

# **R E V I S E D A G E N D A**

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

*Wednesday, April 1, 2020*

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

**MARIA E. MINON, MD**  
Chair

**RAMIN BASCHSHI, MD**  
Vice Chair

**SANDRA BARRY**  
Chair Pro Tem

**DEBRA BAETZ**  
Commissioner

**DOUG CHAFFEE**  
Commissioner

**JACKIE FILBECK**  
Commissioner

**KENNETH MCFARLAND**  
Commissioner

**SANDRA PIERCE**  
Commissioner

**RICHARD SANCHEZ**  
Commissioner

President/CEO  
Kimberly Goll

Commission Counsel  
James Donich

Clerk of the Commission  
Jamie Ross, Deputy

*The First 5 Orange County, Children & Families Commission welcomes you to this meeting. This agenda contains a brief general description of each item to be considered. The Commission encourages your participation. If you wish to speak on an item contained in the agenda, please complete a Speaker Form identifying the item(s) and deposit it in the Speaker Form Return box located next to the Clerk. If you wish to speak on a matter which does not appear on the agenda, you may do so during the Public Comment period at the close of the meeting. Except as otherwise provided by law, no action shall be taken on any item not appearing in the agenda. Speaker Forms are available at the entrance of the Conference Center. When addressing the Commission, please state your name for the record prior to providing your comments.*

**\*\*In compliance with the Americans with Disabilities Act, those requiring accommodation for this meeting should notify the Clerk of the Board's Office 72 hours prior to the meeting at (714) 834-2206\*\***

**GUIDANCE FOR PUBLIC ACCESS TO REDUCE RISK OF COVID-19:** On March 12, 2020 and March 18, 2020, Governor Gavin Newsom enacted Executive Orders N-25-20 and N-29-20 authorizing a local legislative body to hold public meetings via teleconferencing and make public meetings accessible telephonically or electronically to all members of the public to promote social distancing due to the state and local State of Emergency resulting from the threat of Novel Coronavirus (COVID-19).

In accordance with Executive Order N-29-20, and in order to ensure the safety of the Commissioners and staff and for the purposes of limiting the risk of COVID-19, in-person public participation at public meetings of the Commission will not be allowed during the time period covered by the above-referenced Executive Orders.

# **R E V I S E D A G E N D A**

Instead, members of the public can listen to AUDIO live streaming of the Commission meeting by clicking the below link:  
<http://octa.net/About-OCTA/Who-We-Are/Board-of-Directors/Live-and-Archived-Audio/>

Public comments may be submitted for the upcoming Commission meeting by emailing them to [First5OC@cfcoc.ocgov.com](mailto:First5OC@cfcoc.ocgov.com).

If you wish to comment on a specific agenda item, please identify the item number in your email. General public comments will be addressed during the general public comment item on the agenda and read into the record. In order to ensure that staff has the ability to provide comments to the Commissioners in a timely manner, ***please submit your public comments by 12:00 p.m. on March 31, 2020.***

Any member of the public requiring a reasonable accommodation to participate in this meeting should contact the Commission at least 48 hours prior to the meeting at [First5OC@cfcoc.ocgov.com](mailto:First5OC@cfcoc.ocgov.com) or (714) 834-2206.

*All supporting documentation is available for public review in the office of the Clerk of the Board of Supervisors located in the Hall of Administration Building, 333 W. Santa Ana Blvd., 10 Civic Center Plaza, Room 465, Santa Ana, California 92701 during regular business hours, 8:00 a.m. - 5:00 p.m., Monday through Friday.*

**9:00 A.M.**

## **PLEDGE OF ALLEGIANCE**

## **PRESENTATIONS:** (None)

## **CONSENT CALENDAR:** (Items 1 - 2)

*All matters are approved by one motion unless pulled by a Commission Member for discussion or separate action. At this time, any member of the public may ask the Commission to be heard on any item on the Consent Calendar.*

1. Receive update on the Census 2020 outreach to Orange County's young children
2. Receive report on a new strategic communications approach

## **REGULAR ITEMS:** (Items 3 - 7)

*At this time, members of the public may ask the Commission to be heard on the following items as those items are called.*

3. Adopt resolution authorizing annual membership payment to the First 5 Association of California and authorize payments for professional association memberships
4. 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 2020/2021
5. Authorize funding for an Intergovernmental Transfer (IGT) transaction with CalOptima and adopt resolutions authorizing agreements with the California Department of Health Care Services

## **R E V I S E D A G E N D A**

6. Adopt resolution authorizing agreements amendments to agreements with designated individuals and organizations to provide consultant and exclusive evaluation services
7. Authorize receipt of funding from the Orange County Social Services Agency to provide CalWORKs home visitation services

### **PUBLIC HEARING:** (Items 8 - 9)

8. Conduct Public Hearing, receive report and adopt resolution: Strategic Plan for 2019-2024
9. Conduct Public Hearing, receive the First 5 California 2018/2019 Annual Report and the California State Controller's Results of Audit Oversight of County Commissions

### **PRESIDENT/CEO REPORT:** (Item 10)

10. Receive the Executive Officers Report
  - a. Financial and Quarterly Investment report
  - b. Implementation Dashboard
  - c. Commissioner Recruitment update

### **PUBLIC & COMMISSION COMMENTS & ADJOURNMENT:**

*At this time members of the public may address the Commission on any matter not on the agenda but within the jurisdiction of the Commission. The Commission or Chair may limit the length of time each individual may have to address the Commission.*

### **PUBLIC COMMENTS:**

### **COMMISSION COMMENTS:**

### **ADJOURNED:**

### **NEXT MEETINGS:**

June 3, 2020 Regular Meeting, 9:00 A.M.

August 5, 2020 Regular Meeting, 9:00 A.M.

**Agenda Item 1**  
**April 1, 2020****DATE:** March 9, 2020**TO:** Children and Families Commission of Orange County**FROM:** Kimberly Goll, President/CEO**ACTION:** Receive update on the Census 2020 outreach to Orange County's young children

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**SUMMARY:**

The First 5 Orange County Children and Families Commission is strategically involved in outreach for the 2020 Census. This report provides an update on activities conducted since October to ensure the hard-to-count young child population in Orange County is accurately counted.

**DISCUSSION:**

Young children are the most at-risk population of being undercounted due to confusion about whether children should be counted, fears of participation and data sharing, and lack of understanding about the purpose and importance of the Census. It is estimated that 18,000 Orange County children ages zero to five were undercounted in the 2010 Census, resulting in \$36 million of federal funding going to other counties. Consequently, First 5 Orange County began a concerted effort in late 2019 to ensure an accurate count of children ages 0-5 in the 2020 Census.

As part of the existing agreement with First 5 for community engagement work, Charitable Ventures and its subcontractor Principle Strategic Advisors developed and have been implementing several strategies to reach families with young children about the Census. These strategies include collaborative outreach and communications, and training.

Safety measures recently put in place due to COVID-19 will significantly impact planned Census-related community outreach. Principle Strategic Advisors is working with our partners to conduct outreach and to distribute Census information via social media. They are also working to distribute Census materials through venues that remain open to families, such as food banks and school meal distribution centers. We anticipate Census-related activity may change and evolve rapidly, and we will keep Commissioners updated via the Weekly Updates.

As of March 20, the following general updates were provided from the OC Census Community Table.

- In-field Census operations have been suspended nationwide until at least April 1<sup>st</sup>.
- Self-Response and Non-Response Follow-Up timelines are adjusted, with Self-Response now ending on August 14 rather than July 31 as was planned.
- Non-Response Follow-Up (Census Bureau workers going door-to-door to ask for responses from households that did not self-respond) will start here May 28 and end on August 14 (rather than July 31 as was planned).
- Census Bureau workers ARE NOT in the field right now. As of now, the earliest that the U.S. Census Bureau will begin going door-to-door is May 28.
- The Census Bureau is still recruiting for jobs for the "foreseeable future."



A summary of recent activities supported by Principle Strategic Advisors follows. If a previously planned activity is impacted by COVID-19, it is noted (*italics and bold*).

### **Outreach and Communications**

Key community stakeholders were engaged in focus groups to help build a collaborative strategy to reach young families in Orange County. Participants included representatives from health care and service providers, the American Academy of Pediatrics, Orange County Social Services Agency, local school districts, the Orange County Department of Education, higher education, Head Start and Help Me Grow. Input from these focus groups guided the development and the implementation of the strategic plan and related communications materials.

The collaborative approach is intended to engage and educate trusted messengers who work directly with parents and families, so they have the information and tools needed to ensure that families count their children and respond to the Census before July 2020. Charitable Ventures/Principle Strategic Advisors have developed partnerships with dozens of service providers, the Orange County Department of Education, the County of Orange, the State Complete Count Office, the US Census Bureau, and the Administrative Community Based Organization (ACBO), sharing resources and providing training and technical assistance so these organizations can effectively promote the Census and reach their families with key messages and on-hands support to complete the Census. More than 100 Questionnaire Assistance Centers (QACs), along with Questionnaire Assistance Kiosks (QAKs), are being set up throughout the county to provide support and online access to residents in need of help. ***Given venue closures, shelter in place and social distancing, the ability to use QACs and QAKs is uncertain. Charitable Ventures is conducting a survey to determine which QACs and QAKs may be viable options during this period.***

Communications materials have been developed with specific messaging tailored to families with young children and to caregivers and community providers, including:

- postcards in English and Spanish (see Attachment 1). ***Now being distributed electronically and via social media.***
- booklets educating parents about completing their Census form (multiple languages) and *We Count* coloring books provided by the First 5 Association. ***Currently being distributed only through Diaper/Food Banks.***
- Census tote bags being disseminated through networks such as the Orange County Diaper Bank and Second Harvest Food Bank to reach some of our hardest to count families. ***Currently being distributed only through Diaper/Food Banks.***

Additionally, we are collaborating with First 5 Association and PBS on the development of a Public Service Announcement for the Orange County/LA County media markets. First 5 Orange County's communications team is supporting Census outreach: Curt Pringle and Associates has conducted targeted outreach to key community and business leaders and Cornerstone Communications provides social media support.

First 5 is also supporting a South County Complete Count Committee (CCC) to ensure that South Orange County's young children are accurately counted. This effort is being led by Pretend City with staff support from Charitable Ventures/Principle Strategic Advisors. The CCC kicked off in December 2019 and to date has more than 50 organizations participating. The CCC is focused on

direct outreach through events and activities in the community. Many of the participating organizations have volunteered to staff events, host QACs and QAKs, and disseminate information. ***The South County CCC is planning to meet by teleconference and develop strategies to disseminate information electronically rather than in person.***

Charitable Ventures/Principle Strategic Advisors worked with ACBO on three community Expos, and a special Zero-Five Expo was also held in November. Gaps analysis, engagement training, communications and messaging, and coordination strategy were the primary goals of these events. A final ACBO Expo is scheduled for April 22<sup>nd</sup> with 200+ attendees anticipated. ***This in-person event may transition to another format or be canceled altogether – TBD.***

Regional, State and Federal legislative offices are being updated on First 5's outreach efforts to families with young children through a monthly "coffee and donuts" series. At these events, participants receive presentations from the US Census Bureau, Charitable Ventures, the County of Orange, the Orange County Department of Education, and one "spotlight" partner in the community. Coffee and Donuts also provides an opportunity for ongoing collaboration among the intergovernmental agencies working on the Census. ***This collaboration will take place electronically going forward.***

### **Trainings**

Multiple trainings have occurred throughout Orange County: ***Any future trainings are on hold; as are QACs/QAKs.***

- HeadStart: all family case managers trained; hosting a QAC and QAK.
- A Child's Place: training and education completed in January.
- Orange Unified School District: training during "parent night" completed in February.
- Orange County Department of Education: multiple trainings provided to various groups of trusted messengers within the OCDE, including Early Learning Service Network, School Readiness Nurses, and Early Learning Specialists.
- MOMS Orange County: all family case managers trained; hosting a QAC and QAK at their location in Santa Ana.
- Dayle McIntosh Center: education, outreach, and mock training exercise conducted; the Center will host a QAC and QAK.
- Think Together: all case managers trained; training completed with Motel Families service network; additional trainings and presentations to be scheduled.
- YMCA of Orange County: all branch managers, program directors, executive staff and others trained as trusted messengers; hosting QAC/QAK sites.
- UCP: more than 250 of the UCP stakeholder community trained in late March.
- Help Me Grow: training and education scheduled for early April.

### **Next Steps**

Now that the Self-Response period is underway, response rates at the state, county, city, and census tract level are available. The response rates will be updated daily at 3:00 p.m. EST through August 14<sup>th</sup>. Charitable Ventures/Principle Strategic Advisors will monitor this data to identify where additional attention to families and children is needed.

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

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

**PRIOR COMMISSION ACTIONS:**

- October 2019 – Presentation on Census 2020 Outreach
- August 2019 – Report on Community Engagement activities including the Census 2020 Count

**RECOMMENDED ACTIONS:**

Receive update on Census 2020 outreach to Orange County's 0-5 hard-to-count population.

**ATTACHMENT:**

1. Parent and provider postcards

**Contact:** Lisa Burke



# Your Kids Count!



- When you and your children are counted in the Census, your community receives important funding to support programs like Medi-Cal, Women, Infants and Children (WIC), Nutrition Programs, Head Start, Children's Health Insurance and funding for your child's school.
- Filling out the Census for you and your family will only take 10 minutes!
- All families, regardless of immigration status, should fill out the Census.
- The information is safe and won't be shared.
- You can fill out the Census online at home, or find an Assistance Center:  
**[www.occensus.org](http://www.occensus.org)**

# Questions?

- **Are my answers private?** YES! By law, your response to the Census CANNOT BE SHARED with anyone outside the Census.
- **I'm not in the country legally, should I take the Census?** YES! By law, the Census cannot report your answers to any immigration authorities, law enforcement or other government officials.
- **How can I take the Census?** At home, an Assistance Center, or a paper form!
- **What is an Assistance Center?** It is a trusted place where you can complete your Census and get assistance with any questions you may have.
- **What if my child is a baby?** Yes, please INCLUDE your baby no matter how old!
- **I am pregnant, do I count my baby?** Every Child BORN on or before April 1, 2020 should be counted!
- **There are children living in my house that are not mine, do I count them?** Yes! EVERY child living at your address should be counted.
- **We live in a household with multiple families, how do we fill out the Census?** Count EVERYONE living in the residence regardless of family status. Each family can fill out a separate Census.



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# ¡Sus Hijos/as Cuentan!



- Cuando se cuentan usted y sus hijos/as en el Censo, su comunidad recibe fondos importantes para financiar programas como Medi-Cal, Women, Infants and Children (WIC), Programas de nutrición, Head Start, aseguranza de salud para niños, y fondos para las escuelas!
- Sólo requiere 10 minutos para completar el cuestionario del Censo!
- La información es segura y confidencial.
- Usted puede llenar el Censo online desde la casa, o en un Centro de Asistencia: **[www.occensus.org](http://www.occensus.org)**



# ¿Preguntas?

- **Son privadas mis respuestas?** SI! Por ley, su respuesta al Censo NO PUEDE SER COMPARTIDA con ningún ente externo al Censo.
- **No tengo residencia legal, debo completar el Censo?** SI! Por ley, el Censo no puede entregar sus respuestas a ninguna autoridad de inmigración, policía, o gobierno.
- **Cómo puedo completar el Censo?** En la casa, en un Centro de Asistencia, o en forma de papel!
- **Qué es un Centro de Asistencia?** Es un lugar de confianza donde usted puede completar el Censo y recibir asistencia con cualquier pregunta que tenga.
- **Qué hago si mi hijo/a es bebe?** Si, por favor INCLUYA su bebe, isin importar su edad!
- **Estoy embarazada, cuento mi bebe?** Cada niño/a NACIDO el 1 de abril 2020 o después debe ser contado/a!
- **Hay niños/as que viven en mi casa que no son míos, los debo contar?** SI! CADA niño/a que comparte su vivienda debe ser contado/a!
- **Vivimos en una vivienda con múltiples familias, como debemos completar el Censo?** Cuento a TODOS/AS que viven en su casa sin importar el estatus de la familia. Cada familia puede llenar un Censo separado.



# ¡Sus Hijos/as Cuentan!



- Cuando se cuentan usted y sus hijos/as en el Censo, su comunidad recibe fondos importantes para financiar programas como Medi-Cal, Women, Infants and Children (WIC), Programas de nutrición, Head Start, aseguranza de salud para niños, y fondos para las escuelas!
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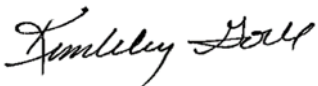
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**Agenda Item 2**  
**April 1, 2020**

**DATE:** March 10, 2020

**TO:** Children and Families Commission of Orange County

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

**ACTION:** Receive report on a new strategic communications approach

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**SUMMARY:**

Since approval of the 2019-2024 Strategic Plan, First 5 Orange County staff and consultants have been working to align communications strategies with the stated goals and objectives. This item reports on an updated approach to strategic communications and policy work.

**DISCUSSION:**

First 5 uses two firms to assist with strategic communications. Cornerstone Communication's scope of work includes public relations and communications activities ranging from maintaining First 5's website to developing collateral materials to leveraging social media platforms for disseminating key messages to First 5's targeted audiences. Curt Pringle & Associates (CP&A) focuses largely on legislative outreach to policy makers at the local, state, and federal levels. Traditionally, each consulting firm carried out its work effort separately, yet with a common message to stakeholders about the importance of early childhood, both for the individual child and family as well as for the county's economic vitality and future.

Since First 5 Orange County adopted the five-year Strategic Plan last year, staff and consultants have been working to align our strategic communications efforts to better support the Strategic Plan goals and objectives. This team now meets jointly on a regular basis and is developing a unified strategic communications approach that will include a few very focused platforms with targeted "asks" of specific stakeholders. This approach is designed to build committed leaders, engage neighborhoods and connect systems around early childhood. Two platforms, or topics, have been identified initially:

- **Increasing access to childcare** – First 5 is currently undertaking a countywide landscape analysis of the childcare resources currently available to families with young children, focusing on the gap in resources for infant and toddlers. We are developing a policy and communications work plan around the results of this analysis, the initial results of which are expected in June.
- **Developmental screenings** – First 5 is spearheading a collaborative effort to increase developmental screenings in pediatric health care settings. Significant progress has been made to engage a wide group of stakeholders and there is opportunity to leverage and support the progress being made by this group through targeted communications outreach.

To help guide development of the 2020/2021 strategic communications approach, we propose the formation of a Policy and Communications Ad Hoc Committee to provide input on the work

plans for these topics as they develop. We will work with the chair to establish this committee, to comprise up to three Commissioners that will hold up to five meetings starting this summer.

Given this unified approach, we will be providing a single Policy & Communications Report to the Commission in advance of each Commission meeting to communicate our combined activities and share progress toward advancing project-specific goals.

While the Policy and Communications team will be focused on implementing a strategic work plan around the topics outlined above, there continues to be ongoing work related to legislation and communications that is required to ensure First 5 Orange County is engaging elected officials and tracking legislation as appropriate, and maintaining a robust presence among stakeholders in Orange County. A summary of this ongoing work is provided below.

