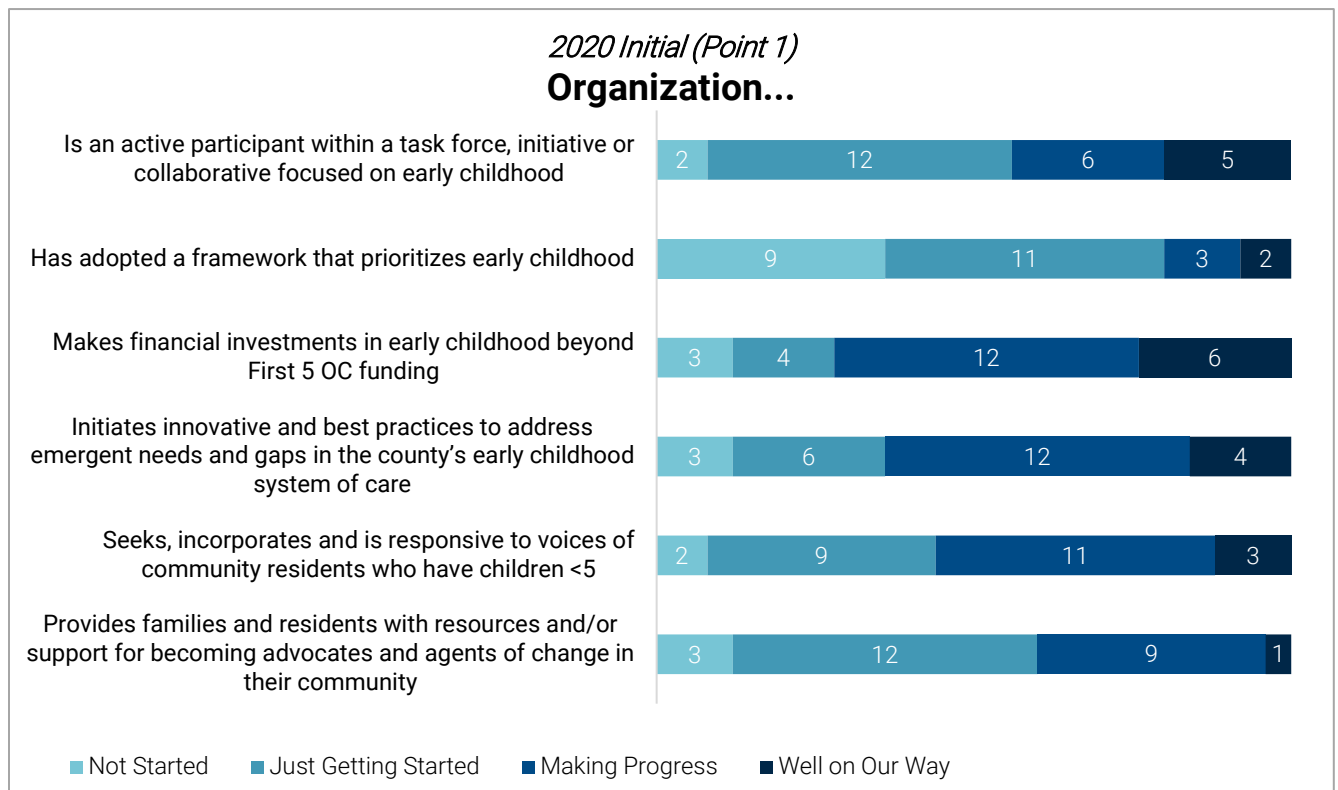
Name of Collaborative:		
Name	Organization	Sector

Sectors:

- Business
- Child Care
- Civic Organization
- Community Service Organization
- Community Initiative
- Education
- Faith-based Organization
- Funder
- Health
- Justice System
- Media
- Political Organization
- Recreational Club/Organization
- Social Service Organization

Systems Change Questionnaire (SCQ)

School District Partners, Points in Time Comparison



2022 Annual (Point 3)

Organization...



School District Partners (all 25 completed the SCQ)

- Anaheim Elementary School District
- Brea-Olinda Unified School District
- Buena Park School District
- Capistrano Unified School District
- Centralia School District
- Cypress School District
- Fountain Valley School District
- Fullerton School District
- Garden Grove Unified School District
- Huntington Beach City School District
- Irvine Unified School District
- La Habra City School District
- Laguna Beach Unified School District
- Los Alamitos Unified School District
- Lowell Joint School District
- Magnolia School District
- Newport-Mesa Unified School District
- Ocean View School District
- Orange Unified School District
- Placentia Yorba-Linda Unified School District
- Saddleback Valley Unified School District
- Santa Ana Unified School District
- Savanna School District
- Tustin Unified School District
- Westminster School District

Reflections from Staff and Consultants

Takeaway or “Aha” from the Experience

- In general, it was good as able to point out areas that our funded partners are part of bigger picture, but they may not realize it.
- We now are starting to incorporate the SCQ more in [the Engaged Neighborhood] scopes of work and logic model. It used to be that the scope of work and SCQ were two separate things we tracked, but now we are using similar verbiage and similar pathways – using systems change questionnaire language in their scopes of work.
- I was surprised by how very engaged and thoughtful the organizations were in going through the SCQ – much more so than I expected!
- This approach offered a collaborative process for leaders to work with others to fill out the SCQ. Originally, reporting would typically be accomplished on their own or with their leadership team. With the Engaged Neighborhoods, this helped create ownership with every person involved.
- Since Detect & Connect OC has been in existence for a couple of years now, walking through the SCQ gave a great structure for the group to step back and think about the big picture of what they are doing really well and what may need more attention in terms of their collective work.

Most Impactful Thing about Doing the SCQ

- The questionnaire provided ways of engaging people in discussing and thinking about systems differently and their part of system.
- The SCQ helps our partners see what we mean – it defines systems change for them and makes it concrete – even for a collaborative like SAELI that has been doing systems work for a long time. There are new staff, new parents involved, and this discussion was like a reset and helped to keep us aligned to our vision.
- The collaborative had its own ‘aha,’ noting that they had never considered that what they have been doing as systems change work. Using this lens, they saw connections to First 5’s work in unique ways.
- Doing the SCQ gave the organization the opportunity to reflect on the work they've accomplished with other team members and stakeholders. It helped highlight the gaps and support their plans for the following year.
- The group identified some of the next things they need to focus on together to ensure they are continuing to make system improvements. For example, walking through the SCQ highlighted two key areas in particular that Detect & Connect is now strategizing about: elevating equity by engaging families and the group's role in funding.

Interesting Comments from Partners

- Anaheim School District completed the questionnaire with their leadership team and had good discussion about civic and community engagement.
- In the Engaged Neighborhood collaboratives, it was interesting the difference in perspectives from the organizations and the parents who were at the table. Partners might think they are doing a lot of work to incorporate the voices of parents and families, but the community didn't always see it that way. The discussion allowed the group to see each other's' different perspectives.
- We emphasized that this tool was meant to generate discussion, and Pretend City took that to heart. With their new Executive Director leading the way, they used the SCQ to spark new ideas about things they could work on or explore in the future that would lead to positive systems change for young children and families.

DATE: July 17, 2022**TO:** First 5 Orange County**FROM:** Kimberly Goll, President/CEO**ACTION:** Receive a Progress Update and Provide Direction to Staff to Return in October with a Formalized Plan to Extend School District Agreements for One Year

SUMMARY:

First 5 Orange County has partnered with school districts serving a kindergarten population since 2000. The current agreements are due to terminate on June 30, 2023. This agenda item highlights school district partner accomplishments and requests direction to return in October with an extension of all school district agreements for one year.

DISCUSSION:

First 5 OC continues its long-standing relationship with school districts. Until the last funding renewal cycle, providing direct services to children and families within each district was the sole emphasis of our agreements. Beginning in 2020, the new agreements shifted First 5 funding to strengthen and align the internal district leadership to focus on using the learnings from Early Developmental Index (EDI), to deepen their systems understanding and increase outreach to the community and parents. The following section highlights examples of school district activities and successes that are aligned with this new scope of work.

Strengthening Internal District Leadership

First 5 consultants have supported the districts in creating Early Childhood Leadership Teams (ECLTs) comprised of key leaders from a variety of departments, including superintendents and assistant superintendents. The goals of the ECLTs are to strengthen the understanding of the importance of early childhood learning, programs and services, while engaging the school district community to be more supportive of young children and families.

Cypress School District offers a good example of how the creation of an ECLT is influencing services focused on young children and families. They are implementing a comprehensive inclusion project with their preschool programs and their ECLT is driving this process. In 2022-23, Cypress is opening a blended, inclusive preschool program that will promote access to and participation in learning experiences with typical peers for children with disabilities. They've used EDI data to inform their planning for this preschool. This blended, inclusive state preschool program will be expanded to five classrooms with 120 slots, providing comprehensive support for young children and families.

Buena Park Elementary is another example where the school district is newly taking ownership of their early learning program. For years, they subcontracted out their preschool and saw it as

entity operating an external program. This year, they are operating their own preschool as a district and building an aligned educational experience for families.

Lowell Joint Elementary is in their first cycle of three-year-funding with First 5 OC. At the beginning of the second year, they opened learning links and now, they are opening their own preschool program! With the support and guidance of the ECLT, Lowell Joint went from having no early learning programs to multiple offerings for young children in their community.

Early Development Index Focus

The existing school district scope of work includes the purposeful use, application, and dissemination of EDI data. The districts are asked to build awareness and share data within the school district, as well as with surrounding communities and Engaged Neighborhoods, if applicable. Additionally, they develop actionable plans and strategies to impact classroom learning, as well as developing community resources and supports to address areas of vulnerability.

Anaheim Elementary offers a good example of a school district using EDI data comprehensively. They look at the intersectionality of EDI data across all elementary school grades and are using EDI findings to shape district-wide planning for both preschool and universal prekindergarten.

Capistrano Unified school district has shared the EDI data with a broad variety of stakeholder groups including district leaders, principals, parent advisory committee and local providers of early learning. The data has informed practice, parent education topics, professional development topics as well as content and activity choices for the two Learning Links.

System Change Efforts

Systems change efforts strive to improve the delivery of services to children and families. First 5 consultants work with the districts on key areas of systems work such as shared vision and goals; being responsive to parent and community voices and empowering them to be champions; sharing data to improve coordination, services, and service delivery; and leveraging funds for early childhood.

Buena Park Elementary's work to use the OC Children's Screening Registry is an example of systems change efforts. Until recently, the results of developmental screenings were tracked only by the district. Over the last year, Buena Park Elementary worked with Help Me Grow to explore use of the OC Children's Screening Registry. As a result, they have a board-approved agreement to contribute screening data to registry. Now this assessment data is centrally located and housed in the registry so that other entities supporting that child have access to the data, streamlining the ability for those children to receive referrals and access to concrete resources and supports. This also reduces redundancy by removing duplicate screenings for the same child.

Systems change efforts are also evident in the Huntington Beach City School District where the Early Learning leader is a regularly attending, active participant in the Superintendent's Cabinet meetings, and where EDI data is used strategically to impact curriculum and instructional practices. In a broad systems approach, the district also adopted an Early Childhood Framework in the winter of 2022 to continue to strengthen and highlight the commitment to early learning throughout the district and learning community.

Proposed One-Year Agreement Extension

Even with the significant and documented advancements made by school districts, there was still considerable delay in fully recognizing the new scope of work which underpins the recommendation to extend the school district agreements by one year. In February, staff presented strategies for First 5's next funding cycle process, proposing a modified approach that allows adequate time to evaluate the outcomes of the previous funding cycle. Included in process that was laid out by staff was the option to extend agreements to allow for the time to fully analyze impact and/or to allow for additional time to achieve outcomes given the delays of implementation due to the pandemic.

School districts began the current three-year cycle just before the start of the COVID-19 pandemic and have faced many challenges associated with keeping schools open and offering quality supports and services for early learners and their families. The EDI data collection was delayed for one year due to COVID-19, as well. Once in-person classroom instruction resumed, the EDI data collection was conducted (between January and March of 2022) and includes over 23,000 records representing each school and school district in Orange County, including some public charter schools. However, several school districts underspent their EDI funding allocation primarily due to a reduced number of kindergarten students and teachers.

Staff recommends a one-year extension of the school district agreements to June 30, 2024 and the addition of approximately \$5 million in aggregate funding, which will include additional funds to support various activities related to EDI data dissemination, analysis, and action planning within local communities. If the one-year extension is approved by the Commission, we will return at the October 2022 Commission meeting with a specific funding plan and details about scope of work.

STRATEGIC PLAN AND 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 and outcomes.