### **HomeAid OC's Essentials Diaper Drive**

First 5 OC has been a major catalyst in HomeAid's work to build shelters for families experiencing homelessness. The annual Essentials drive supplies nearly a year's worth of diapers and baby items for the nonprofits that operate the shelters. Last year, the drive collected over 1 million diapers and baby items, which alleviates a significant cost burden for homeless families with young children.

First 5 OC continues to be a title sponsor of the campaign by donating a significant part of CP&A's time to provide community outreach, public relations, and event support for this campaign. This year's drive will run from Mother's Day, May 10<sup>th</sup> to June 5<sup>th</sup> (see attached flier). If you or someone you know would like to host a drive or become a financial sponsor, please contact Emily Biehl with Homeaid OC at [emily@homeaidoc.org](mailto:emily@homeaidoc.org) or 949.553.9510 ext. 204.

### **First 5 Association Advocacy Day – April 21**

Each year, the First 5 Association organizes a Sacramento Advocacy Day during which individuals from each of the 58-county First 5 commissions are invited to convene in Sacramento and visit the Capitol offices of their state representatives. The Association has scheduled this event for April 21, and First 5 Orange County is planning to host a breakfast for our delegation of Assembly members and Senators at the Citizen Hotel at 8:30 a.m. We will follow the breakfast with in-office meetings for legislators who could not attend the breakfast. The purpose of these briefings is to share information about the First 5 Orange County's current programs and district-specific EDI data. It is also an opportunity to highlight Kim Goll's current role as President of the First 5 Association.

### **Legislative Outreach and Bill Tracking**

Since the Governor's budget proposal was released in January, we have been monitoring several policy issues of importance to the First 5 Association, including ongoing challenge of timely revenue payments from the California Department of Tax and Fee Administration and the Governor's proposed \$2 tax (on 40 oz of nicotine) in vaping products. Additionally, the Association has identified seven bills for support and seven bills to watch. The seven "support" bills are summarized as Attachment 2. We will continue to monitor developments and coordinate engagement with members of the Orange County state legislative delegation as needed.

### **Website**

From success stories, to policy briefs, to the importance of EDI and more, First 5's website is a major source of information for the general public, community partners and elected leaders. In the coming months, Cornerstone Communications will continue to post news and other updates on the

site, while analyzing its overall structure and content and evaluating their importance and impact. Recommendations will focus on ensuring the site is easily navigable and provides content that is relevant and compelling for First 5's target audiences. A key goal is to make the site more conversational and a content-rich hub for information about First 5 Orange County's efforts across critical platforms and topics.

### **Social Media**

Social media platforms, including Facebook and LinkedIn, are being used successfully by First 5 to deliver timely messages and updates to targeted audiences. An even more robust social media effort is recommended to increase the frequency and impact of the organization's communications outreach and to expand the organization's target audiences.

Posts on LinkedIn pages will continue to be tailored to those who follow legislation and policy, as well as focus on early childhood efforts in Orange County and California. These posts also will help bolster and build relationships with business and government leaders, organizations and funded partners who can strengthen and support First 5's goals and objectives to increase access to childcare and increase developmental screenings.

Meanwhile, a steady stream of posts on Facebook will target parents who would benefit from the myriad resources provided by First 5 Orange County and its partners, as well as the First 5 Association. Moving forward, the Facebook page will evolve in tone to be more conversational and will serve to build a relationship with the general public and awareness of the work and community impacts of First 5 Orange County.

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

The recommended action has been reviewed in relation to the Strategic Plan and is consistent with all goal areas.

### **PRIOR COMMISSION ACTIONS:**

### **RECOMMENDED ACTIONS:**

Receive report on strategic communications approach.

### **ATTACHMENTS:**

1. Essentials Flier
2. Summary of First 5 Association Support Bills

**Contact:** Lisa Burke



# HELP HOMELESS BABIES

1.5 MILLION DIAPERS NEEDED

## WHY

**\$233,610**

to raise one child in the United States\*<sup>1</sup>

**22%**

of people experiencing homelessness in Orange County are families\*<sup>2</sup>

**466**

families experiencing homelessness in 2019 in Orange County\*<sup>2</sup>

**4,380**

diapers used by one baby annually\*<sup>3</sup>

## HOW

**1.**

### Collect

Collect diapers, wipes, and baby food. Drop donations off at Angel Stadium on June 5th!

**2.**

### Donate

Donate financially or purchase diapers online. Visit the Essentials page for more details.

**3.**

### Volunteer

Volunteer at Builders for Babies on June 5th, and help sort diapers.

**4.**

### Volunteer

Volunteer on June 13th for Sorting Day to help count over 1 million donated items.

## WHAT'S NEEDED?



**DIAPERS**



**FOOD**



**WIPES**

for families experiencing homelessness

*\*All items must be unopened.  
No glass containers.*

## WHEN

### Essentials Diaper Drive

**May 10th to June 5th**

**Across Orange County**

### Builders for Babies

**Friday, June 5th, 9am - 2pm**

**Angel Stadium**

### Essentials Sorting Day

**Saturday, June 13th**

**OC Food Bank**

\*1 - Expenditures on Children by Families, 2015, USDA

\*2 - Orange County Point-In-Time Count, 2019

\*3 - Diaper Needs & Its Impact on US Families, 2017, National Diaper Bank Network

**2020 Essentials Diaper Drive is in Partnership with**



# COLLECT DIAPERS FOR THE DRIVE

Diapers are the focus of the Essentials Drive. You are also encouraged to collect baby wipes and baby food.

*For liability purposes, all items must be unopened and unused. No food in glass containers or diapers in torn packaging will be accepted.*



## DONATE TO THE DRIVE

Looking for an easy way to help families experiencing homelessness? Donate to the 2020 Essentials Diaper Drive online! It's as easy as:

1. Go to [www.homeaidoc.org/essentials](http://www.homeaidoc.org/essentials)
2. Click DONATE
3. Input the donation amount and payment information

All donations go to the 2020 Essentials Diaper Drive and the families it supports.



## VOLUNTEER FOR THE DRIVE



June 5<sup>th</sup> & June 13<sup>th</sup>  
7:30 AM - 3:30 PM OC Food Bank  
Angels Stadium

Volunteer opportunities are broken up into 3 hour shifts. See our website for details: [www.homeaidoc.org/essentials](http://www.homeaidoc.org/essentials)



## SPONSOR THE DRIVE

PLATINUM | \$10,000

GOLD | \$5,000

SILVER | \$2,500

BRONZE | \$1,000

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## First 5 Association SUPPORT Bills


1. **AB 1593** (Reyes / San Bernardino) - This bill would expand the Earned Income Tax Credit to tax filers with Individual Tax Identification Numbers (ITINs). It would be prohibited to use these documents as evidence of an individual's citizenship or immigration status.
2. **AB 526** (Petrie-Norris / Laguna Beach) - Currently, an estimated 120,000 kids, infants, and pregnant women are enrolled in WIC, but do not receive Medi-Cal benefits, despite eligibility. This bill will establish an expedited pathway for Medi-Cal enrollment based on existing information obtained through WIC. If a WIC applicant does not show Medi-Cal enrollment based on a query to the Medi-Cal database (MEDS), the applicant could initiate Express Lane Eligibility enrollment for Medi-Cal using the WIC eligibility findings.
3. **AB 898** (Wicks / Berkeley) - Currently, less than 5 percent of eligible children receive mental health services under the Medi-Cal program, and fewer than 3 percent receive ongoing clinical treatment. These estimates do not account for children whose behavioral health needs diverge from strict diagnostic criteria required under EPSDT, many of which affect low-income children. This bill would create the Children's Behavioral Health Action Team to identify strategies and ways to connect children to critical behavioral health and EPSDT services. The First 5 Association or a designee is named as one of the 30 stakeholders in this group.
4. **AB 125\*** (Mc Carty / Sacramento) - This bill would provide that it is the intent of the Legislature to enact legislation to establish a single regionalized state reimbursement rate system for childcare, preschool, and early learning services that would achieve specified objectives.
5. **AB 324\*** (Aguiar-Curry / Winters) - The bill revamps the AB 212 stipend program for subsidized childcare professional development. This bill would require CDE to develop guidelines for the use of these professional support stipends, with the goal of creating guidelines that create a standardized, effective, and measurable funding program, while still allowing for local flexibility. AB 324 would also expand the availability of professional support stipends to all qualified childcare providers who work directly with children who receive state-subsidized childcare services.
6. **SB 174\*** (Leyva / Chino) - This bill would provide that it is the intent of the Legislature to enact legislation that would establish a single regionalized state reimbursement rate system for childcare, preschool, and early learning services that would achieve specified objectives.
7. **AB 2986** (Reyes / Grand Terrace) - This bill would require family childcare home education network programs to include additional components in their educational objectives for family childcare homes that serve families eligible for subsidized care. This includes appropriate tools for provider assessments and developmental portfolios for each child, as well as including parent involvement opportunities. The contractors will also need to conduct site visits and offer training and technical assistance. The program providers will also have to adopt and use curriculum and provide age-appropriate and developmentally appropriate educational activities for children.

Bills marked with an asterisk (\*) indicate First 5 California (the state entity, not to be confused with the First 5 Association) is a co-sponsor.

**Agenda Item 3****April 1, 2020**

**DATE:** March 19, 2019

**TO:** Children and Families Commission of Orange County

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

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

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**SUMMARY:**

First 5 Orange County, Children and Families Commission is a member of statewide and local organizations that support our vision that all children reach their full potential. This item requests approval to continue membership in professional associations through 2020.

**DISCUSSION:**

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

**First 5 Association of California**

The First 5 Association is a membership organization of the 58 First 5/Children and Families Commissions in California. Association members meet at least three times each year. Given the significant statewide focus on early childhood and as First 5 Orange County engages more extensively in systems work, membership with the First 5 Association provides an important, collective voice on young children's issues. The value of membership includes information sharing and communication among the county commissions, resources and assistance that promote the effective implementation of child development programs, and a statewide hub for initiatives and collaboration. First 5 Orange County's Executive Director is currently serving the first year of a two-year term as Chair of the executive committee. Membership dues are based on the Department of Finance birth rate numbers. Payment of membership dues, not to exceed \$60,000, is recommended to support the coordinated structure to align shared goals, advocate in the policy space, and implement an impactful communications approach.

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

### **Professional Associations**

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

<b>Organization</b>	<b>Membership Fee</b>
First 5 Association of California	\$60,000
STEM Initiative	\$35,000
Orange County Health Funders Partnership	\$10,000
Orange County Grant Makers	\$5,000
Association of California Cities – Orange County	\$5,000
Orange County Business Council	\$5,000
Orange County Forum	\$1,000
Health Insurance Portability and Accountability Act Watchdog	\$3,000
National Association for the Education of Young Children	\$260
Zero to Three	\$240
Government Financial Officers Association	\$160
California Society of Municipal Finance Officers	\$160

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

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

### **PRIOR COMMISSION ACTIONS:**

- April 2019 – Adopted resolution authorizing payment for annual membership dues, professional association memberships, and regional meeting expenses.
- February 2018 – Adopted resolution authorizing payment for annual membership dues, professional association memberships, and regional meeting expenses.

- February 2017 – Adopted resolution authorizing payment for annual membership dues and professional association memberships.
- May 2016 – Authorized funding for the First 5 Association of California membership dues and approved funding contribution to support regional meeting expenses.
- May 2015 – Authorized funding for the First 5 Association of California membership dues and approved funding contribution to support regional meeting expenses.

**RECOMMENDED ACTIONS:**

1. Adopt resolution authorizing payment to the First 5 Association of California for annual membership dues in an amount not to exceed \$60,000.
2. Authorize funding for professional association memberships.
3. Approve the funding contribution as required to support regional meeting expenses and authorize payment by the Auditor-Controller upon approval by the Executive Director.

**ATTACHMENT:**

1. Resolution

**Contact:** Lisa Burke

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_\_-19-C&FC**

**April 1, 2020**

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

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

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

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

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

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

**WHEREAS**, Commission has reviewed the staff report for the April 1, 2020 Commission meeting relating to the benefits of First 5 Association membership and hereby finds and determines that the proposed membership is in furtherance of and consistent with the Commission’s Strategic Plan; and

**WHEREAS**, Commission desires to authorize the President/Chief Executive Officer, or designee, to fund the First 5 Association membership dues as described in the April 1, 2020 staff report for this Agenda Item in the amounts and for the terms consistent with the April 1, 2020 staff report therein;

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

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

**Section 2** Commission authorizes the President/Chief Executive Officer, or designee, to fund First 5 Association membership dues as described in the April 1, 2020 staff report for this Agenda Item in the amounts and for the terms therein.

**Section 3** Commission hereby approves First 5 Association membership dues set forth in the April 1, 2020 staff report for this Agenda Item in the amounts and for the terms as specified therein.

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

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

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

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 1, 2020 to wit:

AYES Commissioners: \_\_\_\_\_

NOES Commissioner(s): \_\_\_\_\_

EXCUSED Commissioner(s): \_\_\_\_\_

ABSTAINED Commissioner(s): \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA    )  
  )  
COUNTY OF ORANGE    )

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

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

\_\_\_\_\_  
ROBIN STIELER

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

Resolution No: \_\_-20-C&FC

Agenda Date: April 1, 2020

Item No. \_\_



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

ROBIN STIELER, Clerk of the Commission

By: \_\_\_\_\_  
Deputy





**Agenda Item 4****April 1, 2020****DATE:** March 20, 2020**TO:** Children and Families Commission of Orange County**FROM:** Kimberly Goll, President/CEO**ACTION:** Adopt resolution acknowledging receipt of the Children and Families Commission of Orange County Investment Policy Statement and affirm delegation of authority to the Orange County Treasurer as the First 5 Orange County Treasurer for Fiscal Year 2020/2021**SUMMARY:**

First 5 Orange County Children and Families Commission annually reviews the Investment Policy Statement and the delegation of the investment authority to the County Treasurer. This item reconfirms the delegated investment authority to the Orange County Treasurer and presents the Children and Families Commission of Orange County Investment Policy Statement for Fiscal Year 2020/2021.

**DISCUSSION:**

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

**Annual Delegation of Investment Authority to First 5 Orange County Treasurer**

Pursuant to Government Code Section 53607, First 5 Orange County may delegate the investment authority to a designated Treasurer for a one-year period and must renew the delegation of authority each year. In May 2012, the Orange County Treasurer was first designated to serve as the Commission's Treasurer for the balance of Fiscal Year 2011/2012, and investment authority was delegated to the Orange County Treasurer. The delegation included the authority to manage, deposit and invest First 5 funds not required for the immediate needs. Formally reappointing the Orange County Treasurer as the First 5 Orange County Treasurer and delegating authority to manage, deposit and invest First 5 funds for Fiscal Year 2020/2021 in accordance with Government Code Section 53607 is recommended.

**Investment Policy Statement**

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

By statute, consideration of the Children and Families Commission of Orange County Investment Policy Statement is annually required. The Orange County Treasurer's office prepared the Children and Families Commission of Orange County Investment Policy Statement Fiscal Year 2019/2020 that was adopted in April 2019. The policy statement is designed to be in compliance with State law

and provides the flexibility to explore specific investments when directed by First 5 Orange County. Minor revisions are recommended for the Children and Families Commission of Orange County Investment Policy Statement Fiscal Year 2020/2021 (Attachment 2).

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

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

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

- April 2019 - Received and considered Investment Policy Statement and affirmed delegation of authority to the Orange County Treasurer as the Commission Treasurer for Fiscal Year 2019/2020
- April 2018 - Received and considered Investment Policy Statement and affirmed delegation of authority to the Orange County Treasurer as the Commission Treasurer for Fiscal Year 2018/2019
- April 2017 - Received and considered Investment Policy Statement and affirmed delegation of authority to the Orange County Treasurer as the Commission Treasurer for Fiscal Year 2017/2018
- May 2015 - Considered the Children and Families Commission of Orange County Investment Policy Statement Fiscal Year 2015/2016 and delegated annual investment authority to the Orange County Treasurer.
- May 2012 - Orange County Treasurer designated to serve as the Commission's Treasurer.

#### **RECOMMENDED ACTIONS:**

1. Receive and review the Children and Families Commission of Orange County Investment Policy Statement for Fiscal Year 2020/2021.
2. Adopt resolution (Attachment 3) to acknowledge receipt and consideration of the Children and Families Commission of Orange County Investment Policy Statement and affirm delegation of authority to the Orange County Treasurer as the First 5 Orange County Treasurer to manage, deposit, and invest First 5 funds for Fiscal Year 2020/2021 that are not required for the immediate needs of the Commission.
3. Direct the First 5 Orange County Children and Families Commission/Orange County Treasurer to continue to report First 5 investment transactions and activities in the Quarterly Investment Reports.

#### **ATTACHMENTS:**

1. Orange County Treasurer-Tax Collector Memorandum: Consideration of Commission Investment Policy and Delegation of Investment Authority
2. Children and Families Commission of Orange County Investment Policy Statement Fiscal Year 2020/2021
3. Resolution

**Contact:** Michael Garcell



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



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**INTERDEPARTMENTAL COMMUNICATION**

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Date: March 19, 2020  
To: First 5 Orange County Children & Families Commission  
From: Shari Freidenrich, CPA, Treasurer *SHF*  
Subject: Meeting of April 1, 2019  
Consideration of Commission Investment Policy and Delegation of Investment Authority

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As Treasurer for the First 5 Orange County Children & Families Commission (Treasurer) I am submitting the First 5 Orange County Children & Families Commission Investment Policy Statement (CFCOC IPS) for Fiscal Year 2019/2020 that also delegates the investment authority to the Treasurer for approval by the Commission.

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

Compliance with CFCOC IPS: In accordance with the Fiscal Year 2019/2020 CFCOC IPS adopted last year, the Section entitled Policy Review states that an Investment Policy will be rendered annually, at the beginning of each fiscal year, to the Commission. The CFCOC IPS provides for investing in the Orange County Investment Pool, but also includes other investment types as allowed by California Government Code (CGC) including U.S. Treasuries and U.S. Government Sponsored Agencies.

The Treasurer has reviewed the CFCOC IPS and is proposing a few grammatical changes, but no other changes based on a review of the County's Investment Policy Statement (IPS) for 2020 approved by the Board of Supervisors in 2019.

Pursuant to CGC 27130-27137, the Board has established a Treasury Oversight Committee (TOC) that monitors and reviews the IPS annually and causes an annual audit to be conducted to determine if the Treasurer is in compliance with CGC 27130-17137, which includes limited tests of compliance with laws and regulations. In addition, the Auditor-Controller Internal Audit Division and the Internal Audit Department performed regular audits as required by CGC 26920(a) and (b) and as required by a TOC Directive. We have also attached a copy (on Board of Supervisors Agenda 4-28-2020) of the TOC 2020 Annual Report that includes the pooled funds that the CFCOC currently invests in.

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

Sincerely,

Shari L. Freidenrich, CPA  
Treasurer-Tax Collector

Attachment: First 5 Orange County Children & Families Commission Investment Policy Statement  
First 5 Orange County Children & Families Commission Investment Policy Statement (redlined)  
Treasury Oversight Committee 2019 Annual Report

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

**FIRST 5 ORANGE COUNTY CHILDREN & FAMILIES COMMISSION  
INVESTMENT POLICY STATEMENT  
FISCAL YEAR 2020/2021**

**POLICY**

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

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

**SCOPE**

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

**PRUDENCE**

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

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

## **OBJECTIVE**

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

### **A. Safety of Principal**

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

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

### **B. Liquidity**

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

### **C. Return on Investment**

Return on investment is of least importance compared to the safety and liquidity objectives described above. The portfolio will provide a rate of return based on the market rates of investments, at the time of purchase.

## **DELEGATION OF AUTHORITY:**

The Commission delegates to the Treasurer the authority to invest and reinvest the funds of the Commission as specified in California Government Code Sections 53607 and 53608. The Treasurer may further delegate investment authority to such persons within the Treasurer's Department as deemed appropriate. The Commission hereby authorizes the Treasurer and/or

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

### **ETHICS AND CONFLICTS OF INTEREST**

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

### **AUTHORIZED BROKER DEALERS AND FINANCIAL INSTITUTIONS:**

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

### **AUTHORIZED INVESTMENTS**

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

Authorized investment instruments include:

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

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

### **INVESTMENT POOLS:**

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

### **SAFEKEEPING**

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

### **PERFORMANCE STANDARDS:**

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

### **DIVERSIFICATION**

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

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

### **MAXIMUM MATURITIES**

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

### **INTERNAL CONTROL:**

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

### **DISASTER RECOVERY PROGRAM**

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

### **PROHIBITED TRANSACTIONS**

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

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

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



maintaining a value of par at each interest rate adjustment through final maturity, are exempt from this definition. Additionally, U.S. Treasury and Agency zero coupon bonds, or callable securities which otherwise meet the quality, maturity, and percent limitations assigned to their respective security category, are exempt from this section.

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

## **REPORTING**

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

The report will contain the following information:

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

## **POLICY REVIEW**

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

## **GLOSSARY**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**OPEN MARKET OPERATIONS:** Purchases and sales of government and certain other securities in the open market by the New York Federal Reserve Bank as directed by the FOMC

in order to influence the volume of money and credit in the economy. Purchases inject reserves into the bank system and stimulate growth of money and credit: Sales have the opposite effect. Open market operations are the Federal Reserve's most important and most flexible monetary policy tool.

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

**PORTFOLIO:** Collection of securities held by an investor.

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

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

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

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

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

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

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

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

**U.S. TREASURY SECURITIES:** Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are

the benchmark for interest rates on all other securities in the U.S. and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

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

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

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

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

**Agenda Item 5****April 1, 2020****DATE:** March 23, 2020**TO:** Children and Families Commission of Orange County**FROM:** Kimberly Goll, President/CEO**ACTION:** Authorize funding for an Intergovernmental Transfer (IGT) transaction with CalOptima and adopt resolutions authorizing agreements with the California Department of Health Care Services**SUMMARY:**

The Children and Families Commission of Orange County has participated in four intergovernmental transfer (IGT) transactions with CalOptima as a strategy of leveraging federal funding to support investments in children's health. This agenda item requests approval to set aside funds for a proposed IGT transaction and direct the Commission's Technical Advisory Committee to consider programmatic options for such a transaction.

**DISCUSSION:**

A rate range IGT transaction provides federal Medicaid funding for reimbursement of uncompensated care for Medi-Cal beneficiaries in a given fiscal year (FY). This type of IGT can only occur via a managed care organization, such as CalOptima. Rate range IGTs began statewide in 2006 and have been used by every county in the state to offset the cost of uncompensated care provided by county health departments, public hospitals, and other local care providers. Due to California's comparatively low reimbursement rates, counties have substantial headroom with which to accommodate these transactions. With rate range IGTs, a government entity provides non-federal matching funds that the state uses to obtain the highest reimbursement rate that is federally allowable. As a general guide, for every dollar provided as a match, about \$1.80 is returned to the originating county. The State of California charges a 20 percent administrative fee on each transaction.

Participation in an IGT is limited to organizations on both the provider and financing sides that meet the following eligibility criteria:

- *Agencies that have documented uncompensated cost of serving Medi-Cal members* - Since the basis for an IGT is reimbursement for the actual cost of care for services provided, a participating entity must be able to document uncompensated costs for a defined period. In this case, the amount of the transaction is based on expenses incurred during FY 2019/20 and the first six months of FY 2020/21. Typically, the amount of uncompensated care rendered by past IGT partners significantly exceeds the Commission's capacity for an IGT transaction, allowing for robust investments in children's mental health and prenatal support services.
- *Agencies that are CalOptima-contracted providers* - The determination of uncompensated costs is limited to the difference between CalOptima's payment to providers for authorized benefits and the actual cost of care for these services. Agencies must show that the uncompensated care was for specific services to CalOptima members for which they were a contracted provider. Dental services, for example, are not currently within CalOptima's scope of

mandated benefits and are therefore not eligible for reimbursement under an IGT. Of the Commission's current contracted partners, CHOC Children's is the sole entity to meet all requirements for an IGT transaction.

- *Financing to support the transaction must be provided by a government entity* - The local funds to support IGT transaction financing must be public and cannot be federal funds or private provider donations. The Children and Families Commission is an eligible public entity and has completed three previous IGT transactions.
- *IGT revenue must be used for Medi-Cal covered benefits* - Potential uses for IGT funding have narrowed significantly due to federal regulations and state policies. IGT funds are now considered part of the capitation payments that CalOptima receives from the state and thus are subject to the same restrictions. Essentially, funds may only be used for covered Medi-Cal benefits for existing CalOptima members. Given this and other limitations noted above, participation in future IGTs may be increasingly less viable.

Since the recipient of the leveraged funds must be a contracted CalOptima provider, any Commission-supported transaction will result in funding directly to CalOptima, and in turn to the Commission-selected provider. Neither the principal funds that provided the basis for the federal drawdown, nor the match funds, would return to the Commission directly. As with previous transactions, the Commission would work with the transaction partners to ensure that the principal and leveraged funds are dedicated to agreed-upon priorities for children prenatal through age five.

### **Targeted Outcomes**

First 5 Orange County and CHOC Children's have identified two IGT uses with significant potential for improved early childhood outcomes, as described below. Funding would support development, testing, and a minimum of two years of operation for each program.

- *Promoting Child Resilience and Wellness through Early Intervention, Case Management and Parent Training* (70% of funding): CHOC Children's will implement within its primary care network a systematic approach to preventing and mitigating the effects of adverse childhood experiences (ACEs) to improve child health outcomes. Through comprehensive screening during children's primary care visits, primary care providers will identify children at risk for early negative health outcomes and increased behavioral problems due to social determinants of health and high ACEs. Families identified at risk will be assigned a care coordinator to guide them to the appropriate type and level of services necessary to prevent or address both physical and mental health risks. The program will encompass four intervention types: intensive support for new parents via the Developmental Understanding and Legal Collaboration for Everyone (DULCE) program; early intervention and referral for children with four or more ACEs and their parents; care coordination for children with high ACEs and early evidence of negative health effects; and leveraging technology to provide more intensive coping and parenting skill-building for families identified at highest risk due to exposure to trauma or other negative social determinants of health. Parent coaching will include how to manage difficult child behaviors associated with trauma exposure; how to manage parents' own distress; and how to help children develop more positive coping strategies. The parent coaching modules will be based on a foster parent curriculum developed by the University of California, Los Angeles. Approximately 1,425 children and families could be served annually when the program is fully operational.

- *A Support System for Young Children and Their Caregivers at the Thompson Autism Center at CHOC Children's* (30% of funding): The Thompson Autism Center at CHOC Children's, which opened in January 2020, specializes in early diagnosis and addressing challenging behaviors. Very young children with autism and their caregivers require an integrated support system to ensure optimal developmental outcomes and quality of life for the family. Needed services are often uncompensated or not fully reimbursed. These include, but are not limited to, additional screenings, care coordination, Child Life Specialist assistance to reduce stress during assessments, evidence-based behavior therapies, educational programming for parents and siblings, mental health support, and connections to appropriate community resources, including childcare and preschool. With IGT funding, the Center team will establish an integrated, sustainable support system tailored to the needs of young children that reduces the considerable strain placed on parents facing both a neurodevelopmental diagnosis and navigation of myriad eligibility-driven and fragmented services in the community. An estimated 1,229 children would be served annually when the program is fully operational.

Consistent with previous IGT transactions, the Commission decides on participation in the IGT, determines the amount of the transaction, and approves a general scope. The Commission's Technical Advisory Committee assumes responsibility for specific scope development, as well as partnership and investment oversight. As determined by the California Department of Health Care Services (DHCS), the Commission's pro rata share of the county's overall headroom for an IGT transaction is \$1.76 million. After reviewing the long-term financial plan, the associated policies regarding fund balance, and projected revenue volatility, while considering the potential impact of the proposed uses on a key Commission priority area, setting aside a total of \$1,200,000 is recommended. This amount is inclusive of the transfer amount for federal match, and the 20 percent fee assessed by the state.

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

The recommended actions presented in this staff report have been reviewed in relation to the Strategic Plan and are consistent with applicable goals. Total maximum funding is \$1,200,000. This amount of funding represents 30% of unallocated Catalytic reserves.

### **PRIOR COMMISSION ACTIONS:**

- October 2019 – Approved IGT Transaction
- December 2017 – Approved IGT Transaction
- March 2017 – Approved IGT Transaction
- April 2016 – Approved Amended Resolution for IGT transaction
- February 2016 – Approved IGT Transaction
- December 2015 – Receive update on proposed Intergovernmental Transfer (IGT) transaction with CalOptima and provide direction to staff
- October 2015 – Authorized the Executive Director to pursue a potential Intergovernmental Transfer (IGT) transaction with CalOptima on behalf of community partners and return at the December 2015 meeting with a proposed plan and terms and conditions for Commission approval.



- June 2014 – Annual Planning Meeting, Sustainability Strategies

**RECOMMENDED ACTIONS:**

1. Authorize \$1,200,000 in unallocated catalytic reserves to support an intergovernmental transfer (IGT) transaction with CalOptima.
2. Adopt resolution authorizing an agreement with California Department of Health Care Services for transfer of Commission funding not to exceed \$1,000,000 for purposes of providing the nonfederal share for an IGT for the rate year of July 1, 2019 through June 30, 2020 and the first six months of the rate year of July 1, 2020 through June 30, 2021, for the purposes of increasing access to developmental screening for children through age five.
3. Adopt resolution authorizing an agreement with California Department of Health Care Services to impose a 20 percent fee for the purposes of supporting the IGT transaction not to exceed \$200,000.

**ATTACHMENTS:**

1. Resolution: California Department of Health Care Services – Intergovernmental Agreement Transfer of Public Funds
2. Resolution: California Department of Health Care Services – Intergovernmental Assessment

**Contact:** Kimberly Goll

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_\_-20-C&FC**

**April 1, 2020**

**RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE EXECUTIVE DIRECTOR AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AN AGREEMENT WITH CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES IN THE AMOUNT OF \$1,000,000 FOR THE NON-FEDERAL SHARE OF AN INTERGOVERNMENTAL TRANSFER TRANSACTION TO INCREASE ACCESS TO DEVELOPMENTAL SCREENING FOR CHILDREN THROUGH AGE FIVE; 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 Commission desires to enter into an Agreement (“Agreement”) with California Department of Health Care Services (DHCS), hereinafter referred to as “Contractor,” in the amount of \$1,000,000 for the non-federal share of an Intergovernmental Transfer (IGT) transaction to increase access to developmental screening for children through age five for the terms and in the amounts as specified in the April 1, 2020 staff report; and

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

**WHEREAS**, Commission has reviewed the staff report for the April 1, 2020 Commission meeting relating to the purpose provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission’s Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreement with the Contractor in the amount and for the terms as specified in the April 1, 2020 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 Executive Director, or designee, and Commission Counsel to prepare and negotiate the Agreement with the Contractor in the amount of \$1,000,000 for the non-federal share of an IGT to increase access to developmental screening for children through age five for the terms consistent with the April 1, 2020 staff report and scope of services referenced therein.

**Section 3** Commission hereby approves the Agreement with Contractor in the amount of \$1,000,000 and for the terms as specified in the April 1, 2020 staff report for this agenda item for the non-federal share of an IGT to increase access to developmental screening for children through age five.

**Section 4** 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 5** 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 6** In addition to the authorization of Section 2 above, the Executive Director, 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, (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 7** The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 1, 2020 to wit:

AYES Commissioners: \_\_\_\_\_

NOES Commissioner(s): \_\_\_\_\_

EXCUSED Commissioner(s): \_\_\_\_\_

ABSTAINED Commissioner(s): \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA     )  
  )  
COUNTY OF ORANGE     )

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

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

\_\_\_\_\_  
ROBIN STIELER

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

Resolution No: \_\_-20-C&FC

Agenda Date: April 1, 2020

Item No. \_\_



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

ROBIN STIELER, Clerk of the Commission

By: \_\_\_\_\_  
Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Agreement)

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_\_-20-C&FC**

**April 1, 2020**

**RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE EXECUTIVE DIRECTOR AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AN AGREEMENT WITH CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES (DHCS) FOR DHCS' TRANSACTION FEE IN THE APPROXIMATE AMOUNT OF \$200,000 ON THE COMMISSION FUNDS (NONFEDERAL SHARE) TO SUPPORT THE INTERGOVERNMENTAL TRANSFER TRANSACTION 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 Commission desires to enter into an Agreement ("Agreement") with California Department of Health Care Services (DHCS), hereinafter referred to as "Contractor," for DHCS' transaction fee on the Commission funds (nonfederal share) to support the intergovernmental transfer transaction (IGT) in the approximate amount of \$200,000 and for the terms as specified in the April 1, 2020 staff report; and

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

**WHEREAS**, Commission has reviewed the staff report for the April 1, 2020 Commission meeting relating to the purpose 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 approximate amount of \$200,000 and for the terms as specified in the April 1, 2020 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 Executive Director, or designee, and Commission Counsel to prepare and negotiate the Agreement with the Contractor for DHCS' transactions fees on the Commission funds (nonfederal share) to support the IGT in the approximate amount of \$200,000 consistent with the terms in the April 1, 2020 staff report and scope of services referenced therein.

**Section 3** Commission hereby approves the Agreement with Contractor, as described in the April 1, 2020 staff report for this Agenda Item, for the DHCS' transaction fee on the Commission funds (nonfederal share) to support the IGT in the approximate amount of \$200,000.

**Section 4** 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 5** 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 6** In addition to the authorization of Section 2 above, the Executive Director, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement(s), (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

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

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 1, 2020 to wit:

AYES Commissioners: \_\_\_\_\_

NOES Commissioner(s): \_\_\_\_\_

EXCUSED Commissioner(s): \_\_\_\_\_

ABSTAINED Commissioner(s): \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA     )  
  )  
COUNTY OF ORANGE     )

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

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

\_\_\_\_\_  
ROBIN STIELER

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

Resolution No: \_\_-20-C&FC

Agenda Date: April 1, 2020

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 6****April 1, 2020**

**DATE:** March 2, 2020

**TO:** Children and Families Commission of Orange County

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

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

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**SUMMARY:**

First 5 Orange County Children and Families Commission's core business is to allocate public funds to invest in systems of care and innovation to improve outcomes for children in Orange County by ensuring the effective and efficient use of public funds in these areas and to utilize subject matter experts to identify and implement strategies in early childhood health, education, and development programs. This item requests approval of the roster of qualified applicants as well as the authority to enter into new consultant and vendor agreements or amendments to agreements for Fiscal Year 2020/2021.

**DISCUSSION:**

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

In order to maintain a comprehensive pool of qualified consultants and firms, a Request for Qualifications (RFQ) is periodically released. The most recent RFQ was completed in February 2020. Forty-four individuals and organizations submitted qualifications and have been placed on a Roster of Qualified Applicants (Attachment 1). Approval of the updated roster is recommended. Placing qualifying applicants on the roster does not obligate First 5 Orange County to utilize their services, and no commitment is made to issue contracts to them or engage their services in any way. If expertise is required and not currently addressed by the consultant roster, the most qualified individual or firm will be identified and added to the roster.

Consultant recommendations for contract approval are included in Attachment 2. The attachment includes terms, contract amounts, and descriptions of scopes of work for each consultant. The total cost for requested consultant services listed on the term sheet is \$2,348,750 (\$322,250 of which is funded through the contract with Orange County Social Services Agency supporting the Home Visiting Program, California Department of Health Care Services for the Dental Transformation Program, and First 5 California IMPACT grant). This represents a (\$176,250 or 8%) increase from last year. The increase is because of several factors and is not intended to be sustained. The First 5 team has benefited from the addition of the Pritzker Fellowship focused on early relational health.

We are moving the funding for the match for this fellowship from a staffing charge to a consultant expense. Additionally, First 5 is in the process of completing recruitments for three staff positions and consultant support for organizational development is included.

Sole source contracts with additional consultants for data collection and management are also recommended. First 5 Orange County currently uses evaluation tools for data collection and analysis as well as performance measures. To enter into sole source agreements with each of the following entities would require the Commission to take exception to its procurement policy. The Commission's Policy 6.1 provides that "the Commission recognizes circumstances which make a Request for Qualifications (RFQ) process unproductive, when it is generally accepted that only one provider is available or has the specific level of expertise and existing knowledge and involvement in a specific project or functional area." A summary of the expertise of each partnership is provided below.

- **NetChemistry** – This is an on-line database to collect output and client-level data for funded partners in the Bridges Maternal Child Health Network, including the birthing hospitals and home visiting providers (community-based organizations and public health nursing). The NetChemistry system was developed by experts with capacity to work with hospitals and protect Health Insurance Portability and Accountability Act (HIPAA) data. NetChemistry has exclusive software capabilities, qualifying them as a sole source vendor for hosting the Bridges Connect Data System.
- **Hospital Association of Southern California (HASC)** – Since 2000, HASC has been the hospital representative of all Bridges Maternal Child Health Network (BMCHN) Contracting Hospitals and has been delegated by them to act on their behalf for communications, technical assistance, and hospital program management. Currently, there are 28 Hospital Bridges Coordinators and Management staff stationed among the 10 participating hospitals. HASC is the only hospital association serving the birthing hospitals participating in BMCHN.
- **Early Development Instrument (EDI)** – This instrument collects comprehensive kindergarten readiness data from every public kindergarten class. First 5 Orange County has an agreement with University of California, Los Angeles (UCLA) to assist in the collection and analysis of EDI data. UCLA is the only entity licensed in the United States to perform EDI collection and records analysis.
- **Customized Contracts and Data Management database:** First 5's agreement with the current database vendor (Persimmony) will end in December. In the spirit of seamless implementation of First 5 Orange County's new Strategic Plan and recently-funded programs, it is recommended that First 5 Orange County contract with a new vendor to leverage First 5 Alameda's performance and reporting system, which is built on a Salesforce platform.