PRIOR COMMISSION ACTIONS:

- February 2020 – Approve school district contracts for term of FY20-23

RECOMMENDED ACTION:

Provide direction to staff to return in October with a formalized plan to extend school district agreements for an additional 12 months with updated funding and scopes of work.


ATTACHMENT:

None

CONTACT: Mike Anderson

DATE: July 25, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO 

ACTION: Approve additional terms to the contract boilerplate for contract PS-272, Navisite, LLC

SUMMARY:

At the June 1, 2022 meeting, First 5 Orange County approved a new one-year agreement Navisite, formerly EightCloud. Since that time, staff has been negotiating the terms of the agreement. Navisite has requested additional language be included in the standard contract boilerplate limiting certain liability and damages in order to move forward with the agreement. This item requests approval of the revised language as described in the staff report.

DISCUSSION:

In April 2020, the Commission approved moving to a new vendor for the contracts and evaluation system within Salesforce. The purpose of moving to a new system were to 1) streamline existing data collection and analysis, 2) identify what data is needed to track progress on the Strategic Plan and strategic directions, and 3) determine how data can be most efficiently collected, analyzed and reported. First 5 Alameda, which had already developed a performance measurement system known as HIGH5 in Salesforce, allowed First 5 Orange County to leverage their development of HIGH5, and tailor it to our performance measurement and reporting needs. The use of HIGH5 has allowed First 5 Orange County to better measure progress toward systems change since HIGH5 facilitates reporting at both programmatic and system levels. It also provides the administrative functions of budgeting and payment and could provide the necessary data for reporting to the State as required.

Navisite worked with First 5 Alameda for over two years to design the system and has provided managed services and program development to First 5 Orange County. With expertise in the Salesforce Application Suite serving clients across different business sectors, Navisite is unique with its knowledge and experience specific to First 5 Commissions and the custom solution currently in use on the Salesforce App Cloud platform.

A new contract for the term July 1, 2022 to June 30, 2023 was approved at the June Commission meeting to continue managed services and program development in Salesforce. When negotiating the terms of the new contract with Navisite, First 5 Orange County received a request to add language to the standard contract boilerplate limiting certain liability and damages for Navisite. The requested language, included as Attachment 1, limits the potential damages arising out of the agreement to direct damages, and it precludes either party from seeking incidental, consequential, special, punitive, or indirect damages or liabilities for any type of claim arising out of the contract. It further limits the amount of Navisite's liability for damages, related to any claim

or action, to the aggregate fees paid by First 5 Orange County for services during the previous 12-month period. However, these liability limitations do not apply to any liability arising out of Navisite's breach of confidentiality obligations or Navisite's indemnity obligations under the Agreement.

Staff is seeking approval to include the liability limitation in the Agreement (Attachment 1). If the Commission Board does not approve this, then Staff will seek services from another vendor and bring a new agreement to the Commission for approval at a future date.

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. No funding is included in the proposed action.

PRIOR COMMISSION ACTIONS:

- June 2022 – Approve Roster of Qualified Applicants and Adopt Resolutions Authorizing Agreements and Amendments to Agreements with Designated Individuals and Organizations to Provide Consulting and Data Collection and Management Services.
- April 2021 – Adopt resolution authorizing agreements and amendments to agreement with designated individuals and organizations to provide consultant services.
- April 2020 – A Adopt resolution authorizing agreements and amendments to agreement with designated individuals and organizations to provide consultant services and exclusive evaluation services.

RECOMMENDED ACTION:

Approve additional terms to the contract boilerplate for contract PS-272, Navisite, LLC

ATTACHMENTS:

1. Limitation of Liability Language

CONTACT: Michael Garcell

NEITHER PARTY SHALL HAVE ANY LIABILITY UNDER THIS AGREEMENT FOR ANY INCIDENTAL, CONSEQUENTIAL, SPECIAL, PUNITIVE OR INDIRECT DAMAGES OR LIABILITIES, INCLUDING WITHOUT LIMITATION SUCH DAMAGES OR LIABILITIES FOR LOSS OF REVENUE, LOSS OF BUSINESS, FRUSTRATION OF ECONOMIC OR BUSINESS EXPECTATIONS, WORK DELAYS, LOSS OF PROFITS, OR COST OF CAPITAL, REGARDLESS OF THE FORM OF THE ACTION, WHETHER IN CONTRACT OR OTHERWISE, EVEN IF A PARTY HERETO HAS BEEN ADVISED, KNOWS, OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES; PROVIDED, HOWEVER, THAT NO LIMITATION SHALL APPLY TO [NAVISITE'S] LIABILITY, IF ANY, FOR A BREACH OF ITS CONFIDENTIALITY OR INDEMNIFICATION OBLIGATIONS HEREUNDER.

EXCEPT WITH RESPECT TO [NAVISITE'S] BREACH OF ITS CONFIDENTIALITY OBLIGATIONS AND ITS INDEMNITY OBLIGATIONS, [NAVISITE'S] LIABILITY FOR DAMAGES TO THE COMMISSION FOR ANY CAUSE WHATSOEVER, REGARDLESS OF THE FORM OF ANY CLAIM OR ACTION, SHALL NOT EXCEED THE GREATER OF THE AGGREGATE FEES PAID BY COMMISSION FOR THE SERVICES DURING THE TWELVE MONTH PERIOD IMMEDIATELY PRECEDING THE EVENTS GIVING RISE TO THE COMMISSION'S CLAIM.



Agenda Item 7
August 3, 2022

DATE: July 12, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO

A handwritten signature in black ink, appearing to read "Kimberly Goll", written over a light blue horizontal line.

ACTION: Adopt Resolution Authorizing an Agreement with Orange County Association for the Education of Young Children (OCAEYC) to Support New or Existing Child Care Providers

SUMMARY:

First 5 Orange County continues to focus on increasing quality infant and toddler child care by building the capacity of providers through technical assistance, business resources, and shared learning opportunities. This agenda item seeks authorization to continue collaborative work between First 5 Orange County and OCAEYC that focuses on supporting child care providers as business owners and early childhood practitioners.

DISCUSSION:

The COVID-19 pandemic brought to light major issues with the child care workforce landscape in Orange County, forcing many family child care and smaller faith-based and private providers to temporarily or permanently close their doors and navigate ever-changing guidelines in attempts to remain open. In January of 2021, OCAEYC surveyed more than 450 child care providers. They found that, on average, these providers suffered a 27% loss in staff, and more critically, 62% may have had to close their doors within one to six months if they remained operating at or below 80% of capacity. Through this survey, other surveys conducted by First 5, as well as the Child Care Landscape Analysis, we continued to hear that smaller child care providers in Orange County needed assistance with supplies, funding, business development strategies and administrative training and technical assistance. In response to the well-documented and growing issues of business sustainability for child care providers, and in alignment with our Strategic Plan, we have participated in two innovative partnerships to build business support for the child care community.

CAPOC and OCAEYC

In 2021, First 5 OC and the Community Action Partnership of Orange County (CAPOC) jointly funded OCAEYC to provide struggling child care providers with technical assistance, access to business content experts, and business development training and materials. Providers were given stipends for participation. First 5 OC contracted with OCAEYC for an amount not to exceed \$20,000, and CAPOC contributed \$22,390. First 5's dollars funded supplemental materials, stipends, and a portion of a business consultant.

A key finding from the informal and formal sessions is that local child care providers do not see themselves as a small business but rather as service providers and therefore have missed out on many funding opportunities. This is further complicated by the lack of business practices,

networking abilities, and business acumen. Through this joint funding, OCAEYC was able to assist 42 child care providers with strengthening their skills in areas of social media outreach, advertisement, personnel practices, and business strategies (this includes 23 family child care providers, 10 private child care providers, and nine faith-based providers).

Through peer coaching, group trainings, and one-on-one sessions, local providers received real-time, applicable trainings to guide them in their business actions. Eight peer coaches were available to Orange County providers, all of whom had experience operating their own child care businesses. The peer coaches also received business training from Child 360 and used a business tool developed for the child development field to assist providers in determining their coaching needs.

The Child 360 Early Childhood Program Business Training Series was designed to reliably measure and improve the leadership and management practices of center-based programs. The Program Administrative Scale is the only instrument of its kind to focus exclusively on organization-wide administration and the Business Administration Scale for Family Child Care is the first valid and reliable instrument for measuring and improving the overall quality of business and professional practices. Participants learned about these tools and their benefits, and identified goals to incorporate them into their programs. Participants also learned best business practices that foster a high-quality learning environment, and more sensitive interaction with children to support better child outcomes.

Staff recommends a funding allocation of \$40,000 to OCAEYC to support stipends for up to 16 peer coaches and a liaison that will work with the providers. Additionally, Early Childhood professional development will be supported through in-kind services at Orange County Department of Education.

Community Foundation, SBDC, and CIELO

Complementing the work described above, First 5 Orange County is also funding work in partnership with Orange County Community Foundation's Workforce Development Initiative to launch a Small Business Child Care Workforce program. This program is being administered by the Orange County Small Business Development Center (SBDC) and the Community for Innovation, Entrepreneurship, Leadership, and Opportunity (CIELO). The purpose of the "Child Care Business Initiative" is to leverage partnerships to grow small businesses in the child care sector and sustain a vital child care workforce to address the child care crisis in Orange County.

With this program, child care providers will gain access to much-needed funding available through the California Rebuilding Fund to build their business' capacity, acquire entrepreneurial skills, and learn how to build a solid business foundation as a child care provider. This partnership will help provide support and assistance for minority-owned child care small businesses to help them survive and rebuild from the pandemic.

The initial pilot, called "LAUNCH Childcare Business Program" led by CIELO, was launched on June 10, 2022. The goal is to create a new pipeline of Family Child Care Providers taking care of children from their apartments and homes. Typically, people interested in providing child care enter the field of child development by taking child development classes at the local community college. Classes emphasize child care education with minimal amount of education related to business practices. In this new and innovative approach, the focus is on business acumen first and then provides child development education.

Coordination between these two initiatives will be important. As CIELO develops new child care providers, OCAEYC peer business coaches will be available to support them. Case management and warm handoffs from one agency to another will be essential to gaining and keeping new child care providers to support Orange County families.

STRATEGIC PLAN AND FISCAL SUMMARY:

The OCAEYC update and recommended action presented in this staff report have been reviewed in relation to the Strategic Plan and are consistent with applicable goals and outcomes. Funding for this item is included in the Fiscal Year 2022-2023 Budget under the System Building line item.

PRIOR COMMISSION ACTIONS:

None

RECOMMENDED ACTION:

Adopt resolution (Attachment 2) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate Agreement No. P-111 with Orange County Association for the Education of Young Children for a maximum payment obligation of \$40,000 and for the term August 10, 2022 to June 30, 2023.

ATTACHMENTS:

1. CAPOC Final Project Report
2. Resolution

CONTACT: Mike Anderson



Orange County Association for the Education of Young Children

2021 - 2022 Technical Assistance Grant in Partnership with CAP OC and First 5 OC

Number of Providers Served:

- 42 Providers Served via Technical Assistance (23 Family Child Care Providers, 10 Private Child Care Providers, 9 Faith Based Providers)
- 18 Providers completed the Cohort Training and Community of Practice
- 8 Providers were trained and identified as Peer Guides
- 7 Providers were mentor by Peer Guides from March through June

Successes:

- Generating a program and interest from no previous work
- Based on data received from providers, created and hosted first OCAEYC Open House
- Created a toolkit to support future generations of providers
- Created a sustainable peer guide model in which providers maintain community as they build skills in leadership and best practice
- Business Development for Cohort Providers through Professional Development and Partnership with OCDE for in a Community of Practice

Challenges:

- Barriers included:
 - Availability and follow-through from the provider
 - Under resourced technology and knowledge of technology
 - Needing in-person support (versus the virtual or telephone support that was being provided) ○ Language Barriers

Recommendations for future work:

- Provide in-person support
- Provide bilingual support
- Increase interest group capacity to include more business support for providers
- Collaborate with CIELO and Small Business Development Center
 - Continue to include Job Fair component in OCAEYC Open House to support staffing shortages

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ____-22-C&FC

August 3, 2022

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENT NO. P-111 WITH ORANGE COUNTY ASSOCIATION FOR THE EDUCATION OF YOUNG CHILDREN FOR CHILD CARE PROVIDER SUPPORT; 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 Partnership Agreement, which was approved by the Commission; and

WHEREAS, Commission desires to enter into Agreement No. P-111 (“Agreement”) with Orange County Association for the Education of Young Children, hereinafter referred to as “Contractor,” to provide child care provider support for the terms and in the amount as specified in the August 3, 2022 staff report for this Agenda Item; 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 August 3, 2022 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 August 3, 2022 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 child care provider support in the amount and for the terms consistent with the August 3, 2022 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 Partnership 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 in the amount and for the terms as specified in the August 3, 2022 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), including any Amendment(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 August 3, 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: August 3, 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

EXHIBIT A TO RESOLUTION OF COMMISSION

(Attach copy(ies) of final executed Agreement)



**Agenda Item 8
August 3, 2022**

DATE: July 22, 2022

TO: First 5 Orange County

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

ACTION: Adopt Resolution Authorizing an Agreement with the University of California, Irvine Medical Center for a Three-Year Integrated Primary Care Behavioral Health Program

SUMMARY:

First 5 Orange County's Strategic Plan embraces the development of sustainable, evidence-based practices in the pediatric setting to achieve and support Early and Ongoing Health and Development and Safe and Nurturing Homes. This item requests authority to expand the HealthySteps program in two Federally Qualified Health Centers (FQHC) that are part of University of California, Irvine's (UCI) comprehensive care delivery system.