Since the approval of the 2019-2024 Strategic Plan, staff has been reviewing First 5 Orange County's contracts management and evaluation system and infrastructure with three intents: 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. This led to dialogue with First 5 Alameda, which has developed a performance measurement system known as HIGH5. HIGH5 was built using the open source platform, Salesforce. First 5 Alameda worked for more than two years with the program developer, eightCloud, to design this tracking system that is tailored to programming and performance management focused on outcomes for young children and their families. The cost to First 5 Alameda was significant.

In the spirit of collaboration with a sister First 5 commission, First 5 Alameda is willing to allow First 5 Orange County to leverage their development of HIGH5, and tailor it to our performance measurement and reporting needs. Use of HIGH5 would allow 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. Modifying HIGH5 to meet Orange County's needs would require purchasing a license for the Salesforce data platform, as well as contracting with eightCloud to develop First 5 Orange County-specific tracking and reporting.

**eightCloud** – This is the program developer responsible for the development of First 5 Alameda's High5 system on the Salesforce platform. eightCloud can easily customize the existing structure for First 5 Orange County's specific needs. eightCloud has expertise in the Salesforce Application Suite as well as the First 5 Commissions custom solution built on the Salesforce App Cloud platform. With eightCloud, the Commission can leverage the First 5 Alameda system at an exclusively lower cost and significantly shorter development time than building a new system. EightCloud will also provide ongoing managed services upon the completion of the system.

**Salesforce (Carahsoft Technology Corporation)** – This enterprise platform-as-a-service (PaaS) solution allows developers to build and deploy cloud applications (cloudbased software). It is the platform that was used by First 5 Alameda to build HIGH5, which was created as a results-based accountability system for early childhood programming and outcomes measurement. This unique platform provides tools and services to integrate with external applications and provide a responsive layout to users. It is nimble, easily scalable, and is specifically built to allow extreme customization. Because it is an open publicly available application (API) system, Commission is not limited to any specific developer and will have vast options for developer services for future development work.

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

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

The proposed action has been specifically reviewed in relation to the Commission's Strategic Plan and is consistent with the Commission's goals. Funding for the proposed action is either included in the Fiscal Year 2020/2021 Budget.

**PRIOR COMMISSION ACTIONS:**

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

**RECOMMENDED ACTIONS:**

1. Approve roster (Attachment 1) of qualified applicants.
2. Adopt resolution (Attachment 3) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate agreements at the President/CEO’s sole discretion, with designated individuals and organizations to provide services for the terms, in the amounts, and on the conditions as specified in Attachment 2.
3. Adopt resolution (Attachment 4) authorizing the President/CEO, or designee, to enter into the First Amendment to Agreement No. PS-192 with The Regents of the University of California, Los Angeles (UCLA) to provide evaluation services as required to implement the Early Development Instrument and increase the maximum payment obligation by \$185,025 for a total maximum payment obligation of \$250,025 for the extended three year term of July 1, 2019 to June 30, 2023.
4. Adopt resolution (Attachment 5) authorizing the President/CEO, or designee, to enter into Agreement No. PS-224 with NetChemistry, Inc. to provide the Bridges Connect Data System for a one-year term from July 1, 2020 to June 30, 2021 in an amount not to exceed \$108,000.
5. Adopt resolution (Attachment 6) authorizing the President/CEO, or designee, to enter into Agreement No. PS-225 with HASC to provide Bridge hospital program management for a three-year term from July 1, 2020 to June 30, 2023 in an amount not to exceed \$533,940.
6. Adopt resolution (Attachment 7) authorizing the President/CEO, or designee, to enter into Agreement No. PS-226 with EIGHTCLOUD, Inc. to provide a one-time system development and one year of managed services for a 15-month term from April 1, 2020 to June 30, 2021 in an amount not to exceed \$260,000.
7. Adopt resolution (Attachment 8) authorizing the President/CEO, or designee, to enter into Agreement PS-227 with Salesforce (Carahsoft Technology Corporation) for platform subscription for a 15-month term from April 1, 2020 to June 30, 2021 in an amount not to exceed \$50,000.

**ATTACHMENTS:**

1. Roster of Qualified Applicants
2. Consultant Agreements Term Sheet
3. Resolution (Consultants)

4. Resolution (UCLA)
5. Resolution (NetChemistry)
6. Resolution (HASC)
7. Resolution (eightCloud)
8. Resolution (SalesForce)

**Contact:** Lucy Lin

## ROSTER OF QUALIFIED APPLICANTS BY SUBJECT MATTER EXPERTISE

<b>Comprehensive Health and Development</b>	<ul style="list-style-type: none"> <li>* American Academy of Pediatrics- Orange County Chapter</li> <li>* Arlene Turner</li> <li>* Charitable Ventures</li> <li>* Children's Data Network (USC)</li> <li>* Debra Mathias</li> </ul>	<ul style="list-style-type: none"> <li>* Diane Limbo</li> <li>*Dianna Daly</li> <li>* e2o Health</li> <li>* Elizabeth Barnett</li> <li>* Elizabeth Majestic</li> <li>* Hoda Shawky</li> <li>* Jaqueline Tran Nakasone</li> </ul>	<ul style="list-style-type: none"> <li>* Margarita McCullough</li> <li>* MK Consulting Syndicate, Inc.</li> <li>* MY Team Effort, Inc.</li> <li>*Parsons Consulting, Inc.</li> <li>* San Diego Strategy Group, LLC dba NP Strategies</li> <li>* Susan Diaz</li> </ul>
<b>Quality Early Learning</b>	<ul style="list-style-type: none"> <li>* Altmayer Consulting, Inc.</li> <li>* Charitable Venture</li> <li>* Children's Data Network (USC)</li> <li>* Chris Becerra</li> <li>* Cristina Blevins</li> <li>* e2o Health</li> </ul>	<ul style="list-style-type: none"> <li>* Jennifer Shepard</li> <li>* Limor Consulting, Inc.</li> <li>* MK Consulting Syndicate, Inc.</li> <li>* Muckenthaler &amp; Associates, Inc.</li> <li>* Parsons Consulting, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>* San Diego Strategy Group, LLC dba NP Strategies</li> </ul>
<b>Resilient Families</b>	<ul style="list-style-type: none"> <li>* Altmayer Consulting, Inc.</li> <li>* Anila Neumeister</li> <li>* Charitable Ventures</li> <li>* Children's Data Network (USC)</li> <li>* Chris Becerra</li> </ul>	<ul style="list-style-type: none"> <li>* Dianna Daly</li> <li>* e2o Health</li> <li>* Elizabeth Barnett</li> <li>* Hoda Shawky</li> <li>* Katharine Gale</li> <li>* Margarita McCullough</li> </ul>	<ul style="list-style-type: none"> <li>* MK Consulting Syndicate, Inc.</li> <li>* Parsons Consulting, Inc.</li> <li>* Susan Diaz</li> </ul>
<b>Early Childhood Systems Performance Assessment</b>	<ul style="list-style-type: none"> <li>* Altmayer Consulting, Inc.</li> <li>* Children's Data Network (USC)</li> <li>* e2o Health</li> </ul>	<ul style="list-style-type: none"> <li>* MK Consulting Syndicate, Inc.</li> <li>* Parsons Consulting</li> <li>* San Diego Strategy Group, LLC dba NP Strategies</li> </ul>	
<b>Project Management</b>	<ul style="list-style-type: none"> <li>* Altmayer Consulting, Inc</li> <li>* American Academy of Pediatrics- Orange County Chapter</li> <li>* Anila Neumeister</li> <li>* Charitable Ventures</li> <li>* Cicero Group</li> <li>* Chris Becerra</li> </ul>	<ul style="list-style-type: none"> <li>* Diane Limbo</li> <li>* e2o Health</li> <li>* ERS Consulting, LLC</li> <li>* Hoda Shawky</li> <li>* Jaqueline Tran Nakasone</li> <li>* Jennifer Shepard</li> <li>* Margarita McCullough</li> <li>* MK Consulting Syndicate, Inc.</li> <li>*Muckenthaler &amp; Associates, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>* Parsons Consulting, Inc.</li> <li>* Principal Strategic Advisors</li> <li>* San Diego Strategy Group, LLC dba NP Strategies</li> <li>* Sandy Stone</li> <li>* Sherry Gilbey</li> <li>* Susan Diaz</li> <li>* The Mark USA, Inc.</li> <li>* Wallace Walrod</li> </ul>

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

<b>Community Engagement Support</b>	<ul style="list-style-type: none"> <li>* Altmayer Consulting, Inc</li> <li>* American Academy of Pediatrics- Orange County Chapter</li> <li>* Charitable Ventures</li> <li>* Chris Becerra</li> <li>* Cristina Blevins</li> <li>* Dianna Daly</li> </ul>	<ul style="list-style-type: none"> <li>* e2o Health</li> <li>* Harder + Company</li> <li>* Hoda Shawky</li> <li>* Jacqueline Tran Nakasone</li> <li>* Jennifer Shepard</li> <li>* MK Consulting Syndicate, Inc.</li> <li>* Muckenthaler &amp; Associates, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>* Principal Strategy Advisors</li> <li>* Robert A. Penney</li> <li>* San Diego Strategy Group, LLC dba NP Strategies</li> <li>* Wallace Walrod</li> </ul>
<b>Evaluation</b>	<ul style="list-style-type: none"> <li>* Charitable Ventures</li> <li>* Child 360</li> <li>* Cicero Group</li> <li>* e2o Health, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>* Harder + Company</li> <li>* Jacqueline Tran Nakasone</li> <li>* Katharine Gale</li> <li>* Limor Consulting, Inc.</li> <li>* MK Consulting Syndicate, Inc.</li> <li>* MY Team Effort, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>* Parsons Consulting, Inc.</li> <li>* San Diego Strategy Group, LLC dba NP Strategies</li> <li>* Sherry Gilbey</li> <li>* The Mark USA, Inc.</li> <li>* Wallace Walrod</li> </ul>
<b>Strategic Communications</b>	<ul style="list-style-type: none"> <li>* Mark Mendoza (AdGyld)</li> <li>* Ashley Lewis Design</li> <li>* Charitable Ventures</li> <li>* Child 360</li> </ul>	<ul style="list-style-type: none"> <li>* Cornerstone Communications</li> <li>* Curt Pringles &amp; Associates</li> <li>* e2o Health</li> <li>* Luis Alvarado Design</li> </ul>	<ul style="list-style-type: none"> <li>* Parsons Consulting, Inc.</li> <li>* Principal Strategic Advisors</li> <li>* The Mark USA, Inc.</li> <li>* Wallace Walrod</li> </ul>
<b>Contract Compliance and Audit</b>	<ul style="list-style-type: none"> <li>* Altmayer Consulting, Inc.</li> <li>* Anila Neumeister</li> <li>* Charitable Ventures</li> </ul>	<ul style="list-style-type: none"> <li>* Christy White, Inc.</li> <li>* Conrad, LLP</li> <li>* e2o Health</li> <li>* Dian Limbo</li> </ul>	<ul style="list-style-type: none"> <li>* KNL Support Services</li> <li>* MK Consulting Syndicate, Inc.</li> <li>* Sherry Gilbey</li> </ul>
<b>Fund Development</b>	<ul style="list-style-type: none"> <li>* Charitable Ventures</li> <li>* e2o Health</li> <li>* Muckenthaler &amp; Associates, Inc.</li> </ul>	<ul style="list-style-type: none"> <li>* Principal Strategic Advisors</li> <li>* Sandy Stone</li> </ul>	



## CONSULTANT AGREEMENTS TERM SHEET

Commission Strategic Goals/ Direction(s)	Contract Number	Consultant	Term	Maximum Payment Obligation	Scope of Work
Bridges Home Visiting Services	C-408	Margarita McCullough	7/1/20-6/30/21	\$100,000 <sup>i</sup>	<u>Project Management</u> Provide centralized coordination, monitor data compliance, and identify program improvements for the Bridges Maternal Child Health Network (Bridges), which includes 10 hospitals and 4 home visiting providers. Support management of CalWORKs Home Visiting Program. Assist with development of Prenatal to Three Initiative. Co-manage implementation of modifications to the Bridges Connect information system.
CalWORKs Home Visiting Program	C-409	Susan Diaz	7/1/20-6/30/21	\$120,000 <sup>ii</sup>	<u>Project Management</u> Manage implementation of CalWORKs Home Visiting Program in compliance with state guidelines. Assist with development of Prenatal to Three Initiative. Co-manage implementation of modifications to the Bridges Connect information system.
Bridges Home Visiting/School Visiting/ Engaged Neighborhoods	C-410	MK Consulting Syndicate, Inc.	7/1/20-6/30-21	\$55,000	<u>Project Management</u> Coordinate the implementation of community training opportunities for evidence based curriculum that support family strengthening objectives. Work with family child care providers to enhance the use of the early development index; coordinate activities related to early childhood mental health; and support neighborhood engagement. Support consultant-staff team meetings.
School Readiness - Health	C-424	Jaqueline Tran Nakasone	7/1/20-6/30/21	\$30,000	<u>Comprehensive Health &amp; Development</u> Perform health needs assessment and develop individualized health services transition plan for each school district in collaboration with First 5 OC staff and early learning consultants.

## CONSULTANT AGREEMENTS TERM SHEET

Commission Strategic Goals/ Direction(s)	Contract Number	Consultant	Term	Maximum Payment Obligation	Scope of Work
Dental Transformation Initiative	C-411	MK Consulting Syndicate, Inc.	7/1/20-6/30/21	\$60,000 <sup>iii</sup>	<u>Project Management</u> Provide project management of Dental Transformation Initiative Local Dental Pilot Project subcontractors. Manage communications among subcontractors and stakeholders. Ensure timely progress toward work plan milestones and objectives. Coordinate with data collection/evaluation consultant. Conduct quality improvement activities. Assist with communication and periodic reporting to state Department of Health Care Services.
Dental Transformation Initiative	PS-214	MY Team Effort	7/1/20-6/30/21	\$51,250 <sup>iv</sup>	<u>Project Management</u> Manage data collection among all Dental Transformation Initiative participants, including providing ongoing technical assistance to subcontractors to ensure accuracy and timeliness of data reporting. Perform data aggregation and analyses. Develop monthly, quarterly and annual reports for state Department of Health Care Services and other stakeholders. Provide recommendations for quality improvement projects.
CalWORKs Home Visiting Program	PS- 215		4/1/20-6/30/21	\$62,500 <sup>v</sup>	<u>Project Management</u> Manage creation of a system generated report/export that will allow current Bridges Connect Infant Home Visitation agencies to report on SSA and State deliverables for their CalWORKS clients that are currently collected in the Bridges System.
CalWORKs Home Visiting Program	PS-216	Elizabeth Barnett	4/1/20-6/30/21	\$45,000 <sup>vi</sup>	Conduct Motivational Interviewing (MI) training for home visitors and Bridges hospital coordinators. MI is a best practice, client-centered counseling approach for promoting behavior change.

## CONSULTANT AGREEMENTS TERM SHEET

Commission Strategic Goals/ Direction(s)	Contract Number	Consultant	Term	Maximum Payment Obligation	Scope of Work
School Readiness Initiative	C-412	Muckenthaler & Associates, Inc.	7/1/20-6/30/21	\$130,000 <sup>vii</sup>	<p><u>Project Management</u></p> <p>Provide centralized coordination with School Readiness Early Learning Specialist to monitor data compliance, and identify program improvements for school district and countywide early learning programs. Coordinate renewal process with funded partners. Support local school districts to better align federal and state investments in early learning programs. Coordinate with Orange County's Department of Education (OCDE) to implement Quality Start OC (Orange County's Quality Rating and Improvement System) to increase early childhood educators' participation in quality assistance programs.</p>
Early Learning	C-413	Christina Blevins	7/1/20-6/30/21	\$100,000	<p><u>Project Management</u></p> <p>Coordinate OC Reads program. Provide coordination, technical assistance, and First 5 Orange County representation on community collaboratives for engaged neighborhoods.</p>
School Readiness	C-414	Jennifer Shepard	7/1/20-6/30/21	\$70,000	<p><u>Quality Early Learning</u></p> <p>Provide technical expertise and support to the Orange County school districts in developing district plans in support of the main goals of the 2019-2024 Strategic Plan. This work will be accomplished to support the necessary actions and timelines between the 25 Orange County public school districts that have a kindergarten population and have existing contracts with the COMMISSION in preparation for the terms of a new, multi-year, agreement cycle.</p>
Homeless Prevention	C-415	Anila Neumeister	4/1/20-6/30/21	\$100,000	<p><u>Project Management</u></p> <p>Provide subject-matter expertise, coordination, monitor data compliance, and identify program improvements. Manage communications among subcontractors and stakeholders. Ensure timely progress toward work plan milestones and objectives. Coordinate with data collection/evaluation consultant.</p>

## CONSULTANT AGREEMENTS TERM SHEET

Commission Strategic Goals/ Direction(s)	Contract Number	Consultant	Term	Maximum Payment Obligation	Scope of Work
Homeless Prevention	C-416	Katharine Gale	4/1/20-6/30/21	\$30,000	<u>Evaluation</u> Provide subject-matter expertise and technical assistance related to homeless shelter and prevention services. Design work plans for new shelter agreements and technical assistance with the Diversion program.
Family Support Services Early Childhood Mental Health	C-417	Dianna Daly	4/1/20-6/30/21	\$105,000	<u>Project Management</u> Coordinate First 5 Orange County's work as a Result Area Backbone for Be Well Orange County. Serve on Health Care Agency's Mental Health Services Act (MHSA) Steering Committee, and co-chair the MHSA Prevention and Early Intervention Subcommittee. Promote increased integration and capacity of support services for young children and pregnant women.
Early Childhood Mental Health	C-418	Hoda Shawky	7/1/20-6/30/21 viii	\$75,000	<u>Project Management</u> Coordinate efforts to improve prevention, early identification, and connection with treatment of perinatal mood and anxiety disorders and substance use disorder; identify opportunities to promote early relational health; explore feasibility of adopting new pediatrics-based developmental support models, such as Developmental Understanding and Legal Collaboration for Everyone (DULCE) and Zero to Three's HealthySteps.
Developmental Screening/Early Childhood Mental Health/School Readiness	PS-217	American Academy of Pediatrics, Orange County Chapter	7/1/20-6/30/21	\$60,000	<u>Comprehensive Health &amp; Development</u> Actively support the implementation of developmental screening and other related screenings at primary care sites as a component of well child visits by equipping pediatricians with the tools and resources needed after screening a child who presents with developmental delay or risk of delay. Participate in developmental screening collaborative and support related quality improvement work, including maintenance of certification for quality improvement work in primary care settings. Participate in the planning, development,

## CONSULTANT AGREEMENTS TERM SHEET

Commission Strategic Goals/ Direction(s)	Contract Number	Consultant	Term	Maximum Payment Obligation	Scope of Work
					implementation and evaluation of continuing medical education conferences for child and family health-related issues such as ACEs awareness and trauma-informed care. Assist with school readiness efforts to link school districts to pediatric primary care providers.
Evaluation (Home Visiting Programs)	PS-211 (amendment)	University of Southern California, Children's Data Network	1/1/20-6/30/21	\$225,000 (including prior allocation of \$150,000)	<p><u>Early Childhood Systems Performance Assessment</u></p> <p>Perform predictive analyses of Bridges service utilization data, providing oversight of modifications to Bridges Connect information system, and refine Bridges dataset for continued participation in early childhood outcomes research.</p> <p>Assist in developing new service area map for home visiting agencies. Perform data analyses as needed for quality improvement activities.</p>
Evaluation (Engaged Neighborhoods)	C-419	Limor Consulting, Inc.	7/1/20-6/21/21	\$125,000	<p><u>Evaluation</u></p> <p>Coordinate Early Development Index (EDI) evaluation projects and implementation at school districts. Develop GIS mapping and community profile reports. Provide technical assistance on the EDI to local communities. Develop performance management plan for funded partners that tracks to Commission's new strategic plan. Develop First 5 Orange County's annual report to the state and perform other data analyses upon request.</p>

## CONSULTANT AGREEMENTS TERM SHEET

Commission Strategic Goals/ Direction(s)	Contract Number	Consultant	Term	Maximum Payment Obligation	Scope of Work
Early Childhood Systems Assessment	PS-218	San Diego Strategy Group dba NP Strategies	7/1/20-6/30-21	\$130,000	<p><u>Project Management:</u></p> <p>Coordinate efforts to develop and evaluate a more coordinated early identification and intervention system in partnership with the American Academy of Pediatrics – Orange County Chapter, CHOC Children's, and multiple county stakeholders. Conduct early child care systems assessments, including benchmark research, focus groups, potential local/regional actions, present findings, and manage the overall project including final report and website design</p> <p>Lead communications component of policy and strategic communications team for the Commission's new Strategic Plan. Provide communications support for early child care systems improvement and developmental screening improvement. Update First 5 OC website to reflect new Strategic Plan including redesign. Expand social media footprint and maintain First 5 OC social media presence. Develop materials to elevate children's issues and champion child development and early education systems, including annual report summary.</p>

## CONSULTANT AGREEMENTS TERM SHEET

Commission Strategic Goals/ Direction(s)	Contract Number	Consultant	Term	Maximum Payment Obligation	Scope of Work
Committed Leadership/ Engaged Neighborhoods	PS-219	Cornerstone Communications	7/1/20-6/321	\$190,000	<u>Strategic Communication; Public Relations</u> Lead communications component of policy and strategic communications team for the Commission's Strategic Plan. Provide communications support and topic-specific individual multi-phase campaigns for early child care systems improvement and developmental screening improvement. Update First 5 OC website to reflect new Strategic Plan including redesign, updated content, and addition of at least one microsite. Expand social media footprint and maintain First 5 OC social media presence on LinkedIn and Facebook. Continue development of a network of champions for early childhood to increase awareness through key collaboratives. Media outreach to key media including the Orange County Register, Orange County Business Journal, and more. Develop materials to elevate children's issues and champion child development and early education systems, including annual report summary, marketing and collateral materials.
Committed Leadership/ Engaged Neighborhoods	PS-220	Curt Pringle & Associates	7/1/20-6/30/21	\$95,000	<u>Strategic Communication; Legislative Outreach</u> Provide legislative support, community partnership, and public awareness activities, including the "Essentials Diaper Drive" and additional activities as requested.
				Essentials Diaper Drive \$25,000	
Engaged Neighborhoods	PS-221	Charitable Ventures	7/1/20-6/30/21	\$50,000	Support community outreach events cultivating support for the First 5 OC Strategic plan focusing on the strategic directions of service alignment and engage neighborhoods.
Ongoing Support	C-420	Sherry Gilbey	7/1/20-6/30/21	\$100,000	<u>Contract Compliance</u>

## CONSULTANT AGREEMENTS TERM SHEET

Commission Strategic Goals/ Direction(s)	Contract Number	Consultant	Term	Maximum Payment Obligation	Scope of Work
	PS-222	KNL Support Services			Perform risk assessments and compliance audits of programs requiring more intensive compliance reviews.
	PS-223	Conrad, LLP			
Ongoing Support	C-421	Judy Nelson <sup>ix</sup>	7/1/20-6/30/21	\$40,000	Provide executive and staff coaching services
	C--422	ERS Consulting	4/1/20-6/30/21	\$125,000	Continue screening and interviewing candidates for open positions, shepherding the recruitment process through to the offer letter stage. Develop onboarding procedures for new staff, desk procedures to standardize processes, and conduct teambuilding activities. Assess performance management structure and tools, recommend potential modifications/additions. Review and revise Strategic Plan to clarify and streamline content; assist with updates and rollout of updated strategic plan materials.
Evaluation	C-423	Wallace Walrod	4/1/20-6/30/21	\$50,000	Conduct research related to impact of child care on labor markets, workforce development, and the economy. Conduct key interviews with employers, work with First 5 and partners to identify and prioritize opportunities with the business community and workforce/economic through leaders/stakeholders in Orange County on economic, workforce and labor market perspectives. Project management of aggregated key findings document and support for online report. Develop presentation materials and make presentations to key stakeholders; facilitate discussions regarding implications of report.

<sup>i</sup> Home Visiting Program is funded by California Department of Social Services, through the County of Orange Social Services Agency and the Commission receives reimbursement for a portion of these expenditures.

<sup>ii</sup> Home Visiting Program is funded by California Department of Social Services, through the County of Orange Social Services Agency and the Commission receives reimbursement for these expenditures.

<sup>iii</sup> Dental Transformation Initiative(DTI) is funded by a contract with the California Department of Health Care Services (DHCS) and the Commission receives reimbursement for a portion of these expenditures.



**CONSULTANT AGREEMENTS TERM SHEET**

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<sup>iv</sup> *Dental Transformation Initiative(DTI) is funded by a contract with the California Department of Health Care Services (DHCS) and the Commission receives reimbursement for a portion of these expenditures*

<sup>v</sup> *Home Visiting Program is funded by California Department of Social Services, through the County of Orange Social Services Agency and the Commission may receive reimbursement for a portion of these expenditures.*

<sup>vi</sup> *Home Visiting Program is funded by California Department of Social Services, through the County of Orange Social Services Agency and the Commission receives reimbursement for these expenditures.*

<sup>vii</sup> *First 5 IMPACT is a grant funded by First 5 California and the Commission receives reimbursement for \$6,000 of these expenditures.*

<sup>viii</sup> *Starting date for this consultant is contingent on end date for the Prtizker Fellowship.*

<sup>ix</sup> *Consultant has been providing executive coaching services since April 2017, a requirement for the President/CEO. Ms. Nelson is now also providing staff coaching*

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_\_-20-C&FC**

**April 1, 2020**

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

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

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

**WHEREAS**, the Commission desires to enter into new agreements or amendments to current agreements, at the President/CEO's sole discretion, with each of the individuals and/or organizations, hereinafter referred to as the "Contractors," identified in the staff report for the April 1, 2020 Commission meeting for this Agenda Item (hereinafter collectively referred to as "Agreements"). Contractors will provide services including Project Management, Evaluation, Operational Support (including On-Call), and Special Projects for the terms and in the amounts and on the conditions as described in Attachment 2 therein; and

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

**WHEREAS**, Commission has reviewed the staff report for the April 1, 2020 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreements are in furtherance of and consistent with the Commission's Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreements with each of the Contractors for the terms and in the amounts and on the conditions as specified in Attachment 2 to the April 1, 2020 staff report for this Agenda Item.

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

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

**Section 2** Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate Agreements with each of the Contractors to provide consultant services for the terms and in the amounts and on the conditions consistent with the April 1, 2020 staff report and Attachment 2 referenced therein; and

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

**Section 4** Commission hereby approves the Agreements to be entered into, at the President/CEO's sole discretion, with each of the Contractors as described in Attachment 2 to the April 1, 2020 staff report for this Agenda Item to provide consultant services for the terms and in the amounts and on the conditions as specified in the April 1, 2020 staff report for this Agenda Item.

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

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

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

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

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 1, 2020 to wit:

AYES Commissioners: \_\_\_\_\_

NOES: Commissioner(s): \_\_\_\_\_

EXCUSED: Commissioner(s): \_\_\_\_\_

ABSTAINED: Commissioner(s) \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA     )  
  )  
COUNTY OF ORANGE     )

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

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

\_\_\_\_\_  
ROBIN STIELER

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

Resolution No: \_\_-20-C&FC

Agenda Date: April 1, 2020

Item No. \_\_



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

Robin Stieler, Clerk of the Commission

By: \_\_\_\_\_  
Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION**

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

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_\_-20C&FC**

**April 1, 2020**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE THE FIRST AMENDMENT TO AGREEMENT NO. PS-192 WITH THE UNIVERSITY OF CALIFORNIA AT LOS ANGELES TO PROVIDE EVALUATION SERVICES TO IMPLEMENT THE EARLY DEVELOPMENT INDEX; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AMENDMENT ON BEHALF OF THE COMMISSION**

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

**WHEREAS**, On July 1, 2019, the Commission authorized the President/CEO, or designee, to prepare and negotiate Agreement No. PS-192 (“Agreement”) with the University of California at Los Angeles (hereinafter referred to as “Contractor”) for evaluation services to implement the Early Development Index;

**WHEREAS**, The Commission desires to prepare and negotiate a First Amendment (“Amendment”) to the Agreement with the Contractor provide evaluation services to implement the Early Development Index for the terms and in the amount as described in April 1, 2020 staff report for this agenda item; and

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

**WHEREAS**, Commission has reviewed the staff report for the April 1, 2020 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Amendment is in furtherance of and consistent with the Commission’s Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Amendment with Contractor for the terms and in the amount specified in the April 1, 2020 staff report for this Agenda Item.

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

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

**Section 2** Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Amendment with the Contractor to provide evaluation services to implement the Early Development Index for the terms and in the amount consistent with the April 1, 2020 staff report and scope of services referenced therein.

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

**Section 4** Commission hereby approves the Amendment with the Contractor to provide evaluation services to implement the Early Development Index for the terms and in the amount specified in the April 1, 2020 staff report for this Agenda Item.

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

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

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

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

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 1, 2020 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: \_\_-15-C&FC

Agenda Date: April 1, 2020

Item No. \_\_



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

ROBIN STIELER, Clerk of the Commission

By: \_\_\_\_\_  
Deputy



**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Agreements)

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_\_-20C&FC**

**April 1, 2020**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENT NO. PS-224 WITH NETCHEMISTRY, INC. TO PROVIDE BRIDGES CONNECT SYSTEM; AND AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION**

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

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

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

**WHEREAS**, the Commission desires to enter into Agreement No. PS-224 (“Agreement”) with Netchemistry, Inc. (hereinafter referred to as “Contractor”) to provide the Bridges Connect System for the terms and in the amounts as specified in the April 1, 2020 staff report; and

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

**WHEREAS**, Commission has reviewed the staff report for the April 1, 2020 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission’s Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreement with the Contractor in the amount and for the terms as specified in the April 1, 2020 staff report for this Agenda Item;

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

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

**Section 2** Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Agreement with the Contractor to provide Bridges Connect System in the amounts and for the terms consistent with the April 1, 2020 staff report and scope of services referenced therein.

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

**Section 4** Commission hereby approves the Agreement with Contractor to provide the Bridges Connect System in the amounts and for the terms as specified in the April 1, 2020 staff report for this Agenda Item.

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

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

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

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

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 1, 2020 to wit:

AYES Commissioners: \_\_\_\_\_

NOES Commissioner(s): \_\_\_\_\_

EXCUSED Commissioner(s): \_\_\_\_\_

ABSTAINED Commissioner(s): \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA    )  
  )  
COUNTY OF ORANGE    )

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

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

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

Resolution No: \_\_-20-C&FC

Agenda Date: April 1, 2020

Item No. \_\_



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

ROBIN STIELER, Clerk of the Commission

By: \_\_\_\_\_

Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Agreement)

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_\_-20C&FC**

**April 1, 2020**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENT NO. PS-225 WITH HOSPITAL ASSOCIATION OF SOUTHERN CALIFORNIA TO PROVIDE BRIDGES HOSPITAL PROGRAM MANAGEMENT; AND AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION**

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

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

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

**WHEREAS**, the Commission desires to enter Agreement No. PS-225 (“Agreement”) with Hospital Association of Southern California (hereinafter referred to as “Contractor”) to provide Bridges hospital program management for the terms and in the amounts as specified in the April 1, 2020 staff report; and

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

**WHEREAS**, Commission has reviewed the staff report for the April 1, 2020 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission’s Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreement with the Contractor in the amount and for the terms as specified in the April 1, 2020 staff report for this Agenda Item;

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

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

**Section 2** Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Agreement with the Contractor to provide Bridges program management in the amounts and for the terms consistent with the April 1, 2020 staff report and scope of services referenced therein.

**Section 3** The form of the Agreement with the Contractor, in the amounts and for the terms as specified in the April 1, 2020 staff report for this Agenda Item, shall be substantially similar to the form of the standard Professional Services Agreement, subject to minor, non-substantive revisions as reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Agreement shall be conclusively evidenced by the execution of such Agreement by the Commission Chair and delivery thereof to the Commission Clerk.

**Section 4** Commission hereby approves the Agreement with Contractor to provide Bridges hospital program management services in the amounts and for the terms as specified in the April 1, 2020 staff report for this Agenda Item.

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

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

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

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



The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 1, 2020 to wit:

AYES Commissioners: \_\_\_\_\_

NOES Commissioner(s): \_\_\_\_\_

EXCUSED Commissioner(s): \_\_\_\_\_

ABSTAINED Commissioner(s): \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA     )  
  )  
COUNTY OF ORANGE     )

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

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

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

Resolution No: \_\_-20-C&FC

Agenda Date: April 1, 2020

Item No. \_\_



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

ROBIN STIELER, Clerk of the Commission

By: \_\_\_\_\_

Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Agreement)

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_\_-20C&FC**

**April 1, 2020**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENT NO. PS-226 WITH EIGHTCLOUD, INC. TO PROVIDE SYSTEM DEVELOPMENT AND MANAGED SERVICES; AND AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION**

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

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

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

**WHEREAS**, the Commission desires to enter Agreement No. PS-226 (“Agreement”) with EIGHTCLOUD, Inc. (hereinafter referred to as “Contractor”) to provide system development and managed services for the terms and in the amounts as specified in the April 1, 2020 staff report; and

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

**WHEREAS**, Commission has reviewed the staff report for the April 1, 2020 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission’s Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreement with the Contractor in the amount and for the terms as specified in the April 1, 2020 staff report for this Agenda Item;

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

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

**Section 2** Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Agreement with the Contractor to provide system development and managed services in the amounts and for the terms consistent with the April 1, 2020 staff report and scope of services referenced therein.

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

**Section 4** Commission hereby approves the Agreement with Contractor to provide system development and managed services in the amounts and for the terms as specified in the April 1, 2020 staff report for this Agenda Item.

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

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

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

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

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 1, 2020 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: \_\_-16-C&FC

Agenda Date: April 1, 2020

Item No. \_\_



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

ROBIN STIELER, Clerk of the Commission

By: \_\_\_\_\_

Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Agreement)



**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_\_-20C&FC**

**April 1, 2020**

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

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

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

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

**WHEREAS**, the Commission desires to enter Agreement with Carahsoft Technology Corporation (hereinafter referred to as “Contractor”) for platform subscription services for the terms and in the amounts as specified in the April 1, 2020 staff report; and

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

**WHEREAS**, Commission has reviewed the staff report for the April 1, 2020 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission’s Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreement with the Contractor in the amount and for the terms as specified in the April 1, 2020 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 platform subscription services in the amounts and for the terms consistent with the April 1, 2020 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 for platform subscription services in the amounts and for the terms as specified in the April 1, 2020 staff report for this Agenda Item.

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

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

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

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

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 1, 2020 to wit:

AYES Commissioners: \_\_\_\_\_

NOES Commissioner(s): \_\_\_\_\_

EXCUSED Commissioner(s): \_\_\_\_\_

ABSTAINED Commissioner(s): \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA    )  
  )  
COUNTY OF ORANGE    )

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

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

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

Resolution No: \_\_-20-C&FC

Agenda Date: April 1, 2020

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 7****April 1, 2020****DATE:** March 2, 2020**TO:** First 5 Orange County Children and Families Commission**FROM:** Kimberly Goll, President/CEO**ACTION:** Authorize receipt of funding from the Orange County Social Services Agency to provide CalWORKs home visitation services**SUMMARY:**

The State of California's proposed 2020/2021 budget includes continuing funding to support home visiting within the CalWORKs program. Orange County Social Services Agency (SSA) contracts with the First 5 Orange County Children and Families Commission for local implementation. This item is to request authorization to amend the agreement with SSA to receive approximately \$3.1 million for Fiscal Year (FY) 2020-21 for continued program operation.

**DISCUSSION:**

The California Work Opportunity and Responsibility for Kids (CalWORKs) Home Visiting Initiative (HVI), now known as the Home Visiting Program (HVP), was created in 2018/2019 and will be funded through June 2022 by a \$158.5 million set-aside of CalWORKs funding through the State's Temporary Assistance for Needy Families (TANF) program. Pending approval from the Orange County Board of Supervisors, SSA anticipates receiving \$3.1 million for FY 2020/21, based on its total CalWORKs-eligible population.

First 5 Orange County's Bridges Maternal Child Health Network (Bridges) provides the platform for implementation of CalWORKs-funded expansion of home visiting services. The CalWORKs HVP leverages several Bridges program assets, which include the electronic infrastructure to screen women and babies at time of birth, the established and evaluated home visitation programs, and subject-matter-expertise for the targeted services and population. Orange County's HVP-funded services also incorporate a new component that helps families connect with Learning Links, quality childcare, and other services that promote early learning.

To implement the CalWORKs-funded expansion, First 5 Orange County entered into an agreement with SSA, and amended its existing agreements with Bridges providers, which include Orange County Health Care Agency (for the Nurse Family Partnership program); 10 hospitals; and three community-based providers (MOMS Orange County, Children's Bureau, and Child Abuse Prevention Center). These amendments with providers incorporated additional funding, an expanded scope of work, and an updated referral process.

Authorization is recommended to further amend First 5 Orange County's agreement with SSA for the CalWORKs HVP to incorporate additional funding of \$3.1 million for FY 2020/2021. Staff will return in June 2020 for authorization to augment provider agreements, commensurate with the additional funding. It is anticipated this funding will allow Bridges to serve up to 480 additional children and families through the child's 24<sup>th</sup> month.

**STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended actions have been reviewed in relation to the Strategic Plan and are consistent with the Comprehensive Health and Development and Resilient Families goal areas. The funding to support the expansion of home visiting services will be incorporated as part of the Fiscal Year 2020/2021 Budget, contingent on an agreement with the Orange County Social Services Agency to receive funding from the State Department of Social Services.

**PRIOR COMMISSION ACTIONS:**

- October 2019 – Authorize receipt of funding from the Orange County Social Services Agency and adopt resolution authorizing agreements and amendments to agreements to provide CalWORKs home visitations services
- April 2019 – Authorized amendments to agreements with contractors to provide services under the CalWORKs Home Visiting Initiative.
- December 2018 – Authorized amendments to agreements with contractors to provide services under the CalWORKs Home Visiting Initiative.
- October 2018 – Authorized receipt of approximately \$2,208,894 from, and enter into agreement with, the Orange County Social Services Agency to implement the CalWORKs Home Visitation Initiative.
- Various prior actions authorizing agreements with contractors and consultants (whose scopes did not include CalWORKs Home Visitation Initiative).