DISCUSSION:

In June of 2021, First 5 OC funded a three-year initiative that supports FQHCs to launch and sustain the HealthySteps program. HealthySteps is an interdisciplinary pediatric primary care program designed to promote nurturing parents and healthy development of babies and toddlers. This model was developed by Zero to Three to assist pediatric and family practices in complying with the American Academy of Pediatrics' (AAP) Bright Futures Guidelines. As part of the interdisciplinary team, a licensed clinician is dedicated to addressing the developmental and/or behavioral needs of the child or family onsite while facilitating any necessary linkages to community resources and programs.

The rationale for First 5 OC's investment included the clinics' ability to provide comprehensive family care, and the unique reimbursement model at FQHCs which provides a path to service sustainability. The project team identified the first three FQHCs for implementation based on the Office of Statewide Health Planning and Development (OSHPD) data with a specific focus on their pediatric patient volumes, geographic proximity to our existing Engaged Neighborhoods, and history of previous partnerships with First 5 OC. They include Families Together of Orange County, Friends of Families, and Share Our Selves.

All three funded clinics have successfully implemented the HealthySteps dyadic model and are now providing integrated primary care and behavioral health services in their clinics. Over the past year, staff and consultants have worked closely with the clinics to implement all the services and programs required by HealthySteps, including the provision of an onsite behavioral health provider, the implementation of a parent support line, and the development of a community resource guide. The clinics completed a practice transformation that allowed them to effectively implement the required Well-Child Visits, validated developmental screenings, and real time behavioral treatment.

Due to the positive outcomes experienced by the clinics and their patients, staff recommends adding two additional FQHC sites. Staff and consultants again identified potential clinics using the OSHPD for pediatric patient volumes, proximity to our Engaged Neighborhoods, and clinical leadership support for the model. Early in 2022, the project team connected with UCI's clinic and operational leadership team to assess their interest and fit for implementing the HealthySteps program at one or both of their clinics. UCI's two FQHCs are located in two of F5 OC's engaged neighborhoods, Anaheim and Santa Ana. Both clinics provide care to a significant number of children ages 0-5, and over 90% of these patients are insured by MediCal.

UCI's clinic leadership team expressed interest in implementing HealthySteps in both the Santa Ana and Anaheim clinics. They have agreed to implement all aspects of the HealthySteps program including timely Well-Child Visits and developmental screening in accordance with the model (based on the AAP periodicity schedule), participate in the Orange County Children's Screening Registry, submit performance metrics to First 5 OC on a quarterly basis, and conduct Adverse Childhood Events (ACEs) screenings per the AAP guidelines. We expect the HealthySteps Specialist to see about eight patients and/or family dyads every day or approximately 2,000 children/family dyad visits per year. We estimate 20% of families will require a referral to an external agency, and that the HealthySteps Specialist will be responsible for managing these referrals.

Staff recommends entering into a three-year agreement with UCI Medical Center and its Family Health Centers to receive training and implementation support for the HealthySteps model. Staff recommends using First 5 OC's System Building funds, given that once the clinics have fully implemented the model and reimbursement is maximized, the additional services should be fully self-sustaining.

As First 5 OC and UCI have previously contracted with one another for other programs, UCI has requested that this agreement remain consistent with the previously negotiated agreements, resulting in substantive changes to the Commission-approved template agreements. These changes include allowing UCI to be self-insured, providing mutual indemnification and mutual termination, and including Public Records Act considerations. The agreement will be negotiated and approved by Commission Counsel and the President/CEO.

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 the goal of Helping Families Get the Most Out of Well-child Visits and Screenings. Funding for the proposed action will be included in the Proposed Fiscal Year 2022-2023 Budget and will be allocated from the First 5 OC Systems Building fund.

PRIOR ACTIONS:

- June 2022 – Funding allocation for HealthySteps implementation

RECOMMENDED ACTION:

Adopt resolution authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate Agreement No. FCI-HS-05 with the University of California, Irvine Medical Center for a Three-Year Integrated Primary Care Behavioral Health Program for a maximum obligation of \$850,000 and the term of August 3, 2022 through August 2, 2025.

ATTACHMENT:

1. Resolution

CONTACT: Kim Goll

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ____-22-C&FC

August 3, 2022

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENT NO. FCI-HS-05 WITH THE UNIVERSITY OF CALIFORNIA, IRVINE MEDICAL CENTER FOR AN INTEGRATED PRIMARY CARE BEHAVIORAL HEALTH PROGRAM; AND AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION

Commented [A1]: Enter agreement #

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 enter into Agreement No. FCI-HS-05 (“Agreement”) with the University of California, Irvine Medical Center, hereinafter referred to as “Contractor,” for an integrated primary care behavioral health program for the terms and in the amount as specified in the August 3, 2022 staff report for this Agenda Item; 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 August 3, 2022 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 August 3, 2022 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 for an integrated primary care behavioral health program in the amount and for the terms consistent with the August 3, 2022 staff report and scope of services referenced therein.

Section 3 The form of the Agreement 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 Agreement by the Commission Chair and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves the Agreement with Contractor in the amount and for the terms as specified in the August 3, 2022 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), including any Amendment(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 August 3, 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: August 3, 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

EXHIBIT A TO RESOLUTION OF COMMISSION

(Attach copy(ies) of final executed Agreement)

EXHIBIT A TO RESOLUTION OF COMMISSION

Page 1 of 1

August 3, 2022

DATE: July 25, 2022

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO



ACTION: Annual Review and Updates to Administrative Policies and Procedures

SUMMARY:

The annual review of First 5 Orange County's Administrative Policies and Procedures is complete. This item requests approval of recommended updates to selected Policies and Procedures based on actions or operational changes that have occurred over the past year.

DISCUSSION:

First 5 Orange County's Administrative Policies and Procedures were originally adopted in November 2001. The Policies and Procedures are reviewed annually to ensure they remain current and are updated as needed. An outline of all the policies are included as Attachment 1 and any minor changes and updates are noted. Revisions and edits to policies that required significant changes or updates are detailed below. The complete set of Administrative Policies and Procedures is on file with the Clerk of the Commission and available upon request.

Two policies are scheduled to be reviewed and revised over the next several months. An updated and revised 2.05 Technical Advisory Committee Policy and 7.01 Personnel and Salary Policy will be provided to the Commission for approval at a future meeting.

Ethics Training – New

The First 5 Orange County Board of Commissioners have biennially completed ethics training in compliance with Government Code §53234 et seq. These statutes became effective in 2006 by Assembly Bill 1234 and are commonly referred to as "AB 1234" ethics training. The County of Orange OCEthics Division has been tracking and retaining training completion certificates to ensure Commissioners comply with the statutes.

AB 1234 requires certain local officials who receive any type of compensation, salary, stipend, or reimbursement for expenses incurred in the performance of their official duties to receive at least two hours of ethics training within one year of taking office and every two years thereafter. The ethics training required by AB 1234 covers the following areas of law:

- (1) Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflict-of-interest laws.
- (2) Laws relating to claiming perquisites of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions,

and prohibitions against acceptance of free or discounted transportation by transportation companies.

(3) Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws.

(4) Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members.

Although the Commissioners have historically complied with AB 1234 Ethics Training requirements, these laws have recently been reevaluated, and it was determined that the Commissioners are not legally required to complete the AB 1234 ethics training requirements because First 5 Orange County does not fall within the definition of “local agency” to which these training requirement statutes apply.

However, the Commissioners are subject to, and must comply with, the underlying ethics principles and laws that are discussed in AB 1234 ethics training in carrying out Commissioner duties, including, but not limited to, the Political Reform Act (Government Code §81000 et seq.), Government Code §1090 et seq., and other laws applicable to public officials related to conflicts of interest, bribery, gifts, transparency, and due process. Because the Commissioners are required to comply with ethics laws applicable to public officials, and due to the nature of the decisions that the Commissioners make as stewards of public funds, it is strongly recommended that the Commissioners continue to receive ethics training in accordance with the general requirements and timeframes set forth in Government Code §53234 et seq.

It is recommended that the Commissioners approve the attached Ethics Training Policy which, as a condition of receiving any compensation or expense reimbursement from First 5 Orange County, requires each Member of the Commission to receive at least two hours of training in general ethics principles and ethics laws relevant to the Commissioners’ public service within one year of being appointed and every two years thereafter. In addition, First 5 Orange County desires to assume the role of notifying Commissioners of the training requirements and to track and retain training certificates, rather than through the County’s OCEthics, to achieve efficiencies and flexibility in the process. If approved, First 5 Orange County will notify OCEthics of this decision.

Federal Purchasing Policy (6.10) – Revised

This policy governs the procedures for all First 5 Orange County procurements that are funded in whole, or in part, by a federal project. It is intended to supplement First 5 OC’s purchasing policies and Public Contract Code requirements. Every federally-funded project must comply with this policy when procuring goods or services through an IFB, RFP, purchase order, or other method of procurement. Federal record retention requirements are included as they may require longer retention periods than First 5 OC’s records retention schedule.

Financial Management & Allowability of Costs for Federally-Funded Projects (6.11) – New

This policy governs First 5 OC’s adherence to its financial management system in the administration of a federal project. This policy also sets forth the requirements for determining the allowability of all costs that are charged to a federal award.

COVID-19 Prevention Program (CPP) – Revised

In December 2020, Cal/OSHA issued Emergency Temporary Standards to Protect Workers from COVID-19. The temporary standards required employers to develop and maintain an effective written COVID-19 Prevention Program. Staff developed the COVID-19 Prevention Program and provided it to the Commission at the February 2021 meeting.

On April 21, 2022, Cal/OSHA adopted updates and revisions to the temporary standards that must be incorporated into the Commission's COVID-19 Prevention Program. Attachment 5 is the policy that has been updated and revised to align directly with Cal/OSHA standards.

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. All salary and benefits are included in the Proposed Fiscal Year Budget presented to the Commission each year.

PRIOR COMMISSION ACTIONS:

- August 2021 – Approved the updated Administrative Policies and Procedures.
- August 2020 – Approved the updated Administrative Policies and Procedures.
- August 2019 – Approved the updated Administrative Policies and Procedures.

RECOMMENDED ACTIONS:

1. Approve the annual review and updates to the 2022 Administrative Policies and Procedures.
2. Authorize First 5 Orange County to Track and Retain Ethics Training Certificates of Completion.

ATTACHMENTS:

1. Administrative Policies and Procedures 2022 Summary of Changes
2. Ethics Training Policy
3. Federal Purchasing Policy (6.10)
4. Financial Management and Allowability of Costs for Federally-Funded Projects (6.11)
5. COVID-19 Prevention Program (CPP) for First 5 Orange County Children and Families Commission

CONTACT: Michael Garcell

Attachment 1
2022 Review Summary
Policies and Procedures

1.00	Background and Rosters	Comments
1.01	Introduction and Purpose	No changes
1.02	Administrative Policy Guidelines Maintenance and Revision	
1.03	Commission Overview	

2.00	Governing Structure	Comments
2.01	State Authorization Policy	No changes
2.02	County Authorization Policy	
2.03	County Support Services Agreement Policy	
2.04	Commission By-Laws	
2.05	Technical Advisory Committee	
2.06	Public Records Request	New Policy
2.07	Ethics Training	

3.00	General Operations	Comments
3.01	Risk Management Insurance Coverage Policy	No changes to policy. Coverage limit updated to reflect Property Insurance Program amounts as managed by County Risk Management
3.02	Authorized Signature Policy	No changes
3.03	Emergency Operations Policy	Updated contact information and formatting

4.00	Financial Management	Comments
4.01	Revenue and Expenditure Policy	No changes
4.02	Fund Balance Policy	Formatting and grammar edits
4.03	Operating Budget Development and Amendment Policy	Formatting edits
4.04	Investment Oversight and Monitoring	Attached investment policy approved April 2022
4.05	Fixed Asset Policy	Updated to include table of Capitalization Thresholds from County Accounting Manual
4.06	Financial Audit and Reporting Policy	No changes
4.07	Multi-Year Financial Plan Policy	
4.08	Administrative Cost Policy	
4.09	AB109 Policy	
4.10	Check Deposit Policy	
4.11	Claims against the Commission Policy	
4.12	Financial Record Retention Policy	
4.13	Speaker Expenses Reimbursement Policy	
4.14	Memberships	

5.00	Program Management	Comments
5.01	Program Funding Policy	Minor typo corrections and formatting changes
5.02	Annual Strategic Plan Policy	No changes
5.03	Annual Report Policy	
5.04	Outcome Collection, Evaluation and Reporting System Policy	
5.05	Data Reporting and Evaluation Policy Guidelines	
5.06	Confidentiality & Data Sharing	Minor typo corrections
5.07	Program Design Policy	No changes

6.00	Purchasing and Contract Management	Comments
6.01	Goods and Services Purchasing Policy	No changes
6.02	Office Supplies Purchasing Policy	
6.03	Petty Cash Policy	
6.04	CAL Card Purchasing Policy	
6.05	Travel Request and Approval Policy	No changes, new County mileage and expense claim form attached
6.06	Stipend and Expense Reimbursement Policy	No changes
6.07	Document Retention Policy	
6.08	Contract Management	
6.09	Release of Funds Owed to Commission Contractors	
6.10	Federal Purchasing Policy	Revised to align with most recent Federal guidance
6.11	Financial Management and Allowability of Costs for Federally-Funded Projects	New

7.00	Personnel Management Policies	Comments
7.01	Personnel and Salary Policy	No changes
7.02	Discrimination, Harassment and Violence Prohibition Policy	
7.03	Electronic System	
7.04	Payroll and Timekeeping Policy	
7.05	Conflict of Interest	
7.06	Gift Ban Policy	
7.07	Drug-Free Workplace and Controlled Substance Policy	
7.08	Dress Code	
7.09	Fraud Prevention	
7.10	Educational and Professional Reimbursement	

8.00	Strategic Communications	Comments
8.01	Media Interaction Policy	No changes
8.02	Use of Commission Name and Logo Policy	Minor edits to address the fact that First 5 does our own promotion now, so this ordinance applies to partner use of logo.
8.03	Mass Mailing Policy	No changes
8.04	Media Release Policy	Small formatting changes to the Spanish attachment only
8.05	Social Media Policy	Minor typo corrections and formatting changes
8.06	Engaging Leadership, Advocacy, and Lobbying	No changes

POLICIES AND PROCEDURES
No: 2.07**ETHICS TRAINING**

PURPOSE

Members of the Board of Commissioners of First 5 Orange County Children and Families Commission may receive compensation in the form of stipends and/or reimbursement for actual and necessary expenses incurred in the performance of their official duties. Although not legally required, the Board of Commissioners has elected to comply with the ethics training requirements set forth in Government Code §53234 et seq. that are applicable to public officials who receive compensation. The purpose of this policy is to clarify the requirements for Commissioners to receive biennial ethics training.

POLICY STATEMENT1. General

As a condition of receiving any type of compensation or expense reimbursement from First 5 Orange County, each Member of the Commission shall, within one year of being appointed and every two years thereafter, receive at least two hours of training in general ethics principles and ethics laws relevant to the Commissioners' public service as outlined in Government Code §53234 and restated below:

- A. Laws relating to personal financial gain by public servants, including, but not limited to, laws prohibiting bribery and conflict-of-interest laws.
- B. Laws relating to claiming perquisites of office, including, but not limited to, gift and travel restrictions, prohibitions against the use of public resources for personal or political purposes, prohibitions against gifts of public funds, mass mailing restrictions, and prohibitions against acceptance of free or discounted transportation by transportation companies.
- C. Government transparency laws, including, but not limited to, financial interest disclosure requirements and open government laws.
- D. Laws relating to fair processes, including, but not limited to, common law bias prohibitions, due process requirements, incompatible offices, competitive bidding requirements for public contracts, and disqualification from participating in decisions affecting family members.

2. Ethics Training Courses

Courses in ethics training may be provided by a local public agency, an association of local agencies, private vendors, or by Commission Counsel. The courses or self-study materials may be taken at home, in person, or online. All providers of training courses shall provide participants

with proof of participation. First 5 Orange County will provide information on training available to Commissioners on an annual basis and as requested.

3. Concurrent Public Office

A Commissioner who serves more than one local agency shall satisfy the ethics training requirements without regard to the number of local public agencies in which the Commissioner serves.

4. Records

The Commission Clerk will maintain records indicating both of the following: (1) the dates that each Commissioner satisfied the ethics training requirement, and (2) the entity that provided the training. Records will be maintained for at least five years after the Commissioner received the training and are public records subject to disclosure under the California Public Records Act, Government Code §6250 et seq.

POLICIES AND PROCEDURES**No: 6.10****FEDERAL FUNDS PURCHASING POLICY**

PURPOSE

The Children and Families Commission of Orange County ("First 5 Orange County") may be eligible to receive federal funding. This funding is often secured through grants from federal, state, and local agencies that administer federal funds. When First 5 Orange County receives federal funds, the agency must comply with the applicable requirements of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, found in Title 2 of the Code of Federal Regulations (CFR) part 200, as may be amended, (hereinafter referred to as the "Uniform Guidance"), adopted by this reference and incorporated herein.

The Uniform Guidance sets forth requirements for all government agencies, such as First 5 Orange County, that receive federal funds either directly from the federal government or from a pass-through entity, such as the State of California or other state and local government agencies. All recipients of federal funding, of any amount, are required to establish procurement policies and procedures in conformance with the Uniform Guidance.

This Policy sets forth First 5 Orange County's policy and procedures for procurements involving federal projects. For purposes of this Policy, a "federal project" includes all purchases of goods and supplies and equipment, procurement of professional and nonprofessional services, and the procurement of public works under the California Public Contract Code, which are funded, in whole or in part, by a federal award. This Policy supplements First 5 Orange County's contract and purchasing policies, the California Public Contract Code, and the Support Services Agreement between First 5 Orange County and the County of Orange ("County Support Services Agreement").

All federal projects must be administered in accordance with this Policy, state and federal laws and regulations, the applicable provisions of the Uniform Guidance, as may be amended, in addition to any conditions mandated by the federal awarding agency or the pass-through entity. Although this Policy sets forth the policies and procedures to assist First 5 Orange County Staff in complying with the Uniform Guidance, First 5 Orange County Staff must consult the Uniform Guidance directly and comply with its provisions in the procurement and administration of federal projects.

This Policy is adopted by First 5 Orange County in accordance with the Uniform Guidance and applies to procurements under federal projects, as defined above, in addition to any work performed on a federal project that is funded, in whole or in part, by federal funds. All contractors, consultants, professionals, subcontractors, subconsultants, and any other individual or entity performing work on a federal project will be required to adhere to this Policy and comply with the Uniform Guidance, as may be amended. This Policy shall be administered for all federal projects, including, but not limited to, grants, awards, cooperative agreements, and any other method of

federal funding received by First 5 Orange County, as this Policy and the Uniform Guidance may be amended from time to time.

POLICY STATEMENT

I. Definitions

These definitions are derived, in relevant part, from 2 CFR §200.1, or as otherwise specified:

(i) Cooperative agreement – a legal instrument of financial assistance between a federal awarding agency or pass-through entity and a non-federal entity that, consistent with 31 U.S.C. §§6302-6305:

(a) Is used to enter into a relationship the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by a law of the United States (see 31 U.S.C. 6101(3)); and not to acquire property or services for the Federal Government or pass-through entity's direct benefit or use;

(b) Is distinguished from a grant in that it provides for substantial involvement of the federal awarding agency in carrying out the activity contemplated by the federal award.

(c) The term does not include: (1) A cooperative research and development agreement as defined in 15 U.S.C. 3710a; or (2) An agreement that provides only (i) direct United States Government cash assistance to an individual, (ii) a subsidy, (iii) a loan, (iv) a loan guarantee, or (v) insurance.

(ii) Federal award – has the meaning, depending on the context, in either paragraph (a) or (b) of this section:

(a)(1) The federal financial assistance that a recipient receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in §200.101; or (2) The cost-reimbursement contract under the Federal Acquisition Regulations that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in §200.101.

(b) The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of the definition of federal financial assistance, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.

(c) Federal award does not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate Federal Government owned, contractor operated facilities.

(d) See also definitions of federal financial assistance, grant agreement, and cooperative agreement.

(iii) Federal awarding agency – the federal agency that provides a federal award directly to a non-federal entity.

(iv) Federal financial assistance –

(a) assistance that non-federal entities receive or administer in the form of: (1) grants; (2) cooperative agreements; (3) non-cash contributions or donations of property

(including donated surplus property); (4) direct appropriations; (5) food commodities; and (6) other financial assistance (except assistance listed in paragraph (b) of this definition.

(b) For §200.203 and 2 CFR 200, Subpart F, Federal financial assistance also includes assistance that non-Federal entities receive or administer in the form of: (1) loans; (2) loan guarantees; (3) interest subsidies; and (4) insurance.

(c) For §200.216, Federal financial assistance includes assistance that non-Federal entities receive or administer in the form of: (1) grants; (2) cooperative agreements; (3) loans; and (4) loan guarantees.

(d) Federal financial assistance does not include amounts received as reimbursement for services rendered to individuals as described in §200.502(h) and (i).

(v) Grant agreement – a legal instrument of financial assistance between a federal awarding agency or pass-through entity and a non-federal entity that, consistent with 31 U.S.C. 6302, 6304:

(a) Is used to enter into a relationship the principal purpose of which is to transfer anything of value to carry out a public purpose authorized by a law of the United States (see 31 U.S.C. §6101(3)); and not to acquire property or services for the federal awarding agency or pass-through entity's direct benefit or use;

(b) Is distinguished from a cooperative agreement in that it does not provide for substantial involvement between the federal awarding agency in carrying out the activity contemplated by the federal award.

(c) Does not include an agreement that provides only: (1) direct United States Government cash assistance to an individual; (2) a subsidy; (3) a loan; (4) a loan guarantee; or (5) insurance.

(vi) Micro-purchase – a purchase of supplies or services, the aggregate amount of which does not exceed the micro-purchase threshold. Micro-purchases comprise a subset of a non-federal entity's small purchase procedures as defined in §200.320.

(vii) Micro-purchase threshold – The dollar amount at or below which a non-federal entity may purchase property or service using micro-purchase procedures (see §200.320). Generally, micro-purchase threshold for procurement activities administered under federal awards is not to exceed the amount set by the Federal Acquisition Regulation (FAR) at 48 CFR Part 2, Subpart 2.1, unless a higher threshold is requested by the non-federal entity and approved by the cognizant agency for indirect costs. The micro-purchase threshold is \$10,000, except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation.

(viii) Non-federal entity – a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a federal award as a recipient or subrecipient. For purposes of this Policy, First 5 Orange County is considered a non-federal entity.

(ix) Pass-through entity – a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program. For purposes of this Policy, an example of a pass-through entity is the County of Orange.

(x) Recipient – an entity, usually but not limited to non-federal entities, that receives a federal award directly from a federal awarding agency. The term recipient does not include subrecipients or individuals that are beneficiaries of the award.

(xi) Simple Acquisition Threshold (SAT) – the dollar amount below which a non-Federal entity may purchase property or services using small purchase methods (see §200.320). Non-federal entities adopt small purchase procedures in order to expedite the purchase of items costing less than the simplified acquisition threshold. The simplified acquisition threshold for procurement activities under federal awards is set by the Federal Acquisition Regulation (FAR) at 48 CFR Part 2, Subpart 2.1. The non-federal entity is responsible for determining an appropriate simplified acquisition threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. However, in no circumstances can this threshold exceed the dollar value established in the FAR (48 CFR Part 2, Subpart 2.1). Recipients should determine if local government laws on purchasing apply. The simplified acquisition threshold is \$250,000, except as otherwise discussed in Subpart 2.1 of that regulation, but this threshold is periodically adjusted for inflation.