**RECOMMENDED ACTION:**

Authorize the Executive Director, or designee, to receive approximately \$3.1 million additional funding from, and amend the agreement with, the Orange County Social Services Agency, upon approval by the Orange County Board of Supervisors, to allocate the additional funding for CalWORKs Home Visitation Program.

**ATTACHMENTS**

None

**Contact:** Ilia Rolón

**Agenda Item 8**  
**April 1, 2020****DATE:** March 14, 2020**TO:** Children and Families Commission of Orange County**FROM:** Kimberly Goll, President/CEO**ACTION:** Conduct Public Hearing and review the Fiscal Year 2020/2021 Strategic Plan

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**SUMMARY:**

First 5 Orange County Children and Families Commission annually conducts a public hearing to adopt the Strategic Plan. This item recommends approval of the Strategic Plan, as described below, for Fiscal Year 2020/2021.

**DISCUSSION:**

Each First 5 Commission is required to comply with the Proposition 10 Strategic Plan Guidelines to review its strategic plan annually and revise the plan as necessary and appropriate. Orange County's Strategic Plan was initially adopted in 2000. Between its initial adoption and 2018, the Strategic Plan was reviewed annually and moderately updated. In August of 2018, staff embarked on an extensive update to the Strategic Plan, that acknowledges a shift from the creation of new services to better integration and coordination of agencies that support young children and families in the climate of declining revenue.

A new five-year Strategic Plan was adopted in April 2019, following significant public outreach and one-on-one meetings with stakeholders and Commission members. The 2019-2024 Strategic Plan includes measurable objectives in three goal areas: Resilient Families, Quality Early Learning, and Comprehensive Health and Development. It also outlines five strategic directions to achieve those goals:

1. Committed Leadership;
2. Engaged Neighborhoods;
3. Connected Systems;
4. Aligned Investment; and
5. Sustained Funding.

The 2019-2024 Strategic Plan (Attachment 1) is recommended for adoption without further modification as part of the public hearing. Staff anticipates future adjustments to the Strategic Plan as we begin working with the new structure and expanding into systems change work. For example, the current Strategic Plan tries to capture historic funding categories, as well as desired strategic directions and systems work. However, some of our newer initiatives don't fall cleanly into one of the three goal areas. Going forward, we anticipate revisiting the goal areas with potential modifications that reflect a whole child lens. Additionally, we anticipate adding progress measures that capture systems change and the impact of our new strategic directions on our work.



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**STRATEGIC PLAN & FISCAL SUMMARY:**

This agenda item does not include a funding request.

**PRIOR COMMISSION ACTIONS:**

- April 2019 – Adopted Fiscal Year 2019-2024 Strategic Plan
- February 2019 – Conducted annual planning meeting to review and discuss new Strategic Plan
- February 2019 - Received second quarter status update on the Fiscal Year 2018/2019 Business Plan
- October 2018 - Received Fiscal Year 2018/2019 Business Plan first quarter report
- April 2018 - Conducted Public Hearing, adopt resolutions and receive the annual review of the Strategic Plan, Fiscal Year 2018/2019 Business Plan, Fiscal Year 2017/2018 Amended Operating Budget and Fiscal Year 2018/2019 Proposed Budget

**RECOMMENDED ACTIONS:**

1. Conduct Public Hearing.
2. Adopt resolution (Attachment 2) confirming the Children and Families Commission's annual review and adoption of the Strategic Plan.

**ATTACHMENTS:**

1. First 5 Orange County Children and Families Commission 2019-2024 Strategic Plan
2. Resolution - Strategic Plan

**Contact:** Lisa Burke



# **2019-2024 STRATEGIC PLAN**

April 3, 2019

Reviewed April 1, 2020

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# ACKNOWLEDGEMENTS

First 5 Orange County would like to express our deep appreciation to the following champions for young children who invested their time and shared their expertise and experience to inform our work and this plan:

- Parents and caregivers for sharing their experiences.
- Community partners for providing valuable insights and recommendations.
- Staff for engaging so thoughtfully over many hours.
- First 5 Orange County Commissioners for their guidance and support.

Strategic plan facilitation and development services were provided by Parsons Consulting, Inc. ([www.parsons-consulting.com](http://www.parsons-consulting.com))

## ABOUT FIRST 5 ORANGE COUNTY

First 5 Orange County, which is also known as the Children and Families Commission of Orange County, is a public agency that was created by the passage of Proposition 10 in 1998, which added a 50-cent tax on tobacco products sold in California in order to fund programs and services expressly for children from prenatal through age five and their families. Since our inception 20 years ago, First 5 Orange County has become a leading convener, collaborator, and evaluator, as well as a valued capacity builder and funder of best practices. In these roles, we offer the community deep expertise on the importance of early childhood in human development and the conditions that children and families need to thrive. We cultivate strong relationships with our community partners and support innovative, research-based services that have been shown to improve outcomes. We are beginning to engage with communities to offer them the information and tools they need to become advocates for their young children. And finally, we promote a “system-level perspective” that recognizes the importance of seamless cross-agency coordination to improve the family experience and child outcomes.

### OUR VISION

All children reach their full potential.

### OUR MISSION

We optimize the health and development of young children by promoting the importance of early childhood, encouraging innovation, and investing in systems of care.

## WORKING TOGETHER TO IMPROVE THE EARLY CHILDHOOD SYSTEM

First 5 Orange County is one organization among many comprising Orange County’s robust early childhood system. An early childhood system is the partnership among health, social service, family support and early childhood education agencies within a region that is working to develop a seamless network of care for children from birth to kindergarten entry.<sup>1</sup> The graphic to the right illustrates a common conceptualization of the early childhood system, showing three overlapping sectors – early learning and development, health, and family leadership and support – which collectively support thriving children and families.

A well-functioning early childhood system has been described as a system that reaches families with the help they need, coordinates services and supports, promotes a climate of support for early childhood, and increases parent engagement and equity.<sup>2</sup> First 5 Orange County partners with many influencing

FIGURE 1: ILLUSTRATION OF EARLY CHILDHOOD SYSTEM

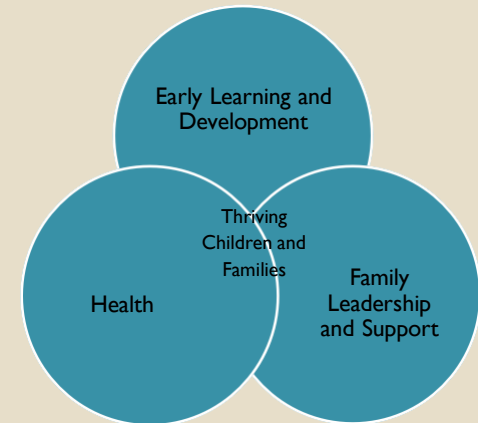
### Results that a Comprehensive Early Childhood System Should Deliver:

**EARLY LEARNING AND DEVELOPMENT:** Nurturing relationships, environments, and enriching experiences that foster learning and development.

**HEALTH:** Comprehensive services that promote children’s physical, developmental, and mental health.

**FAMILY LEADERSHIP AND SUPPORT:** Resources, experiences, and relationships that strengthen families, engage them as leaders, and enhance their capacity to support children’s well-being.

Source: Build Initiative, *The Early Childhood Systems Working Group* ([www.buildinitiative.org](http://www.buildinitiative.org))



<sup>1</sup> Health Resources and Services Administration (HRSA), Early Childhood Comprehensive Systems (<https://mchb.hrsa.gov/earlychildhoodcomprehensivesystems>)

<sup>2</sup> Center for the Study of Social Policy, EC-LINC System Performance Assessment Toolkit (forthcoming)

organizations to improve the ability of the early childhood system to function well. This work to improve system functioning is often referred to as “systems change,” and it is a strategic priority for First 5 Orange County as a key means of maximizing the impact of our investments. Approaches to improving system functioning vary, but they are universally a collaborative effort among the various sectors within the system. For example, an early childhood system that is committed to universal developmental screening at recommended intervals may collaboratively take any of the following actions: evaluate service paths to identify gaps or issues; initiate a public awareness campaign related to the importance of developmental screening; advocate for increased reimbursement rates so pediatricians are incentivized to conduct and report validated screens; create a centralized developmental screening database where there isn’t one; develop data sharing agreements between doctor’s offices and agencies that provide early intervention to improve referrals and tracking; invest in program expansion; or many other possible interventions.

To improve system functioning and reach, First 5 Orange County looks forward to strengthening existing partnerships in the early childhood system and forging new ones with organizations that have not traditionally viewed early childhood as a part of their core mission. Working together, we can build, improve, and sustain an early childhood system that optimizes outcomes for all Orange County young children and their families.

## How We Do Our Work

First 5 Orange County has identified five core values and a set of operating principles to help us fulfill our vision and mission.

### CORE VALUES

**Integrity:** We ensure public trust through transparency in decision-making and commitment to the voters’ intent.

**Excellence:** We are responsible for achieving positive outcomes for young children and consistently set high standards to advance our impact.

**Collaboration:** We work with community partners, sharing knowledge and striving for high-functioning, results-oriented systems.

**Innovation:** We continually challenge ourselves and our partners to advance creative solutions to benefit young children and their families.

**Knowledge:** We are committed to increasing public awareness about the importance of early childhood.

### OPERATING PRINCIPLES

The following principles illustrate how we conduct our work:

- We develop common goals that focus on outcomes and results.
- We use best practices and data to inform our conversations.
- We examine all interpretations of the data and multiple options for resolving issues.
- We are thoughtful questioners and value all perspectives.
- We seek consensus whenever possible and support the implementation of that consensus.
- We assess fidelity to our values and operating principles regularly.

First 5 Orange County employs an organizational structure that uses resources efficiently and maximizes performance. First 5 Orange County is led by a small staff of experienced and dedicated personnel, which enables us to be flexible and responsive to issues and challenges as they arise and change overtime. To cost-effectively expand capacity, First 5 Orange County hires consultants to provide specialized technical expertise and assist with implementation of certain programs. Further, First 5 Orange County uses County of Orange administrative supports, such as human resources, risk management, purchasing, information technology, and fiscal services as needed.

## CURRENT REALITIES AND LONG-TERM TRENDS

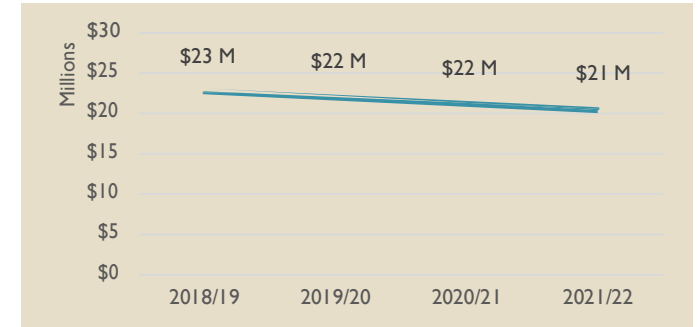
The future direction of First 5 Orange County is influenced by many current realities and long-term trends, which are detailed and sourced in Appendix A: Key County Trends. We are also influenced by ongoing research, best practices, and innovation within the field of early childhood, as well as by feedback from our community partners and stakeholders. The key influencing factors can be summarized as follows:

- **Declining revenue:** Tobacco tax revenues are declining statewide, which translates to declining revenue for all First 5s in California, including First 5 Orange County. This is placing pressure on First 5s statewide to consider a range of responses, including leveraging investments, targeting services, seeking policy changes to sustain critical services, transitioning F5 programs to other agencies, or discontinuing programs.
- **Persistent disparities:** Overall, kindergarten readiness is improving steadily; however, the data by neighborhood make it clear that all children do not have the same access to supports within their family or in their community. Consequently, not all Orange County children are entering school ready to achieve their full potential.
- **System coordination needs:** A growing body of research and practice shows that an early childhood system will produce optimal results when universally needed services (e.g., developmental screening and well child checks) and identified services (e.g., early intervention and/or medical treatment) are both available and coordinated. Like many regional early childhood systems, Orange County's system has opportunities to improve coordination.
- **Evolving roles:** Our community sees our engagement in multiple sectors of the county's early childhood system as a natural platform to promote the wellbeing of young children and their families *across* the system. This has not been an area that First 5 Orange County has fully developed in the past.

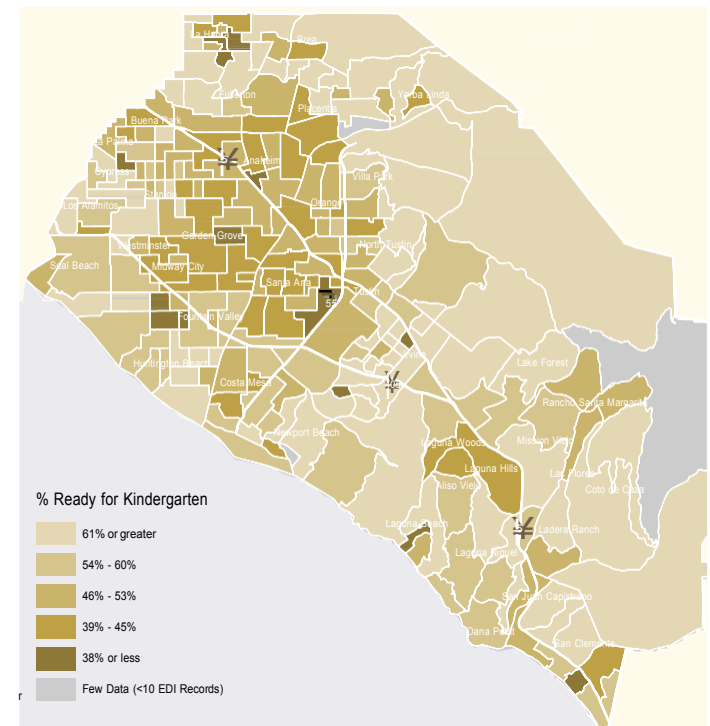
Additional notable countywide trends:

- **Fewer young children:** Demographic projections point to fewer children ages 0-5, largely as a function of a declining birth rate. In 2019, there were an estimated 225,840 children ages 0-5; by 2045, there will be an estimated 193,560.
- **Continuing diversity:** Over the past 20 years, Orange County has witnessed increasing diversity among young children; however, projections to 2045 anticipate similar racial and ethnic distributions as today, with 43 percent of young children identifying as Hispanic, 33 percent White, 16 percent Asian, six percent multi-racial, and two percent African American.

**FIGURE 2: TOBACCO TAX REVENUE PROJECTION FOR FIRST 5 ORANGE COUNTY**



**FIGURE 3: CHILDREN READY FOR KINDERGARTEN BY NEIGHBORHOOD IN ORANGE COUNTY, 2018**



- **Insufficient supply of early care:** The supply of subsidized care for children 0-2 years falls significantly short, with 36,044 infants and toddlers unserved relative to those eligible. In addition, 19,580 preschool children remain unserved compared to the need for subsidized care.
- **Family poverty:** Among families with at least one child under age six, 18 percent are living in poverty, rising to 47 percent in families led by a single parent.
- **Family homelessness:** On average, each month between 40 or 50 families enter the Coordinated Entry System, a database that homeless service providers use to help homeless individuals and families find housing.

## STRATEGIC POSITIONING IN RESPONSE TO CURRENT REALITIES AND LONG-TERM TRENDS

The strategic plan concretely identifies how First 5 Orange County will position itself to effectively respond to these trends and current realities. While we have identified some challenges, rather than focusing on what is being lost, we are embracing an intentional asset orientation, which enables us to consider how we can best invest our human and financial resources to have the greatest impact. First 5 Orange County is committed to continue to fund mission-driven direct services that help all Orange County children reach their full potential. However, to achieve greater impact in an era of declining revenue, First 5 Orange County recognizes that some children and families need more support than others to be successful. We also recognize that we must increasingly see ourselves as a catalyst, capacity builder, and strategic investor, deemphasizing direct service provision and more strongly embracing system-level impact.

These strategic positions can be summarized by the following broad, foundational position statements:

- **Strategic:** We will maximize our impact by investing strategically in programs and services that build and support a thriving early childhood system.
- **Collaborative:** We will develop and leverage community partnerships to drive change.
- **Efficient:** We will increasingly invest in strategies and partnerships that help the early childhood system work more effectively and efficiently.
- **Focused:** We will continue to improve outcomes for all children while focusing on children that need additional support to reach their full potential.
- **Catalytic:** We will support efforts to leverage other public resources and build capacity to sustain or expand the reach of critical programs and services.
- **Leaders:** We will embrace and enhance our role as a convener, resource, and leader in early childhood.

These foundational positions undergird all of the strategic plan goals and objectives, strategic directions, and implementation activities.

# FIRST 5 ORANGE COUNTY STRATEGIC APPROACH

First 5 Orange County has a commitment and mandate to improve outcomes for Orange County’s children prenatal through age five. To respond to that mandate and to remain accountable to the community, we have developed a strategic approach that identifies what we want to achieve, how we will achieve it, and how we will measure our progress. Specifically, the strategic framework contains:

- three broad, long-term **goals** (the outcomes we want to see in the community),
- nine population-level **headline objectives** (how we will measure progress on our goals and remain accountable to the community),
- five **strategic directions** (what we will do to achieve our goals), and
- fifteen agency- or system-level **implementation objectives** (how we will measure our successful implementation of our strategies).

The **three goals** depicted in the graphic on the following page capture the long-term vision of First 5 Orange County: Resilient Families, Quality Early Learning, and Comprehensive Health and Development. The goals also intentionally align with the Orange County Early Childhood Policy Framework (ECPF). The ECPF collaborative – known as Early Childhood OC – is a coalition of public, private, and nonprofit agencies and individuals that work on children’s health, early learning, and family support. The collaborative developed the ECPF to leverage the work that its members are already doing to benefit young children by aligning policies and goals across all sectors, improving communication and coordination, identifying strengths, and addressing gaps. In aligning goals with the ECPF, First 5 Orange County signals its support for the collaborative’s goal for the ECPF to be embedded in the policies, strategies, and activities of organizations across Orange County, such that every sector in Orange County will be an advocate for young children.

## DEFINITIONS OF LEVELS OF ACCOUNTABILITY

**Population-level:** Measure of wellbeing for the whole population of young children, or their caregivers, or young children within a particular sub-area, such as all young children with special needs.

**System-level:** Measure of performance or achievement among sectors within the early childhood system.

**Agency-level:** Measure of First 5 Orange County performance or achievement.

The **headline objectives** selected for each goal (see next page) enable transparent tracking and reporting of population-level impact. The nine selected objectives (three for each goal) serve as proxies for measuring progress on the goal. They were selected because they represent important drivers for improving outcomes; they are relevant to priority initiatives for First 5 Orange County, as well as across the early childhood system, and; there are data available to enable tracking progress. Alternative objectives, which were in some cases preferred, were identified during the planning process; however, these objectives were not selected due to a lack of data for measurement. Instead, these objectives populate our Data Agenda and are listed in a sidebar in their relevant goal area

The **strategic directions** provide the strategies through which we will make progress on each goal. The five strategic directions, and their attendant **implementation objectives**, build and expand upon our foundational positions. Together, the First 5 Orange County foundational positions and strategic approach represent our theory of change, or how we believe we can best make an impact with the resources we have. Driven by our long-term goals of resilient families, quality early learning, and comprehensive health and development, we have identified strategies that we believe will help us achieve those goals. In adopting this new strategic approach, we recognize that making progress on our goals and headline objectives will require the concerted action of many different actors in addition to First 5 Orange County. We look forward to working within and across sectors to drive change.