(xii) Subaward – an award provided by a pass-through entity to a subrecipient for the subrecipient to carry out part of a federal award received by the pass-through entity. It does not include payments to a contractor or payments to an individual that is a beneficiary of a federal program. A subaward may be provided through any form of legal agreement, including an agreement that the pass-through entity considers a contract.

(xiii) Subrecipient – an entity, usually but not limited to non-federal entities, that receives a subaward from a pass-through entity to carry out part of a federal program; but does not include an individual that is a beneficiary of such award. A subrecipient may also be a recipient of other federal awards directly from a federal awarding agency.

(xiv) Time and materials type contract (§200.318(j)) – a contract for which the cost to a non-federal entity is the sum of: (i) The actual cost of materials; and (ii) direct labor hours charged at fixed hourly rates that reflect wages, general and administrative expenses, and profit.

II. Procurement Standards

First 5 Orange County's procurement standards are governed by its contract and purchasing policies, the California Public Contract Code, the County Support Services Agreement, and other applicable state and local laws and regulations. All procurements and transactions involving federal projects will be conducted in a manner providing full and open competition consistent with the Uniform Guidance and state, local, and federal laws and regulations.

Oversight (§200.318). First 5 Orange County Staff will maintain oversight of each federal project to ensure that contractors and consultants perform in accordance with the terms, conditions, and specifications of each contract, transaction, and purchase order.

Conflicts of Interest (§200.318). It is strictly prohibited for any officer or employee of First 5 Orange County to participate in the selection, award, or administration of a contract supported, in whole or in part, by a federal award if he or she has a real or apparent conflict of interest. Such a conflict of interest would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in or a tangible personal benefit from a firm considered for a contract, or as otherwise proscribed by Government Code Section

1090 et seq. or 87100 et seq. First 5 Orange County's officers, employees, and agents may neither solicit nor accept gratuities, favors, or anything of monetary value from contractors or parties to subcontracts funded by a federal award.

First 5 Orange County officers and employees are prohibited from engaging in any unlawful activity in the procurement of goods and supplies, equipment, and services, including, but not limited to, receipt of any form of compensation, rebates, kickbacks, or any other unlawful consideration. Violations of these standards will be subject to disciplinary action, as deemed appropriate by First 5 Orange County, including possible dismissal.

Unnecessary and Duplicative Items (§200.318). To the extent feasible, First 5 Orange County will avoid acquisition of unnecessary or duplicative items and will consider consolidating or breaking out procurements to obtain a more economical purchase in compliance with state and federal law. First 5 Orange County will analyze lease versus purchase alternatives when appropriate and will perform any other appropriate analysis to determine the most economical approach.

Intergovernmental and inter-entity agreements (§200.318). To foster greater economy and efficiency, and in accordance with efforts to promote cost-effective use of shared services across the Federal Government, First 5 Orange County will consider entering into state and local intergovernmental agreements or inter-entity agreements, where appropriate, for procurement or use of common or shared goods and services. Competition requirements will be met with documented procurement actions using strategic sourcing, shared services, and other similar procurement arrangements.

Federal excess and surplus property (§200.318). First 5 Orange County will use federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.

III. Solicitations

All solicitations involving federal projects will be conducted in accordance with First 5 Orange County's procurement standards, Uniform Guidance, and applicable state and federal laws and regulations, as may be amended. Contracts will only be awarded to responsible contractors, consultants, and professionals possessing the ability to perform successfully under the terms and conditions of a proposed procurement. Consideration will be given to such matters as a bidder's integrity, compliance with public policy, record of past performance, and financial and technical resources. First 5 Orange County will not contract with suspended or debarred contractors in accordance with federal and state requirements. (§200.318)

Specifications (§200.319). All solicitations must incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured. Such description must not, in competitive procurements, contain features which unduly restrict competition. The description may include a statement of the qualitative nature of the material, product, or service to be procured and, when necessary, must set forth those minimum essential characteristics and standards to which it must conform if it is to satisfy its intended use. First 5 Orange County's solicitations must identify all requirements the bidders must fulfill and all other factors to be used in evaluating bids or proposals.

Detailed product specifications should be avoided if possible, but if impractical or uneconomical to make a clear and accurate description of the technical requirements, a "brand name or equivalent" description may be used to define the performance or other salient requirements of

procurement. The specific features of the named brand which must be met by bidders must be clearly stated.

To ensure objective contractor performance and to eliminate unfair competitive advantage, it is First 5 Orange County's policy that any contractor or consultant that develops or drafts specifications, requirements, statements of work, or invitations for bids or requests for proposals will be excluded from competing for such procurements. Some of the situations considered to be restrictive of competition include but are not limited to:

- (i) Placing unreasonable requirements on firms in order for them to qualify to do business;
- (ii) Requiring unnecessary experience and excessive bonding;
- (iii) Noncompetitive pricing practices between firms or between affiliated companies;
- (iv) Noncompetitive contracts to consultants that are on retainer contracts;
- (v) Organizational conflicts of interest;
- (vi) Specifying only a "brand name" product instead of allowing "an equal" product to be offered and describing the performance or other relevant requirements of the procurement; and
- (vii) Any arbitrary action in the procurement process.

Prequalification (§200.319). First 5 Orange County will ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. First 5 Orange County will not preclude potential bidders from qualifying during the solicitation period.

Small and minority businesses, women's business enterprises, and labor surplus area firms (§200.321). First 5 Orange County will take all necessary and affirmative steps to assure that minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Affirmative steps must include:

- (i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
- (ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
- (iii) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;
- (iv) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
- (v) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- (vi) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (1) through (5) of this section.

Domestic Preferences for Procurements (§200.322). As appropriate and to the extent consistent with law, First 5 Orange County should, to the greatest extent practicable under a federal award, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). The requirements of this section must be included in all subawards including all contracts and purchase orders for work or products under this award. For purposes of this section:

(i) “Produced in the United States” means, for iron and steel products, that all manufacturing processes, from the initial melting stage through the application of coatings, occurred in the United States.

(ii) “Manufactured products” means items and construction materials composed in whole or in part of non-ferrous metals such as aluminum; plastics and polymer-based products such as polyvinyl chloride pipe; aggregates such as concrete; glass, including optical fiber; and lumber.

Procurement of Recovered Materials (§200.323). The Uniform Guidance requires First 5 Orange County and its contractors to comply with section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds \$10,000 or the value of the quantity acquired during the preceding fiscal year exceeded \$10,000; procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

IV. Procurement Methods

First 5 Orange County Staff shall follow the procurement methods for federal awards found in §200.320 of the Uniform Guidance, as may be amended, which are discussed, in part, below. Should First 5 Orange County’s contract and purchasing policies provide for stricter purchasing limitations or more-competitive procurement methods, First 5 Orange County Staff will follow such policies unless they conflict with the Uniform Guidance.

(i) **Informal Procurement Methods** (§200.320(a)). When the value of a procurement for property or services under a federal award does not exceed the simplified acquisition threshold (SAT), as defined above, or a lower threshold established by the First 5 Orange County’s contract and purchasing policies, the Uniform Guidance does not require formal procurement methods to be used. First 5 Orange County may use informal procurement methods under its contract and purchasing policies to expedite the completion of its transactions and minimize the associated administrative burden and cost. The informal methods set forth in the Uniform Guidance that can be used for procurement of property or services at or below the SAT include:

(a) Micro-purchases.

(1) Distribution. The acquisition of supplies or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold defined above, which amount may be updated from time to time. To the maximum extent practicable, First 5 Orange County will distribute micro-purchases equitably among qualified suppliers.

(2) Micro-purchase awards. Micro-purchases may be awarded without soliciting competitive quotations if First 5 Orange County considers the price to be reasonable based on research, experience, purchase history, or other information and documents it files accordingly.

(3) Micro-purchase thresholds. First 5 Orange County is responsible for determining and documenting an appropriate micro-purchase threshold based on internal controls, an evaluation of risk, and its documented procurement procedures. The micro-purchase threshold used by First 5 Orange County must be authorized or not prohibited under state, local, or tribal laws or regulations. Should First 5 Orange County's contract and purchasing policies provide a more restrictive threshold, First 5 Orange County Staff will only procure by micro-purchase up to the amount authorized by those policies.

(4) The Uniform Guidance permits First 5 Orange County to establish a threshold higher than the FAR in accordance with the following:

(i) Micro-purchase threshold increase up to \$50,000. First 5 Orange County is permitted to establish a threshold higher than the micro-purchase threshold identified in the FAR in accordance with the requirements of this section. First 5 Orange County may self-certify a threshold up to \$50,000 on an annual basis and must maintain documentation to be made available to the federal awarding agency and auditors in accordance with §200.334. The self-certification must include a justification, clear identification of the threshold, and supporting documentation of any of the following:

(a) A qualification as a low-risk auditee, in accordance with the criteria in §200.520 for the most recent audit;

(b) An annual internal institutional risk assessment to identify, mitigate, and manage financial risks; or

(c) For public institutions, a higher threshold consistent with state law.

(v) Micro-purchase threshold increase over \$50,000. Micro-purchase thresholds higher than \$50,000 must be approved by the cognizant agency for indirect costs. First 5 Orange County must submit a request with the requirements and certification included in the previous subsection. The increased threshold is valid until there is a change in status in which the justification was approved.

(b) Procurement by small purchase procedures.

(1) Small purchase procedures. These apply to the acquisition of property or services, the aggregate dollar amount of which is higher than the micro-purchase threshold but does not exceed the SAT. If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources as determined appropriate by First 5 Orange County and in accordance with the contract and purchasing policies.

(2) Simplified acquisition thresholds. First 5 Orange County is responsible for determining an appropriate SAT based on internal controls, an evaluation of risk and its documented procurement procedures which must not exceed the threshold established in the FAR. To the extent First 5 Orange County's contract and purchasing policies provide a more restrictive threshold, First 5 Orange County Staff will only procure through small purchase procedures up to the amount authorized by the said policies. When applicable, a lower SAT used by First 5 Orange County must be authorized or not prohibited under state, local, or tribal laws or regulations.

(ii) **Formal Procurement Methods** (§200.320(b)). When the value of the procurement for property or services exceeds the SAT or a lower threshold established by First 5 Orange County, the Uniform Guidance requires the use of formal procurement methods. Formal procurement methods require documented procedures set forth below. Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with §200.319, as provided herein. The following formal methods of procurement are used for procurement of property or services above the SAT or a value below the SAT First 5 Orange County determines to be appropriate:

(a) Procurement by sealed bids (formal advertising). Under this procurement method, bids are publicly solicited, and a firm fixed-price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction if the following conditions apply. If this method is used, First 5 Orange County Staff will comply with its contract and purchasing policies as well as the requirements set forth in the Uniform Guidance, described below:

(1) Feasibility. For sealed bidding to be feasible, the following conditions should be present:

(i) A complete, adequate, and realistic specification or purchase description is available;

(ii) Two or more responsible bidders are willing and able to compete effectively for the business; and

(iii) The procurement lends itself to a firm fixed-price contract and the selection of the successful bidder can be made principally based on price.

(2) Requirements. If sealed bids are used, the following requirements apply:

(i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, and the invitation for bids must be publicly advertised;

(ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;

(iii) All bids will be opened publicly at the time and place prescribed in the invitation for bids;

(iv) A firm fixed-price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and

(v) Any or all bids may be rejected if there is a sound documented reason.

(b) Procurement by competitive proposals. A procurement method in which either a fixed-price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, First 5 Orange County Staff will comply with its contract and purchasing policies as well as the requirements set forth in the Uniform Guidance, described below:

(i) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical;

(ii) Proposals must be solicited from an adequate number of qualified sources;

(iii) First 5 Orange County Staff will use a written method for conducting technical evaluations of the proposals received and for selecting recipients;

(iv) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and

(v) First 5 Orange County may use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method where price is not used as a selection factor can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.

(iii) **Noncompetitive procurement** (§200.320(c)). There are specific circumstances in which noncompetitive procurement can be used. Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:

(a) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold;

(b) The item is available only from a single source;

(c) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;

(d) The federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from First 5 Orange County; or

(e) After solicitation of a number of sources, competition is determined inadequate.

V. Other Contracting Requirements

Time and Materials Contracts (§200.318). Should First 5 Orange County desire to use a time and materials type contract for a federal project, it may only do so after a determination is made that no other contract is suitable, and if the contract includes a ceiling price that the contractor exceeds at its own risk. The Uniform Guidance finds that a time-and-materials contract provides no positive profit incentive to the contractor for cost control or labor efficiency. Therefore, each contract must set a ceiling price (i.e., a not-to-exceed amount) that the contractor exceeds at its own risk. If First 5 Orange County awards such a contract, First 5 Orange County Staff will assert a high degree of oversight in order to obtain reasonable assurance that the contractor is using efficient methods and effective cost controls.

Value Engineering (§200.318). First 5 Orange County will use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.

Contract Cost and Price (§200.324). First 5 Orange County Staff will perform a cost or price analysis in connection with every procurement action in excess of the SAT, including contract modifications. The method and degree of analysis is dependent on the facts surrounding the particular procurement situation, but as a starting point, First 5 Orange County must make independent estimates before receiving bids or proposals.

First 5 Orange County must negotiate profit as a separate element of the price for each contract in which there is no price competition and in all cases where cost analysis is performed. To establish a fair and reasonable profit, consideration must be given to the complexity of the work to be performed, the risk borne by the contractor, the contractor's investment, the amount of subcontracting, the quality of its record of past performance, and industry profit rates in the surrounding geographical area for similar work.

Costs or prices based on estimated costs for contracts under the Federal award are allowable only to the extent that costs incurred or cost estimates included in negotiated prices would be allowable for First 5 Orange County under 2 CFR 200, Subpart E—Cost Principles. First 5 Orange County will not use a cost plus a percentage of cost and percentage of construction cost methods of contracting. First 5 Orange County must comply with 2 CFR 200, Subpart E—Cost Principles and First 5 Orange County Policy No. 6.11, Financial Management and Allowability of Costs for Federal Projects, in determining allowable costs for a contract.

Bonding Requirements (§200.326). For construction or facility-improvement contracts or subcontracts exceeding the SAT, the federal awarding agency or pass-through entity may accept the bonding policy and requirements of First 5 Orange County, provided that the federal awarding agency or pass-through entity has made a determination that the federal interest is adequately protected. If such a determination has not been made, First 5 Orange County will comply with the minimum requirements below:

(i) A bid guarantee from each bidder equivalent to five percent (5%) of the bid price. The “bid guarantee” must consist of a firm commitment such as a bid bond, certified check, or other

negotiable instrument accompanying a bid as assurance that the bidder will, upon acceptance of the bid, execute such contractual documents as may be required within the time specified.

(ii) A performance bond on the part of the contractor for one hundred percent (100%) of the contract price. A “performance bond” is one executed in connection with a contract to secure fulfillment of all the contractor's obligations under such contract.

(iii) A payment bond on the part of the contractor for one hundred percent (100%) of the contract price. A “payment bond” is one executed in connection with a contract to assure payment as required by law of all persons supplying labor and material in the execution of the work provided for in the contract.

Contract Provisions (§200.327). First 5 Orange County will incorporate the applicable provisions found in Appendix II to 2 CFR Part 200 – “Contract Provisions for non-Federal Entity Contracts Under Federal Awards” in all contracts let under a federal award.

Federal awarding agency or pass-through entity review (§200.325).

(i) First 5 Orange County will make available, upon request of the federal awarding agency or pass-through entity, technical specifications on proposed procurements where the federal awarding agency or pass-through entity believes such review is needed to ensure that the item or service specified is the one being proposed for acquisition. This review generally will take place prior to the time the specification is incorporated into a solicitation document. However, if First 5 Orange County desires to have the review accomplished after a solicitation has been developed, the federal awarding agency or pass-through entity may still review the specifications, with such review usually limited to the technical aspects of the proposed purchase.

(ii) First 5 Orange County must make available upon request, for the federal awarding agency or pass-through entity pre-procurement review, procurement documents, such as requests for proposals or invitations for bids, or independent cost estimates, when:

(a) First 5 Orange County's procurement procedures or operation fails to comply with the procurement standards in the Uniform Guidance;

(b) The procurement is expected to exceed the SAT and is to be awarded without competition or only one bid or offer is received in response to a solicitation;

(c) The procurement, which is expected to exceed the SAT, specifies a “brand name” product;

(d) The proposed contract is more than the SAT and is to be awarded to other than the apparent low bidder under a sealed bid procurement; or

(e) A proposed contract modification changes the scope of a contract or increases the contract amount by more than the SAT.

(iii) First 5 Orange County is exempt from the pre-procurement review in paragraph (ii) of this section if the federal awarding agency or pass-through entity determines that its procurement systems comply with the standards of the Uniform Guidance.

(a) First 5 Orange County may request that its procurement system be reviewed by the federal awarding agency or pass-through entity to determine whether its system

meets these standards in order for its system to be certified. Generally, these reviews must occur where there is continuous high-dollar funding, and third-party contracts are awarded on a regular basis;

(b) First 5 Orange County may self-certify its procurement system. Such self-certification must not limit the federal awarding agency's right to survey the system. Under a self-certification procedure, the federal awarding agency may rely on written assurances from First 5 Orange County that it is complying with these standards. First 5 Orange County must cite specific policies, procedures, regulations, or standards as being in compliance with these requirements and have its system available for review.

VI. Reporting Violations

If First 5 Orange County Staff is informed of any violations of federal criminal law involving fraud, bribery, or gratuity violations potentially affecting a federal award, staff must report such violations to First 5 Orange County's President/CEO and Commission Counsel. First 5 Orange County will promptly report all reportable violations to either the pass-through entity or federal awarding agency, as required by the federal award.

VII. Records

Each First 5 Orange County department administering a federal project, in whole or in part, shall be responsible for maintaining records pertaining to the federal project in a separate, designated account file. First 5 Orange County shall maintain all records relating to a federal project for a period of three (3) years from the date of submission of the final expenditure report or, for federal awards that are renewed quarterly or annually, from the date of the quarterly or annual financial report, respectively, as reported to the federal awarding agency or pass-through entity. Such records include financial records, supporting documents, statistical records, and all other First 5 Orange County records pertinent to the federal award. For each federal project, First 5 Orange County will maintain all records that detail the history of the project, including, but not limited to, the rationale for the method of procurement, the selection of contract type, contractor selection or rejection, and basis for contract price.

The only exceptions to the three (3) year retention requirement for federal projects apply under the following circumstances:

(i) If any litigation, claim, or audit is started before the expiration of the three (3)-year period, the records must be retained until all litigation, claims, or audit findings involving the records have been resolved and final action taken.

(ii) When First 5 Orange County is notified in writing by the federal awarding agency, cognizant agency for audit, oversight agency for audit, cognizant agency for indirect costs, or pass-through entity to extend the retention period.

(iii) Records for real property and equipment acquired with federal funds must be retained for three (3) years after final disposition of the property or equipment.

(iv) When records are transferred to or maintained by the federal awarding agency or pass-through entity, the three (3) year retention requirement does not apply.

(v) Records for program income transactions after the period of performance. In some cases, recipients must report program income after the period of performance. Where there is

such a requirement, the retention period for the records pertaining to the earning of the program income starts from the end of First 5 Orange County's fiscal year in which the program income is earned.

(vi) Indirect cost rate proposals and cost allocations plans. This applies to the following types of documents and their supporting records: indirect cost rate computations or proposals, cost allocation plans, and any similar accounting computations of the rate at which a particular group of costs is chargeable (such as computer usage chargeback rates or composite fringe benefit rates).

(a) If submitted for negotiation. If the proposal, plan, or other computation is required to be submitted to the Federal Government (or to the pass-through entity) to form the basis for negotiation of the rate, then the three (3)-year retention period for its supporting records starts from the date of such submission.

(b) If not submitted for negotiation. If the proposal, plan, or other computation is not required to be submitted to the Federal Government (or to the pass-through entity) for negotiation purposes, then the three (3)-year retention period for the proposal, plan, or computation and its supporting records starts from the end of the fiscal year (or other accounting period) covered by the proposal, plan, or other computation.

Prior to destruction of any record pertaining to a federal project, the First 5 Orange County departments administering a federal project shall verify that the records maintained in each department are permitted to be destroyed pursuant to this Policy and the Uniform Guidance. There may be circumstances where the records retention period under this Policy is greater than First 5 Orange County's adopted record retention schedule for such record category description. In such circumstance, this Policy governs, and such record must be retained for the maximum required period under this Policy and the Uniform Guidance.

VIII. Exceptions

Any exceptions to this Policy related to First 5 Orange County's compliance with applicable requirements of the Uniform Guidance are as set forth in the Uniform Guidance or must be demonstrated, in writing, by the federal awarding agency or pass-through entity, as appropriate.

POLICIES AND PROCEDURES
No: 6.11**FINANCIAL MANAGEMENT AND ALLOWABILITY OF COSTS FOR FEDERALLY-
FUNDED PROJECTS**

PURPOSE

As a recipient of federal funding, First 5 Orange County is required to ensure proper and efficient administration of all federal awards in accordance with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Title 2 of the Code of Federal Regulations (CFR) part 200, as may be amended (hereinafter referred to as the "Uniform Guidance"), which is adopted by this reference and incorporated herein. To accomplish this, First 5 Orange County must maintain a financial system that properly accounts for all expenditures of federal funds and provides for internal controls to ensure such funds are properly administered according to the Uniform Guidance. If required by the federal award, First 5 Orange County must also adhere to the cost requirements for federal awards under the Federal Acquisition Regulations System (FAR), 48 CFR part 31, as may be amended, adopted by this reference and incorporated herein.

This Policy shall be administered by First 5 Orange County Staff for all federal projects, including, but not limited to, grants, awards, cooperative agreements, and any other method of federal funding received by First 5 Orange County. This Policy applies to the purchase of goods and supplies and equipment, procurement of professional and nonprofessional services, and the procurement of public works under the California Public Contract Code, which are funded, in whole or in part, by a federal award (hereinafter referred to as a "federal project"). This Policy also applies to any work performed on a federal project that is funded, in whole or in part, by federal funds. All contractors, consultants, professionals, subcontractors, subconsultants, and any other individual or entity performing work on a federal project will be required to adhere to this Policy and to comply with the Uniform Guidance and applicable provisions of the FAR, as may be amended.

For each federal project, First 5 Orange County may only seek reimbursement from the federal award for certain costs that have been deemed allowable under the Allowability of Costs Standards set forth in the Uniform Guidance at 2 CFR Subpart E – Cost Principles (hereinafter referred to as the "Cost Principles") and the FAR, 48 CFR part 31, if applicable. First 5 Orange County will ensure that costs are properly charged to a federal award in accordance with this Policy, the Cost Principles, the FAR, and any other applicable requirements set forth by the federal awarding agency or pass-through entity.

POLICY STATEMENT

I. Definitions

These definitions are derived, in relevant part, from 2 CFR §200.1, and the Cost Principles, unless otherwise specified:

(i) Cognizant agency for indirect costs – the federal agency responsible for reviewing, negotiating, and approving cost allocation plans or indirect cost proposals developed under this part on behalf of all federal agencies. The cognizant agency for indirect costs is not necessarily the same as the cognizant agency for audit. For state and local governments: the cognizant agency is discussed in Appendix V to Part 200—State/Local Governmentwide Central Service Cost Allocation Plans, paragraph F.1.

(ii) Direct Costs (§200.413) – costs that can be identified specifically with a particular final cost objective, such as a Federal award, or other internally or externally funded activity, or that can be directly assigned to such activities relatively easily with a high degree of accuracy. Costs incurred for the same purpose in like circumstances must be treated consistently as either direct or indirect (F&A) costs.

(iii) Disallowed costs – those charges to a federal award that the federal awarding agency or pass-through entity determines to be unallowable, in accordance with the applicable federal statutes, regulations, or the terms and conditions of the federal award.

(iv) Federal award – has the meaning, depending on the context, in either paragraph (a) or (b) of this section:

(a)(1) The federal financial assistance that a recipient receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in §200.101; or (2) The cost-reimbursement contract under the Federal Acquisition Regulations that a non-federal entity receives directly from a federal awarding agency or indirectly from a pass-through entity, as described in §200.101.

(b) The instrument setting forth the terms and conditions. The instrument is the grant agreement, cooperative agreement, other agreement for assistance covered in paragraph (b) of the definition of federal financial assistance, or the cost-reimbursement contract awarded under the Federal Acquisition Regulations.

(c) Federal award does not include other contracts that a federal agency uses to buy goods or services from a contractor or a contract to operate Federal Government owned, contractor operated facilities.

(d) See also definitions of federal financial assistance, grant agreement, and cooperative agreement.

(v) Federal awarding agency – the federal agency that provides a federal award directly to a non-federal entity.

(vi) Federal financial assistance –

(a) assistance that non-federal entities receive or administer in the form of: (1) grants; (2) cooperative agreements; (3) non-cash contributions or donations of property

(including donated surplus property); (4) direct appropriations; (5) food commodities; and (6) other financial assistance (except assistance listed in paragraph (b) of this definition.