FIGURE 4: ILLUSTRATION OF FIRST 5 ORANGE COUNTY STRATEGIC APPROACH

## OUR GOALS AND SELECTED HEADLINE OBJECTIVES

Outcomes we want to achieve and the domains we will measure to hold ourselves accountable.



## OUR STRATEGIC DIRECTIONS

Strategies that guide how we will work toward achieving our goals and headline objectives.



## GOALS AND HEADLINE OBJECTIVES

As noted in the introduction to the strategic approach, First 5 Orange County's three goals reflect our long-term vision and align with the Early Childhood Policy Framework. They also align with the traditional domains of the early childhood system: family support, early learning, and health. Going forward, First 5 Orange County will continue to build cross-sector connections within the early childhood system, as well as engage with organizations outside of the traditional early childhood arena in pursuit of our core vision that all Orange County children reach their full potential.

### RESILIENT FAMILIES

*Cultivate parenting skills, promote economic stability, and enhance access to services.*

The value of nurturing environments for young children to prevent many mental, behavioral, and emotional disorders has been well documented in the literature.<sup>i</sup> Schools and the community are important nurturing environments, but a child's family is its first and most influential nurturing environment. The early childhood system works to provide access to quality services and supports for families to increase parental knowledge, improve parenting practices, and prevent harm. This kind of support can take many forms. First 5 Orange County will measure progress on our goal for family resilience in the domains of maternal mental health, family support services, and family homelessness.

### QUALITY EARLY LEARNING

*Ensure children have access to quality early learning experiences and environments.*

Research studying long-term outcomes finds that children from low-income families who attend quality preschool are more likely than their peers who did not attend preschool or who attended low quality preschool to have, as adults, higher educational attainment and income, lower involvement with drugs or the criminal justice system, and better mental and physical health.<sup>ii</sup> When looking at cost-benefits, quality early childhood education (ECE) programs for low-income children ages 0-5 have been documented to produce a substantial return on investment.<sup>iii</sup> We will measure progress on this goal area by focusing on kindergarten readiness, ECE program quality, and early care availability.

### COMPREHENSIVE HEALTH AND DEVELOPMENT

*Promote the overall physical, social, emotional, and intellectual health of young children.*

Decades of research support the benefits of early intervention for children with identified health, developmental, social, emotional, behavioral, speech, vision, and other special needs, yet some children are "missed" and enter kindergarten not having had their special need identified or treated.<sup>iv</sup> Developmental screening at recommended intervals with a validated tool is the gateway to critical early intervention services when needed.<sup>v</sup> Physical health, including maintaining a healthy weight, is important for a child's long-term health and well-being.<sup>vi</sup> Obesity is associated with many negative health conditions, including Type II diabetes, heart disease, and depression. And we are learning that prevention is critical given the difficulty of lasting weight loss.<sup>vii</sup> Furthermore, dental decay is the most common childhood disease and it is preventable.<sup>viii</sup> Therefore, we will measure our progress on children's health and development by tracking early identification and intervention, obesity, and dental health.



In the following pages we describe in more detail the population-level objectives for each goal, provide baseline data (if available), and state our three-year target. As noted above, the headline objectives were selected because they are important drivers for improving outcomes, they are relevant to priority initiatives across the early childhood system, and data are available for tracking progress. The objectives are not intended to be exclusive or comprehensive; there are many additional drivers and alternative ways to measure progress on a goal. In some cases, lack of data prevented the selection of a preferred objective and indicator. Those metrics, which form our Data Agenda, are listed in side bars within their relevant goal area. We will work to develop these data over the five-year strategic planning period.

## RESILIENT FAMILIES (RF)

### RF 1: Increase the rate of mothers receiving mental health services when needed.

**To be measured by:** RF 1a – Percentage of mothers indicating they went to see a doctor or mental health professional for emotional or mental health counseling or treatment when they felt they needed help according to the California Maternal and Infant Health Assessment (MIHA).

**Baseline:** 2018 data forthcoming from MIHA

**3-year Target:** To be determined

**Value of measure:** Maternal depression has demonstrated negative impacts on the mother, child, and family overall.<sup>ix</sup> Addressing common barriers to care – including not getting screened, insufficient availability of providers, cost or lack of insurance coverage, and stigma around mental health – is a critical need for parents of young children. In selecting this metric, the intent is not to exclude paternal mental health; rather, the intent is to align the measure to available data and existing practices, which are typically focused on maternal depression due to the strong link to child outcomes.

### RF 2: Increase the proportion of families receiving home visiting or family support services.

**To be measured by:** RF 2a – Count of families served by maternal and infant home visiting services countywide (First 5 Orange County and non-First 5 Orange County funded) compared to the number of potentially eligible families, as determined by the May 2018 Pritzker Children's Initiative Profile (numerator) and babies born in the 0-39<sup>th</sup> percentile of the California Smart Start Index (denominator). RF 2b – Count of families receiving family support services compared to the number of potentially eligible families (determined by same sources as RF 2a).

**Baseline:** RF 2a: 3,143 families provided home visiting (2017)/8,305 potentially eligible babies (2016)<sup>x</sup>  
RF 2b: 995 families provided family support services (2016)/8,305 potentially eligible babies (2016)<sup>xi</sup>

**3-year Target:** 5% increase  
5% increase

**Value of measure:** The ability to identify and support families in need is a key contribution an early childhood system can provide. High-quality home visiting services have been demonstrated to reduce incidences of child abuse and neglect, improve birth outcomes, improve school readiness for children, and have a high level of return on investment.<sup>xii</sup> Since not all eligible families agree to home visiting services, this metric also measures access to other family support services, such as family specialist support within the pediatric primary care setting.

### RF 3: Reduce the number of young children experiencing homelessness and increase the percentage of families that find permanent housing.

**To be measured by:** RF 3a – Count of families with at least one child age 0-5 experiencing homelessness (e.g., sheltered, unsheltered, or living in a motel) according to the Homeless Management Information System (HMIS). RF3b – Percentage of families with children age 0-5 experiencing homelessness that find permanent housing according to HMIS.

**Baseline:** RF 3a: 539 families (2018)  
RF 3b: 246 permanently housed/539 (46%)

**3-year Target:** 512 or less (5% decrease)  
60% permanently housed

**Value of measure:** Homelessness has documented negative impacts on children, including mental health, physical health, developmental status, and academic achievement.<sup>xiii</sup> Stable housing for families with young children is a primary need for family resiliency.

#### Data Agenda

RF 4: Increase the percentage of pregnant and post-natal women who receive mental health screening and are linked to services when indicated.

RF 5: Reduce the percentage of children with adverse childhood experiences (ACE).

## QUALITY EARLY LEARNING (QEL)

### QEL 1: Increase the percentage of children ready for kindergarten in focus communities.

**To be measured by:** QEL 1a – Percentage of children ready for kindergarten in lowest performing neighborhoods, as measured by neighborhood-level EDI sub-scores and overall scores.

**Baseline:** varies by neighborhood

**3-year Target:** 5% increase in selected neighborhoods

**Value of measure:** Kindergarten readiness is correlated with short- and long-term health, education, and economic outcomes.<sup>xiv</sup> The Early Development Index is a survey tool that kindergarten teachers complete on each student in their class. The results reveal at the neighborhood level what proportion of children were ready for kindergarten in five developmental areas and 16 sub-areas. The EDI is a powerful tool for engaging with communities and collaboratively identifying place-based strategies to improve readiness.

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### QEL 2: Increase ECE programs participating in quality assistance programs.

**To be measured by:** QEL 2a – Percentage of early care and education programs participating in Quality Start OC.

**Baseline:** 390/4,407, or 9% (2018)

**3-year Target:** 12% rated overall

**Value of measure:** Research finds that children from low-income families who attend quality preschool are more likely than their peers who did not attend preschool or who attended low quality preschool to have higher educational attainment and income, lower involvement with drugs or the criminal justice system, and better mental and physical health.<sup>xv</sup> Increasing quality among existing programs through participation in quality assistance programs can have lasting impact on children's long-term potential.

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### QEL 3: Increase alignment of child care supply and demand.

**To be measured by:** QEL 3a – Change in gap between the number of income eligible infants and toddlers, and the number of subsidized family child care home and center-based slots for infants and toddlers according to Orange County Child Care and Development Planning Council data. QEL 3b – Change in gap between the number of income eligible preschool age children, and the number of subsidized family child care home and center-based slots for preschool age children according to Orange County Child Care and Development Planning Council data.

**Baseline:** QEL 3a: 37,741 eligible infants/toddlers without slot (2018) QEL 3b: 19,580 eligible preschoolers without slot (2018)

**3-year Target:** 10% reduction in gap (0-2)  
5% reduction in gap (3-5)

**Value of measure:** The high cost of child care can press working families to choose care that they would not otherwise, including care that may be of lower quality. Increasing the availability of low-cost or subsidized care provides more, and potentially higher-quality, options for families.

#### Data Agenda

QEL 4: Reduce the percentage of children expelled from preschool for behavioral issues. (Baseline data available only.)

## COMPREHENSIVE HEALTH AND DEVELOPMENT (CHD)

### CHD 1: Lower the age of early identification of children with developmental, social, emotional, behavioral, speech, vision, and other special needs.

**To be measured by:** CHD 1a – Percentage of kindergartners whose teacher believes the child had a developmental delay or special need, but the child did not have an IEP (Individualized Education Program) and is not receiving special education services.<sup>3</sup> CHD 1b – Percentage of Orange County children with Medi-Cal coverage who received six or more well-child visits in the first 15 months of life.

**Baseline:** CHD 1a: 33.3% (EDI, 2018)

CHD 1b: 48.1% (CalOptima, 2018)

**3-year Target:** CHD 1a: 25.0%

CHD 1b: 62.1% (National Medicaid 50<sup>th</sup> percentile)

**Value of measure:** This measure provides insight into how well the service system identifies and responds to children's developmental needs. Children's developmental delays can be addressed best when they are discovered early.<sup>xvi</sup> Identifying and addressing developmental needs prior to school entry leads to children being more likely to enter school ready to learn and succeed. Since teachers are not necessarily able to identify health needs, such as poor vision, the HEDIS measure regarding well-child checks serves as a proxy for health screening.

### CHD 2: Reduce disparities in rates of obesity among children.

**To be measured by:** CHD 2a – Percentage of fifth grade students who have obesity, by race/ethnicity, according to California Department of Education

**Baseline:** 27% Hispanic, 10% Asian, 9% White, 7% Multi (2017)

**3-year Target:** 2 percentage point reduction for Hispanic students

**Value of measure:** Access to healthy food, safe parks, and walkable neighborhoods can improve diet and activity levels, but not all children in Orange County have equal access to these amenities, which contributes to disparities. Given the link between obesity and many chronic diseases, prevention can improve children's overall mental and physical health as they grow into adulthood. (Data are unstable for several racial groups and therefore not included in baseline or targets.)

### CHD 3: Increase the percentage of young children who have seen a dentist.

**To be measured by:** CHD 3a – Percentage of Medi-Cal eligible children ages 3-5 years who had a dental visit in the past year, according to the Orange County Oral Health Needs Assessment.

**Baseline:** 56.2% (2016)

**3-year Target:** 60%

**Value of measure:** Building good oral health habits, including regularly visiting the dentist, can help prevent caries, the most common disease in children.

#### Data Agenda

CHD 4: Reduce the number of infants prenatally exposed to alcohol and other drugs.

CHD 5: All children receive developmental screens using a validated tool at intervals recommended by Bright Futures/American Academy of Pediatrics.

<sup>3</sup> These data, sourced to the Early Development Index, reflect a teacher's impression of the child and not a formal assessment.

## STRATEGIC DIRECTIONS AND IMPLEMENTATION OBJECTIVES

While our goals reflect the traditional domains of the early childhood system, our strategies to achieve them are intentionally cross-sector; we will deploy the strategies broadly to support all three goals. The strategies focus on systemic, ecological change versus direct service provision. First 5 Orange County funds many direct services and will continue to do so to achieve the impact we are seeking, but we embrace the pivot to systems-change as a promising strategy to improve the functioning and efficiency of services, and to increase resource allocation to the early childhood system. Our hypothesis is that by employing this approach we can help the system serve more families and with higher quality, and in the process build family resiliency, quality early learning, and comprehensive health and development.

Below we offer the value of each of the five strategic directions and why we selected these strategies.

### COMMITTED LEADERSHIP

*Build community leadership knowledge and action related to early childhood by developing an internal and external leadership voice.*

One of the markers of a well-functioning early childhood system is that leaders throughout the community understand the importance of early childhood and are engaged in efforts to make the community more supportive of young children and their families. This support can translate directly into improved outcomes. Thus, cultivating this support is a key strategy for First 5 Orange County that builds on our foundational positions to strategically leverage community strengths and resources to the benefit of young children and their families.

### ENGAGED NEIGHBORHOODS

*Use the Early Development Index (EDI) to increase awareness and engage neighborhoods in improving outcomes for their young children.*

An early childhood system can make an important contribution to ensuring that all young children and their families have what they need to be successful, recognizing that not everyone starts in the same place, has the same experiences, or has the same needs. A system can also improve services and outcomes when they engage parents in the early childhood system of care and better understand the needs and assets of the individuals they serve. This strategy uses a powerful tool – the Early Development Index (EDI) – to give communities information on how their young children are faring and couples it with cultivating community leaders and empowering them to act on behalf of their young children.

### CONNECTED SYSTEMS

*Facilitate connected, high-functioning early childhood systems.*

This strategy recognizes the additional value a system provides over and above the contributions of a particular agency within a system. We seek to optimize Orange County's early childhood system by improving its ability to reach children and families with the services and supports they need and to coordinate to provide seamless services, improve quality, and avoid duplication.

## **ALIGNED INVESTMENTS**

*Invest First 5 Orange County resources for greatest impact using data-informed, mission-driven decision making.*

As the First 5 Orange County budget declines, the organization must invest strategically. The objectives identified within this strategic direction aim to: use data to drive specific investments that will have the most impact on our goals and headline objectives; align direct service agreements with a systems-focused funding model and a new performance measurement system that is aligned with the strategic plan; and identify new ways to distribute system-building dollars.

## **SUSTAINED FUNDING**

*Work to increase access to new or repurposed sources of funding to sustain or grow early childhood services.*

Statewide today we face declining First 5 revenues while simultaneously there is growing recognition of the value of investing in early childhood. This challenging reality requires creative strategies to maintain or grow critical early childhood services using alternative funding sources. The Sustained Funding strategy focuses First 5 Orange County preemptively on the challenge of declining revenue in advance of actual shortfalls expressly to avoid service gaps to every extent possible. This strategic direction is focused on revenue generation through a variety of alternative sources.



## **NAVIGATING THE STRATEGIC DIRECTIONS AND IMPLEMENTATION OBJECTIVES**

In the following pages we describe in more detail the system- or agency-level objectives for each strategic direction, how we intend to measure the objective (i.e., the indicator), and the baseline data and our three-year target, if available. Unlike the population-level, or headline, objectives and indicators associated with the goal areas, these objectives are more focused on an internal level of accountability rather than an external level of accountability. However, like the population-level objectives and indicators, whenever possible, we have selected indicators that measure outcomes rather than outputs (e.g., the number of people changing behavior based on a presentation vs. the number of presentations given). The challenge is that system- or agency-level outcome data are often difficult or impossible to obtain. As a result, in some cases, we have selected output measures with the knowledge that these are proxies for more robust outcome measures and that the implementation activities will remain focused on changing outcomes, regardless of the limitations of the data.

When data are not currently available but can be developed, we have indicated that the baseline data and/or targets require data development during the first year of implementation and a target will be set after that baseline is determined. When baseline data are not possible to collect (e.g., the survey instrument is new and results are not available yet, or First 5 Orange County was not tracking these data to date), we have indicated “not available” for the baseline and either “to be determined” for the target, or we have set a target that assumes tracking begins July 2019.



## COMMITTED LEADERSHIP (CL)

### CL 1: Increase the First 5 Orange County voice and presence in the community to promote early childhood priorities.

**To be measured by:** CL 1a – Count of First 5 Orange County staff/consultant presentations on early childhood issues, including the Early Childhood Policy Framework, to non-First 5 Orange County-funded agencies and other critical institutional stakeholders in Orange County.

**Baseline:** Not available

**3-year Target:** 30 presentations

**Value of the measure:** This objective and indicator embodies our foundational position to amplify our leadership voice on behalf of young children and families in Orange County as a critical first step to achieving the policy changes and broad support for early childhood that we seek.

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### CL 2: Increase the number of traditional and non-traditional champions that advocate for and support early childhood.

**To be measured by:** CL 2a – Number of traditional and non-traditional organizations using Early Childhood Policy Framework in ways identified in the ECPF 2018-2019 Business Plan: Appendix G, or otherwise. (Note: *Traditional* organizations are those that provide services to young children or otherwise work within the early childhood system as a core part of their mission. *Non-traditional* organizations are those for which early childhood is not typically or historically considered a core part of their mission.)

**Baseline:** 3

**3-year Target:** 15 organizations

**Value of the measure:** Creating a child- and family-friendly community requires the investment of non-traditional actors into early childhood policies, in addition to the investments of traditional actors. The Early Childhood Policy Framework Business Plan lists promising individuals or organizations for outreach and possible pro-child or pro-family policies they could implement.

---

### CL 3: Increase the number of local or statewide policies that support early childhood.

**To be measured by:** CL 3a – Number of organizations of any type (traditional or non-traditional, public or private, state or local) that have enacted policies that support early childhood, including laws, ordinances, internal policies, funding opportunities or others.

**Baseline:** Not available; to be developed

**3-year Target:** 10 policies

**Value of the measure:** The true measure of success for our efforts to engage with non-traditional stakeholders and promote the importance of early childhood is whether diverse stakeholders take specific and concrete action on behalf of young children and their families through policy changes, new services and supports, or funding.

## ENGAGED NEIGHBORHOODS (EN)

### EN 1: Increase family and community knowledge about child development, early intervention, and Early Development Index.

**To be measured by:** EN 1a – Number of presentations or workshops conducted about child development, early intervention, and the Early Development Index (EDI) to community collaboratives or agencies.

**Baseline:** 70 presentations (2018)

**3-year Target:** 210 presentations over 3-year period

**Value of the measure:** Raising awareness about critical child development milestones, the importance of early intervention when needed, and how a community's young children are faring can change behavior. For example, research around parent knowledge of positive parenting practices and child development demonstrates the link between knowledge and behavior; parents with more knowledge are more likely to engage in positive parenting practices, whereas those with limited knowledge are at greater risk of negative parenting behaviors.<sup>xvii</sup>

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### EN 2: Increase the number of communities that have or are working toward shared, measurable goals for early childhood based on Early Development Index and other data.