(b) For §200.203 and 2 CFR 200, Subpart F, federal financial assistance also includes assistance that non-Federal entities receive or administer in the form of: (1) loans; (2) loan guarantees; (3) interest subsidies; and (4) insurance.

(c) For §200.216, federal financial assistance includes assistance that non-federal entities receive or administer in the form of: (1) grants; (2) cooperative agreements; (3) loans; and (4) loan guarantees.

(d) Federal financial assistance does not include amounts received as reimbursement for services rendered to individuals as described in §200.502(h) and (i).

(vii) Fixed amount awards – a type of grant agreement or cooperative agreement under which the federal awarding agency or pass-through entity provides a specific level of support without regard to actual costs incurred under the federal award. This type of federal award reduces some of the administrative burden and record-keeping requirements for both the non-federal entity and federal awarding agency or pass-through entity. Accountability is based primarily on performance and results.

(viii) Non-federal entity – a state, local government, Indian tribe, institution of higher education (IHE), or nonprofit organization that carries out a federal award as a recipient or subrecipient. For purposes of this Policy, First 5 Orange County is considered a non-federal entity.

(ix) Pass-through entity – a non-federal entity that provides a subaward to a subrecipient to carry out part of a federal program.

II. Financial Management

First 5 Orange County utilizes a financial management system to administer First 5 Orange County's accounts and purchases in accordance with accepted accounting principles. First 5 Orange County will utilize its financial management system to ensure proper and efficient administration of funds for federal projects. The financial management system will properly accumulate and segregate reasonable, allowable, and allocable incurred costs on a federal project and matching funds by line item. First 5 Orange County shall continue to maintain financial responsibility in accordance with best practices and First 5 Orange County policies and procedures.

For each federal project, First 5 Orange County will trace funds to a level of expenditure adequate to establish that such funds have been used according to state and federal statutes, regulations, and under the terms and conditions of each federal award. First 5 Orange County will prepare and present reports from the financial management system to the federal awarding agency or pass-through entity upon request. In addition, First 5 Orange County will assign a unique identification number for each federal project to ensure proper identification of records. This identification number shall be placed on all financial documents pertaining to the federal project. For example, the identification number will be contained on each check request and in the description of a purchase.

III. Payments

It is First 5 Orange County's policy and practice to receive payment from federal awards on a reimbursement basis. First 5 Orange County will request payment by reimbursement for a federal project, pursuant to Section 200.305, when deemed appropriate by the Finance Director. For any reimbursement request for a federal award, First 5 Orange County must provide supporting certifications and documentation required by the Cost Principles, the FAR, and terms and conditions of the federal award. The reimbursement request should only seek reimbursement of costs that comply with the Cost Principles and the FAR, as applicable. The review, approval, and processing of disbursements for federal projects shall be done on a weekly basis in order to minimize the time between First 5 Orange County's receipt and disbursement of funds.

Should First 5 Orange County request advanced payments from a pass-through entity or federal awarding agency for a federal project, First 5 Orange County will comply with the requirements of Sections 200.302 and 200.305, including the development of written procedures.

IV. Allowability of Costs

The Uniform Guidance and the FAR set forth certain allowable and disallowed costs for federal awards. All costs charged to a federal award must comply with applicable provisions of the Cost Principles and the FAR, as each may be amended, in addition to any terms and conditions imposed by the federal award. The Cost Principles and FAR apply throughout all phases of a federal project, including, but not limited to, Staff time allocated to a federal project, the pricing of contracts procured under a federal project, the purchase of equipment, and any work performed by contractors, consultants, professionals, subcontractors, and subconsultants.

The Cost Principles and the FAR also set forth certain disallowed costs which cannot be charged to a federal project. Costs that are disallowed under the Cost Principles or FAR would not be reimbursable to First 5 Orange County by the federal awarding agency.

Each procurement under a federal project must be carried out in accordance with this Policy in addition to First 5 Orange County Policies and Procedures No. 6.10, Federal Funds Purchasing Policy. First 5 Orange County must determine the allowable costs for each solicitation and contract advertised and awarded for a federal project and insert appropriate contract language that requires compliance with the Cost Principles and the FAR, as applicable, by contractors, consultants, professionals, subcontractors, subconsultants, and any others performing work or engaging in transactions for the federal project. All contractors, consultants, professionals, subcontractors, subconsultants, and any other individual or entity performing work on a federal project will be required to adhere to this Policy and to comply with the Cost Principles and the FAR, as may be amended.

All costs incurred on a federal project must be allowable, reasonable, and allocable to the federal award. This applies to both the direct and indirect costs charged by First 5 Orange County. The Cost Principles set forth guidance to determine the allowability, allocability, and reasonableness of costs.

Applicability. First 5 Orange County will ensure that all costs charged to a federal award meet the standards for allowability, reasonability, and allocability in conformance with the Cost Principles. The Cost Principles must be used by First 5 Orange County Staff in the pricing of fixed-price contracts and subcontracts where costs are used in determining the appropriate contract price. The Cost Principles must also be used when a federal awarding agency or pass-through

entity requires First 5 Orange County to comply with the Cost Principles or to account for actual costs incurred by First 5 Orange County under a federal award. The Cost Principles do not apply to federal awards, including grant agreements, which are considered “fixed amount awards,” or to other awards where First 5 Orange County is not required to account to the pass-through entity or federal awarding agency for actual costs incurred.

Allowability of costs (§200.403). The Cost Principles set forth seven (7) factors to determine the allowability of costs. Except as otherwise authorized by statute, costs must meet the following general criteria to be allowable under a federal award:

(i) Costs must be necessary and reasonable for the performance of the federal award and be allocable thereto under the Cost Principles.

(ii) Costs must conform to any limitations or exclusions set forth in the Cost Principles or in the federal award as to types or amount of cost items.

(iii) Costs must be consistent with policies and procedures that apply uniformly to both federally-financed and other activities of First 5 Orange County.

(iv) Costs must be accorded consistent treatment. A cost may not be assigned to a federal award as a direct cost if any other cost incurred for the same purpose in like circumstances has been allocated to the federal award as an indirect cost.

(v) Costs must be determined in accordance with applicable accounting principles, except as otherwise provided by the Cost Principles.

(vi) Costs must not be included as a cost or used to meet cost sharing or matching requirements of any other federally-financed program in either the current or a prior period.

(vii) All costs must be accurately documented.

(viii) Costs must be incurred during the approved budget period. The federal awarding agency is authorized, at its discretion, to waive prior written approvals to carry forward unobligated balances to subsequent budget periods pursuant to §200.308(e)(3).

Reasonable costs (§200.404). A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost. In determining reasonableness of a given cost, First 5 Orange County Staff will consider:

(i) Whether the cost is of a type generally recognized as ordinary and necessary for the operation of First 5 Orange County or the proper and efficient performance of the federal award.

(ii) The restraints or requirements imposed by such factors as: sound business practices; arm's-length bargaining; federal, state, local, tribal, and other laws and regulations; and terms and conditions of the federal award.

(iii) Market prices for comparable goods or services for the geographic area.

(iv) Whether the individuals concerned acted with prudence in the circumstances considering their responsibilities to First 5 Orange County, its employees, the public at large, and the federal government.

(v) Whether First 5 Orange County significantly deviates from its established practices and policies regarding the incurrence of costs, which may unjustifiably increase the federal award's cost.

Allocable costs (§200.405). A cost is allocable to a federal award or other cost objective if the goods or services involved are chargeable or assignable to that federal award or cost objective in accordance with relative benefits received. This standard is met if the cost:

- (i) Is incurred specifically for the Federal award;
- (ii) Benefits both the federal award and other work of First 5 Orange County and can be distributed in proportions that may be approximated using reasonable methods; and
- (iii) Is necessary to the overall operation of First 5 Orange County and is assignable in part to the federal award in accordance with the Cost Principles.

All costs must be appropriately allocated for federal awards in accordance with §200.405, including indirect costs.

Direct and Indirect Costs (§§200.410 – 200.417). Costs charged to a federal award must be appropriately defined as direct or indirect costs, in accordance with the Cost Principles. Any costs deemed unallowable by the federal awarding agency will be required to be refunded, with interest, unless federal statute or regulation directs otherwise.

Specified Costs (§§200.420 – 200.476). The Cost Principles provide certain principles to be applied in establishing the allowability of selected items of cost, which are set forth in Sections 200.420 – 200.476, as may be amended. For example, there are principles for determining specified costs for personal services such as wages and salaries, travel expenses, and purchases of equipment. These principles must be used and documented throughout all phases of a federal project, which includes, but is not limited to, determining the price of contracts for a federal project and seeking reimbursement from a federal award. First 5 Orange County will seek prior written approval of costs when required by the Cost Principles.

V. Record Maintenance

Each First 5 Orange County department administering a federal project, in whole or in part, shall be responsible for maintaining records pertaining to the federal project in a separate, designated account file. Each account file shall maintain a copy of all documents pertaining to the federal project, including, but not limited to, check requests, cancelled checks, contract documents, internal memoranda, and correspondence. Such records shall be organized by fiscal year. A separate account file shall be created within the finance department for each federal project, which must contain a cover sheet that identifies the federal award and includes such information as the Catalog of Federal Domestic Assistance (CFDA) title and number, the federal award identification number and year, the name of the federal awarding agency, the name of the pass-through entity, if applicable, and First 5 Orange County's unique identification number. Each account file shall maintain all source records pertaining to the federal project, such as authorizations, obligations, unobligated balances, assets, expenditures, income, and interest. A tracking sheet may be created for each federal project to assist other First 5 Orange County departments in tracking the various methods of identification of the federal project and identifying transactions and balances for the federal project.

At the end of each fiscal year, the Finance Director shall provide a list of transactions and tracking sheets to each First 5 Orange County department administering a federal project. The departments shall review the list of transactions and tracking sheets to verify that all records pertaining to the transactions and identified in the tracking sheet are maintained in the federal project account file.

COVID-19 Prevention Program (CPP) for First 5 Orange County Children and Families Commission

COVID-19 PREVENTION PROGRAM

First 5 OC is committed to protecting all staff and preventing the spread of COVID-19 at the workplace. This program was developed to reduce our workers' risk of catching and spreading this virus. The Prevention Program begins with ensuring all staff can work remotely minimizing the number of staff present in the office at any time. Staff are encouraged to share information about potential COVID-19 hazards at the workplace and assist in evaluating these hazards. Workplace illnesses will be investigated and identified hazards will be corrected. Any guidance and directions issued from the County of Orange CEO office will be followed. This program will be reviewed and updated as necessary. This plan was last reviewed on (01/19/21).

1. SYSTEM OF COMMUNICATING

All Commission staff are asked to report, without fear of discrimination or retaliation, any symptoms, potential exposures, and possible hazards relating to COVID-19 at the workplace. Employees should make these reports to Rhonda Esera or their immediate supervisor, if Rhonda Esera is not immediately available.

First 5 OC will accommodate employees at higher risk of severe COVID-19 illness. All staff should report a high-risk condition to Rhonda Esera or their immediate supervisor, if Rhonda Esera is not immediately available.

If staff is suspected of having a workplace exposure to COVID-19, at-home testing is permitted and can be self-administered and self-read if a time-stamped photograph of the results is provided. Alternatively, access to COVID-19 testing at no cost is available through the following:

- County Employee Testing Site, online self-scheduling
<https://oc.fulgentgenetics.com/appointment/>
445 W. Civic Center Parking garage on the first floor
Available weekly on Tuesday and Thursdays 9:00 – 3:00
- Drive Thru Testing Sites
<https://360clinic.fulgentgenetics.com/appointment/screen/landing>

2. IDENTIFICATION AND EVALUATION OF COVID-19 HAZARDS

First 5 OC will evaluate the current workplace and operations to identify tasks that may have exposure to COVID-19. The evaluation includes all interactions, areas, activities, processes, equipment, and materials that could present potential exposure to COVID-19. Assessments include staff interactions with all persons who may be present at the Commission office: contractors, vendors, and members of the public. Evaluations include:

- Identification of places and times when people may gather or come in contact with each other, even if they aren't working. Examples: meetings, trainings, workplace entrances,

bathrooms, hallways, aisles, walkways, elevators, break or eating areas, cool-down areas, and waiting rooms.

- Potential workplace exposure to all persons at the workplace. We will consider how employees and others enter, leave, and travel through the workplace. Examples: co-workers, employees of other businesses, the public, customers or clients, and independent contractors.
- Existing COVID-19 prevention measures and whether different or additional control measures are needed.

Employee Participation – Staff are encouraged to participate in this evaluation. They can contact Rhonda Esera to share information on potential COVID-19 hazards at the Commission office or to assist in evaluating hazards.

The office environment at First 5 OC have been assessed as follows:

Table 1 – Risk Assessment

Risk	Risk Mitigation
General office environment	All Commission staff can work remotely. No staff are required to be physically in the office other than for very short periods.
Conference Rooms where employees may be in proximity	Chairs have been removed from conference rooms to enforce proper distancing.
Common areas	Regular cleanings by The Village Office Management along with disinfectant wipes and hand sanitizer located at all common areas in the Commission office. Frequently used doors in common areas will be propped open to limit the number of staff and guest touching each surface and provide additional airflow.

3. INVESTIGATING AND RESPONDING TO COVID-19 CASES IN THE WORKPLACE

Illness at the Commission office

All COVID-19 cases in the workplace will be investigated. The investigation includes verifying COVID-19 case status, obtaining information on COVID-19 test results and symptom onset, identifying and recording COVID-19 cases, and reporting when required by the regulations.

A log of all staff and visitors will be maintained including names, date, and contact information if not already available. The log will be used to identify the specific individuals to contact following notification of a COVID-19 case at the office.

Notification

Staff must alert Rhonda Esera if they are having symptoms of COVID-19, had a possible COVID-19 exposure, were diagnosed with COVID-19, or are awaiting test results. First 5 OC will not discriminate or retaliate against staff for reporting positive test results or symptoms.

Following notification of a positive test/diagnosis, we will immediately take the following actions:

1. Determine the day and time the COVID-19 case was last present at the workplace, the date of the positive test/diagnosis, and the date the COVID-19 case first experienced symptoms.
2. Determine who may have had exposure to the COVID-19 case by reviewing the case's activities during the high-risk period. The high-risk period for persons who develop symptoms is from two days before they first develop symptoms until 10 days after symptoms first appeared and 24 hours have passed with no fever, without the use of fever-reducing medications, and symptoms have improved. The high-risk period for persons who test positive but never develop symptoms is from two days before until 10 days after their first positive test for COVID-19 was collected.
3. Within one day of becoming aware of a positive diagnosis, Rhonda Esera will notify in writing all staff potentially exposed and instruct individuals with close contact regarding next steps as set forth by the California Department of Public Health (CDPH). CDPH defines close contact as being within six feet of an infected person for 15 cumulative minutes or more over a 24-hour period, starting 2 days prior to symptom onset until the sick person is isolated. When providing notice under this section, the identity of the infected staff will not be disclosed.
4. Staff with potential COVID-19 exposure will be provided information about access to COVID-19 testing, to be conducted either at home or which will be offered at no cost during working hours, and isolation requirements resulting from a positive test.
5. First 5 OC will investigate whether any workplace factors contributed to the infection and how to further reduce that potential exposure.
6. The Village Property Management will be notified of a confirmed case and request a "Level 2 deep cleaning."
7. Information about COVID-19 related leave benefits is provided by County CEO.
8. Confidentiality will be maintained at all times.

First 5 OC will keep a record of and track all COVID-19 cases to include: employee's name, contact information, the date of the last day at the workplace, and the date of a positive COVID-19 test. This information is kept confidential.

COVID-19 Infections and Outbreaks (3+ cases in 14-day period)

If there are three or more COVID-19 cases during a 14-day period, then all employees in the exposed group must comply with the face covering requirement until there are no new COVID-19 cases in the exposed group for a 14-day period. The Commission will provide for free testing during paid work time for staff to utilize if they choose. Close contacts must have a negative test within three to five days after close contact or be

excluded from the worksite until isolation requirements set forth by the CDPH are fulfilled. Testing is not needed for staff who were not present during the 14-day period or who have tested positive or been diagnosed and have returned to work for at least 90 days without symptoms.

Testing will be made available to interested staff: (1) immediately; (2) one week later; and (3) every week thereafter for staff continuing to work onsite until no new cases occur for a 14-day period.

After an outbreak occurs, the Commission will require exposed staff to wear face coverings or respirators (e.g. N95 face coverings) indoors and outdoors if less than six feet from another person.

These requirements cease after no new COVID-19 cases are detected for a 14-day period.

Major COVID-19 Outbreaks (20+ cases in 30-day period)

If a Major Outbreak (20+ COVID-19 cases in a 30-day period) originates from a group of staff at a common work area, the Commission will make COVID-19 testing available to interested staff at no cost and on paid work time. Testing is not needed for staff who were not present during the 14-day period or who have tested positive or been diagnosed and have returned to work for at least 90 days without symptoms.

Testing will be made available twice weekly to interested employees: (1) immediately; (2) one week later; and (3) every week thereafter for staff continuing to work onsite until no new cases occur for a 14-day period.

After a Major Outbreak occurs, the Commission will separate all staff who are not wearing respirators (e.g. N95 face coverings) by six feet where feasible.

In addition to implementing the requirements of the COVID-19 Protection Program, the Commission will conduct a review of policies, procedures, and controls immediately following an ("outbreak"). The review will be documented, and records maintained for inspection. The Commission will notify the local health department within 48 hours of an ("outbreak").

Disinfection after Positive Test/Diagnosis

First 5 OC will work with The Village Property Management to properly disinfect and air out the office suite.

4. CORRECTION OF COVID-19 HAZARDS

First 5 OC will correct unsafe or unhealthy conditions, work practices, policies, and procedures in a timely manner based on the severity of the hazard. Staff will inspect periodically to check that

controls are effective, to identify unhealthy work conditions or practices, and to ensure compliance with this plan. Any deficiencies will be corrected right away, and the plan will be updated if needed.

5. TRAINING AND INSTRUCTION

We will provide effective training and instruction that includes:

- “Coronavirus Disease 2019 (“COVID-19”) Guidance for County Employees, Frequently Asked Questions, Applicable Until Further Notice.” This document is frequently updated and distributed to all staff by County CEO.
- COVID-19 policies and procedures to protect employees from COVID-19 hazards.
- Information on how the vaccine is effective at preventing the spread of COVID-19
- Information regarding COVID-19-related benefits to which the employee may be entitled under applicable federal, state, or local laws
- The fact that:
 - COVID-19 is an infectious disease that can be spread through the air.
 - COVID-19 may be transmitted when a person touches a contaminated object and then touches their eyes, nose, or mouth.
 - An infectious person may have no symptoms.
- Information on when face coverings must be worn at the workplace (i.e. unvaccinated employees or during a Major Outbreak) as well as when they are recommended (e.g. outdoors and within six feet for unvaccinated employees).
- Information on employee rights to respirators (e.g. N95 face coverings) and instructions on how to properly wear respirators and check for proper seal.
- Information on accessing testing and vaccination locations and messaging regarding vaccination as an effective preventive measure in preventing the spread of COVID-19
- The fact that particles containing the virus can travel more than six feet, especially indoors, so physical distancing must be combined with other controls, including face coverings and hand hygiene, to be effective.
- The importance of frequent hand washing with soap and water for at least 20 seconds and using hand sanitizer when employees do not have immediate access to a sink or hand washing facility, and that hand sanitizer does not work if the hands are soiled.
- COVID-19 symptoms, and the importance of obtaining a COVID-19 test and not coming to work if the employee has COVID-19 symptoms.
- The County offers the Employee Assistance Program (EAP). EAP can be contacted at 1-800-221-0945 or online at www.resourcesforliving.com, Username: Orange County ca, Password: eat.
- The Employee Health website at www.ochealthinfo.com/ehs includes resources, and the OC Healthy Steps website has a variety of resources at: http://www.ocgov.com/gov/hr/eb/employee_wellness.
- The County Wellness Center website has been updated to reflect many virtual wellness resources: <https://countywellnesscenter.weebly.com/>.

Additional Pay Codes have been created pertaining to COVID-19 absences to allow employees to use Families First Coronavirus Response Act (FFCRA) Emergency Paid Sick Leave and expanded Family Medical Leave in combination with Cal/OSHA Emergency Temporary Standards and existing Sick Leave/Healthcare Leave balances. The County Guidance for Employees details use of the available codes.

6. PHYSICAL DISTANCING

No physical distancing measures will be implemented unless the Commission office has a Major Outbreak, meaning there are 20+ COVID-19 cases in a 30-day period.

7. FACE COVERINGS

Face coverings are recommended for unvaccinated staff and guests while outside and unable to maintain six feet of distance. All staff have the option of continuing to use face coverings, and respirators (e.g. N95 face coverings) will be made available upon request. Face coverings may be required subject to CDPH orders.

8.VACCINATION DOCUMENTATION

The Commission will allow staff to self-attest vaccination status. Staff who self-attest to being vaccinated will be permitted to remove face coverings while indoors. The Commission will maintain documentation of the vaccinated status of those staff.

9.OTHER CONTROLS AND PERSONAL PROTECTIVE EQUIPMENT

Limiting Access

All staff are encouraged to work remotely to limit the number of staff in the office at any given time.

Self-screening

All staff will self-screen according to CDPH guidelines. Signs are posted at entrances listing symptoms for self-screening. Sick employees are not required to physically come into the office. Sick staff will either work remotely or use paid sick leave.

COVID-19 systems listed by the CDC

- Fever or chills
- Cough
- Shortness of breath or difficulty breathing
- Fatigue
- Muscle or body aches
- Headache
- New loss of taste or smell
- Sore throat
- Congestion or runny nose
- Nausea or vomiting
- Diarrhea

Engineering controls

We maximize, to the extent feasible, the quantity of outside air for our buildings with mechanical or natural ventilation systems. The system is maintained by The Village Property Management. Filters are changed quarterly and sometimes more often if their HVAC vendor recommends it, they are onsite at least once a month.

Cleaning and disinfecting

The Village Property Management janitorial team cleans each suite and common areas Sunday-Thursday using a disinfectant cleaner instead of the standard all-purpose cleaner. Restrooms and common areas are cleaned multiple times throughout the day using disinfectant cleaner. Upon notification of a confirmed case, the janitorial team will deep clean (Level 2) all common areas of the building and the tenant's suite. Standard daily cleaning is performed at Level 1.

Shared tools, equipment and personal protective equipment (PPE)

Items that employees come in regular physical contact with, such as phones, headsets, desks, keyboards, writing materials, instruments and tools must also not be shared, to the extent feasible. Where there must be sharing, the items will be disinfected between uses.

Hand sanitizing

In order to implement effective hand sanitizing procedures all staff are encouraged to wash their hands for at least 20 seconds each time. Hand sanitizers are provided throughout the office.

10. REPORTING, RECORDKEEPING, AND ACCESS

It is Commission policy to:

- Report information about COVID-19 cases at our workplace to the local health department whenever required by law, and provide any related information requested by the local health department.
- Report immediately to Cal/OSHA any COVID-19-related serious illnesses or death, as defined under CCR Title 8 section 330(h), of an employee occurring in our place of employment or in connection with any employment.
- Maintain records of the steps taken to implement our written COVID-19 Prevention Program in accordance with CCR Title 8 section 3203(b).
- Make our written COVID-19 Prevention Program available at the workplace to employees, authorized employee representatives, and to representatives of Cal/OSHA immediately upon request.
- Use an Investigating COVID-19 Cases form to keep a record of and track all COVID-19 cases. The information will be made available to employees, authorized employee representatives, or as otherwise required by law, with personal identifying information removed.

11. EXCLUSION OF COVID-19 CASES

Fully vaccinated workers who do not have COVID-19 symptoms no longer need to be excluded from the workplace after a close contact with a COVID-19 case.

Staff who have tested positive or been diagnosed with COVID-19 shall be excluded from the workplace until they have achieved all of the following: (1) 24 hours of a temperature below 100.4 degrees Fahrenheit without the use of fever-reducing medication, (2) symptoms have improved, and (3) 10 days have passed from the first onset of COVID-19 symptoms. Excluded staff are entitled to their regular wages during the time they are excluded. The staff member may use available sick leave during this time to pay the excluded wages.

Staff who have had close contact with a COVID-19 case shall be excluded unless they were fully vaccinated before the close contact and have no symptoms, or have previously tested positive or been diagnosed with COVID-19 and have been at work for at least 90 days with no symptoms. Close contact staff who are excluded from the workplace can return to the workplace after 10 days from the exposure and with no symptoms occurring. If staff develop symptoms following their close contact, they must obtain a negative PCR test, wait 10 days from the exposure, and be symptom-free prior to returning to work.

12. RETURN TO WORK CRITERIA

Excluded staff who were exposed to a COVID-19 case may return to work after 10 days if they developed no symptoms. Excluded staff who developed symptoms are able to return to work under the same requirements as COVID-19 cases with symptoms, above.