**To be measured by:** EN 2a – Number of collaboratives or agencies that have or are working toward plans that target improved kindergarten readiness through the alignment of resources to support early childhood.

**Baseline:** 3 (First 5 Orange County funded)  
4 (First 5 Orange County technical assistance provided)

**3-year Target:** 12 communities

**Value of the measure:** First 5 Orange County seeks to turn the awareness of the importance of early childhood into concrete actions by building the capacity of communities that are motivated to improve outcomes for their young children. This measure enables First 5 Orange County to track whether our efforts are resulting in actionable plans to improve kindergarten readiness.

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### EN 3: Increase alignment of First 5 Orange County resources (funding, technical assistance, participation in collaboratives, or other) to identified neighborhood needs.

**To be measured by:** EN 3a – Assessment of neighborhood need based on community-level data and a neighborhood's self-identification of need compared to First 5 Orange County formal or informal resources or services dedicated to that neighborhood.

**Baseline:** Not available; to be developed through implementation

**3-year Target:** 10 neighborhoods assessed/aligned

**Value of the measure:** This measure tracks whether First 5 Orange County is responding to local needs by aligning its resources accordingly.

## CONNECTED SYSTEMS (CS)

### CS 1: Increase our understanding of coordination gaps and assets within the Orange County systems that impact early childhood outcomes.

**To be measured by:** CS 1a – Completion of a self-assessment tool that measures the extent to which the system helps families get to the right place(s) where their needs can be met, and the extent to which the system works together when multiple service providers are involved with the same family.

**Baseline:** No assessment completed

**3-year Target:** Assessment completed

**Value of the measure:** To appropriately focus our system improvement efforts, First 5 Orange County must first understand the strengths and weaknesses of Orange County's early childhood system. This measure will enable First 5 Orange County to establish, in collaboration with system stakeholders, a baseline level of system performance overall and for specific sectors within the system. The self-assessment will also allow system stakeholders to set targets for improvement and identify specific system improvements to help reach those targets.

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### CS 2: Improve referrals and connections within and across early childhood systems of care.

**To be measured by:** CS 2a – Improvement in system coordination based on system reassessment three years after initial assessment (CS 1).

**Baseline:** To be determined by CS 1

**3-year Target:** To be set after baseline determined

**Value of the measures:** Since there are many different networks and pathways in the early childhood system, this objective uses a selection of measures to track performance on how well we are improving referrals and connections across several sectors. The self-assessment process to achieve objective CS 1 may identify additional indicators to track CS 2 performance.

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### CS 3: Increase the number of agencies serving young children that align or share data and measurements.

**To be measured by:** CS 3a – Total number of clients served by active interagency data-sharing agreements. CS 3b – Count of agencies that have aligned client data collection variables, such as uniform intake and referral forms.

**Baseline:** CS 3a – Not available  
CS 3b – Not available

**3-year Target:** CS 3a – To be set after baseline determined  
CS 3b – To be set after baseline determined

**Value of the measures:** The ability to share client data within and across systems, with appropriate safeguards to protect confidential information, facilitates the system's ability to be better informed about a family's full range of strengths and needs, help families get to the right places to have their needs met, and work together more seamlessly.

## ALIGNED INVESTMENTS (AI)

### AI 1: Employ a funding approach that uses data and is aligned with strategic plan objectives and system-building priorities.

**To be measured by:** AI 1a – Creation of a funding approach that takes into account EDI, evaluation results, and strategic plan priorities.

**Baseline:** No new funding model exists

**3-year Target:** Funding model exists, and data are available to evaluate investments

**Value of the measure:** Consistent and informed investment requires a standardized process by which all investments can be examined. The development of a funding approach that takes into account data, evaluation results, and strategic priorities will support an objective, strategic approach to funding allocation.

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### AI 2: Achieve alignment of First 5 Orange County agreements and performance measurement system with strategic plan.

**To be measured by:** AI 2a – Revision of performance management system to align with strategic plan and application of new performance management metrics to all new agreements.

**Baseline:** N/A

**3-year Target:** New performance measurement system deployed

**Value of the measure:** Critical to program accountability is having a performance measurement system aligned with strategic plan priorities. Doing so focuses the activities of funded partners on the outcomes and strategies that will help First 5 Orange County achieve its objectives.

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### AI 3: Increase system-building work through First 5 Orange County investments.

**To be measured by:** AI 3a – Development and deployment of a process that most effectively invests First 5 Orange County dollars in system-building work.

**Baseline:** No new process exists

**3-year Target:** New process exists and is deployed.

**Value of the measure:** Investing in system-building activities can have a multiplier effect by improving the ability of the early childhood system to work more effectively for more families. First 5 Orange County will develop a process that will help us invest our capacity-building dollars in a way that provides the greatest return on investment.

## SUSTAINED FUNDING (SF)

### SF 1: Increase prioritization of early childhood among state and federal funders to focus on primary prevention.

**To be measured by:** SF 1a – Change in state funding of home visiting. SF 1b – Change in child care slots allocated to infants and toddlers. SF 1c – Gap in families eligible for subsidy programs and not enrolled, including CalFresh, CalWORKs, and Medi-Cal.

**Baseline:** SFIa: \$2.25 million (CalWORKs Home Visiting Initiative)  
SFIb: Not currently available; to be determined  
SFIc: Not currently available; to be determined

**3-year Target:** SFIa: 25% increase overall  
SFIb: To be determined  
SFIc: To be determined

**Value of the measure:** Investing in early childhood supports protective factors and prevents negative factors, as demonstrated in studies of return on investment for early care and education, home visiting, and early childhood services overall.<sup>xviii</sup> Through this measure, First 5 Orange County will document increased commitments to a protective and preventative model across sectors of health, education, and family support.

### SF 2: Increase proportion of existing funding that is dedicated to early childhood by local agencies not directly affiliated with First 5 Orange County.

**To be measured by:** SF 2a – Tally of school district discretionary dollars dedicated to early childhood. SF2b – Tally of Mental Health Services Act dollars dedicated to early childhood.

**Baseline:** Not currently available; to be determined

**3-year Target:** Increase in redirected funds as of July 2019

**Value of the measure:** This measure will specifically track funding reallocations among local agencies and foundations to support a protective and prevention model.

### SF 3: Increase fiscal independence among First 5 Orange County-funded partners through leveraged or alternative funding sources.

**To be measured by:** SF 3a – Change in leveraged dollars and/or non-First 5 Orange County funding for specific First 5 Orange County supported initiatives.

**Baseline:** To be determined during renewal process

**3-year Target:** To be determined during renewal process

**Value of the measure:** The sustainability of high-value First 5 Orange County funded programs is critically important to maintaining and improving our impact in the community. In light of declining revenue, this measure will enable us to track our success leveraging dollars or securing alternative funding sources, whether public or private, for identified high-value investments.

# STRATEGIC PLAN IMPLEMENTATION

This section identifies the actions First 5 Orange County will take in the first two years of the five-year strategic plan to implement the strategic directions.

FIGURE 5: TIMELINE OF IMPLEMENTATION ACTIONS, JULY 2018-JUNE 2021

Strategic Directions	Immediate	Year 1 (July 2019-June 2020)			Year 2 (July 2020-June 2021)	
Committed Leadership	Build relationships with countywide leaders (current and future) to increase representation of early childhood advocates in countywide leadership positions. (CL-A)					
	Create communications materials to broadcast consistent messages to leaders, as well as targeted messages that are relevant to a sector's priorities. (CL-B)				Build relationships with local leaders (current and future) to increase representation of early childhood advocates in local leadership positions (e.g., chambers, city councils, and school districts). (CL-C)	
Engaged Neighborhoods	Develop a community identification process that considers data, assets, and readiness, and identify communities based on that process. (EN-A)					
		Develop capacity to conduct community outreach and elevate community leaders. (EN-B)	Provide appropriate supports for identified communities (funding mechanism, technical assistance, outreach, city-specific communications). (EN-C)			
Connected Systems		Identify system stakeholders and conduct outreach to engage in system assessment and quality improvement work, to be piloted with P-3 group. (CS-A)	Conduct system coordination assessment. (CS-B)	Convene system stakeholders to formulate a shared agenda for system improvements based on assessment results. (CS-C)	Research and deploy data alignment and sharing pilot and bring to scale. (CS-D)	
Aligned Investment	Create funding approach that aligns investments with data, evaluation results, and strategic priorities. (AI-A)			Align First 5 Orange County investments with funding approach through renewal processes. (AI-D)		
	Revise performance measurement system to align with strategic plan. (AI-B)	Revise all agreements to be aligned with new performance measurement metrics. (AI-E)				
	Develop process for investment in system building work. (AI-C)			Deploy process for investment in system-building work. (AI-F)		
Sustained Funding		Develop 0-3 child care funding leveraging plan to identify dollars, assess availability, and work to obtain it. (SF-A)				
	Develop strategies to increase use of entitled benefits in existing programs. (SF-B)					
				Develop a state home visiting funding leveraging plan to identify dollars, assess availability, and work to obtain it. (SF-C)		
Data Agenda	Take advantage of opportunities to develop data as they arise within this planning period, while commencing dedicated data development activities in the subsequent 2-year implementation planning cycle. (DA-A)					

## IMPLEMENTATION, MONITORING, AND ACCOUNTABILITY PLAN

The table below describes the overarching actions. For task accountability, the table identifies the timeframe for the work and a final reporting date. Weekly staff meetings provide additional opportunities for progress reporting. Detailed implementation plans for each action falling within the 2019/20 year are compiled in a separate document. These plans have progress milestones to guide reporting throughout implementation, prior to the final reporting date.

For objectives accountability, quarterly strategic plan progress report-outs, supported by a streamlined online performance management system (see objective AI 2), will enable regular tracking of progress on headline and implementation objectives. Additionally, First 5 Orange County will produce an annual report that summarizes key accomplishments towards the strategic plan objective. In compliance with Proposition 10 – The Children and Families Act of 1998 (H & S Code 130140), the strategic plan, including the implementation plan, will be reviewed annually and modified as needed to respond to current circumstances.

**FIGURE 6: IMPLEMENTATION ACTIONS, JULY 2018-JUNE 2021**

<b>Strategic Direction: Committed Leadership</b> Build community leadership knowledge and action related to early childhood by developing an internal and external leadership voice.		Reporting Date
CL-A:	Starting in July 2019 and through June 2020, build relationships with countywide leaders (current and future) to increase representation of early childhood advocates in countywide leadership positions.	June 30, 2020
CL-B:	Starting in April 2019 and by December 2019, create countywide communications materials (by First 5 Orange County and with partners) to broadcast consistent messages to leaders, as well as targeted messages in language that is relevant to a sector's priorities.	December 15, 2019
CL-C:	Starting in July 2020 and by June 2021, build relationships with local leaders (current and future) to increase representation of early childhood advocates in local leadership positions (e.g., chambers, city councils, and school districts).	June 30, 2021
<b>Strategic Direction: Engaged Neighborhoods</b> Use Early Development Index (EDI) results to increase awareness and engage neighborhoods in improving outcomes for their young children.		Reporting Date
EN-A:	Starting in April 2019 and by September 2019, develop a community identification process that considers data, assets, and readiness, and identify communities based on that process.	September 15, 2019
EN-B:	By December 2019, develop staff capacity to conduct community outreach and elevate community leaders.	December 31, 2019
EN-C:	Starting January 2020 and ongoing, provide appropriate supports for identified communities (funding mechanism, technical assistance, outreach, city-specific communications).	June 30, 2021

<b>Strategic Direction: Connected Systems</b> Facilitate connected, high-functioning early childhood systems.		Reporting Date
CS-A:	By December 2019, identify system stakeholders and conduct outreach to engage in system assessment and quality improvement work.	December 20, 2019
CS-B:	By May 2020, conduct system coordination assessment.	May 30, 2019
CS-C:	Between June 2020 and December 2020 (tentative), convene system stakeholders to formulate a shared agenda for system improvements based on assessment results.	December 18, 2020
CS-D:	Starting October 2020, research and deploy data alignment and sharing pilot; bring to scale.	June 30, 2021
<b>Strategic Direction: Aligned Investments</b> Invest First 5 Orange County resources for greatest impact using data-informed, mission-driven decision making		Reporting Date
AI-A:	By February 2020, create funding approach that aligns investments with data, evaluation results, and strategic priorities.	February 5, 2020
AI-B:	Starting in February 2019 and completed by July 2019, revise performance measurement system to align with strategic plan.	July 31, 2019
AI-C:	Starting in April 2019 and completed by January 2020, develop process for investment in system-building work.	January 31, 2020
AI-D:	Starting in March 2020 and ongoing, begin to align First 5 Orange County investments with funding approach through renewal processes.	June 30, 2020
AI-E:	Starting in August 2019 and ongoing, revise all agreements to be aligned with new performance measurement metrics.	June 30, 2020
AI-F:	Starting February 2020 and ongoing, deploy process for investment in system-building work.	June 30, 2020



<b>Strategic Direction: Sustained Funding</b> Work to increase access to new or repurposed sources of funding to sustain or grow early childhood services.		Reporting Date
SF-A:	Develop strategies to increase entitled benefits in existing programs.	July 1, 2020
SF-B:	Develop 0-3 child care funding leveraging plan to identify dollars, assess availability, and work to obtain it.	July 1, 2020
SF-C:	Develop state home visiting funding leveraging plan to identify dollars, assess availability, and work to obtain it.	December 1, 2020
Data Agenda		Reporting Date
DA-A:	Take advantage of opportunities to develop data as they arise within this planning period, while commencing dedicated data development activities in the subsequent 2-year implementation planning cycle.	N/A

## APPENDIX A: STRATEGIC PLANNING COMMUNITY INPUT

As a public agency, First 5 Orange County strives for transparency, responsiveness, and quality improvement by engaging with and listening to our community partners and the families we serve. The strategic planning process involved extensive community input:

- An open house with over 150 attendees, representing government, funders, non-profit organizations, academic researchers, and other stakeholders
- Two focus groups with key First 5 Orange County consultant partners
- A bilingual (English/Spanish) community-wide survey with 124 respondents, including non-profit staff and board members, government representatives, business leaders, academics, and parents and residents

### KEY FINDINGS

Just under half (42 percent) of survey respondents said they were either “not at all” and “somewhat” familiar with First 5 Orange County, demonstrating the survey reached people outside of the immediate orbit of First 5 Orange County. However, 73 percent said First 5 Orange County’s work was “very” or “extremely” relevant to their life and work.

Those that know about First 5 Orange County’s work are very appreciative and laudatory of it, and almost everyone who viewed initial outlines of the strategic plan was positive about it.

The strategic approach of the plan received general validation from all groups. Open house attendees and survey respondents agreed that the goals and strategic directions were important, relevant for First 5 Orange County, and that First 5 Orange County was well positioned to address them. Most saw a place for their organization to partner on the plan, which was also a key theme that emerged from the open house. In addition to offering to start or continue partnering with First 5 Orange County, attendees identified new, less traditional partnerships worth exploring, including faith-based organizations, small and large businesses, individual child care centers, and Family Resource Centers. Many also suggested First 5 Orange County should start working more directly with families and residents, building on the work described in the “Engaged Neighborhood” strategic direction.

Safety was a frequent topic of feedback from the open house, with attendees pointing out that “sheltered” children were not always “safe” from domestic violence and crime in their neighborhoods and that school, preschool, and before and after care programs are often the places where children are the safest. First 5 Orange County’s work to increase home visiting and family support services, as well as work engaging with neighborhood collaboratives, will help address these important considerations around child safety at home and in the neighborhood.

Feedback from the open house and survey demonstrated some disagreement about how First 5 Orange County resources should be distributed within the county. Some felt that services should be prioritized to focus on communities that have the greatest need, perhaps as indicated by EDI scores, or toward the most diverse communities. Others indicated that First 5 Orange County should not focus on any specific communities and should work countywide. In recognition of this debate, this plan lays out strategies that will allow First 5 Orange County to work across the county and on population-wide metrics while also recognizing that some communities may benefit greatly from a more focused and intensive approach in order to achieve the vision that all children reach their full potential.

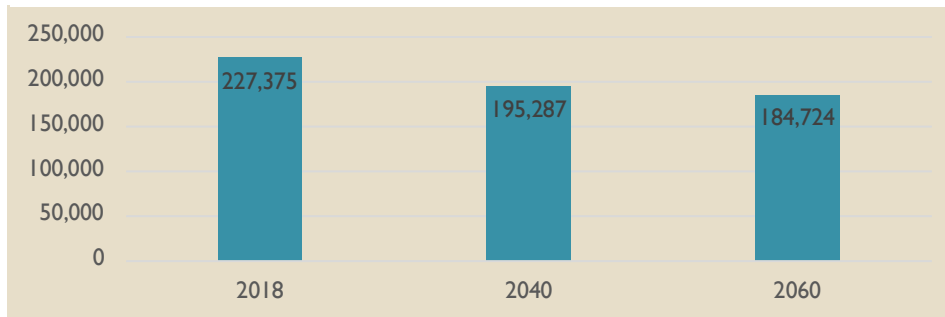
Feedback on potential mission and vision concepts has been incorporated in the final vision and mission statements. Finally, some people thought certain terms and phrases in the initial draft documents were unclear. Where possible, such feedback has been taken into consideration in this plan and language has been clarified.

## APPENDIX B: KEY COUNTY TRENDS

### DEMOGRAPHICS

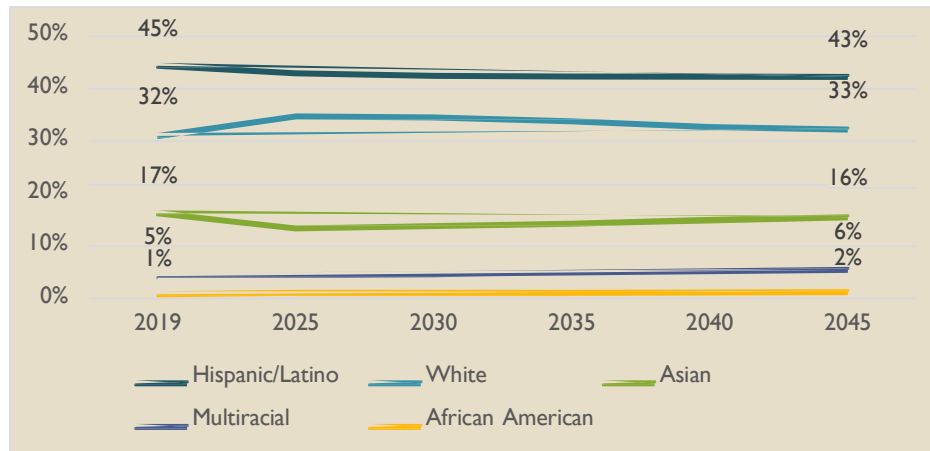
#### POPULATION

**FIGURE 7: PROJECTION OF NUMBER OF CHILDREN AGES 0-5 IN ORANGE COUNTY, 2018, 2040 AND 2060**



Source: California Department of Finance, Table P-2

**FIGURE 8: PROJECTIONS OF RACE/ETHNIC PROPORTIONS OF 0-5 POPULATION IN ORANGE COUNTY FROM 2019 TO 2045**

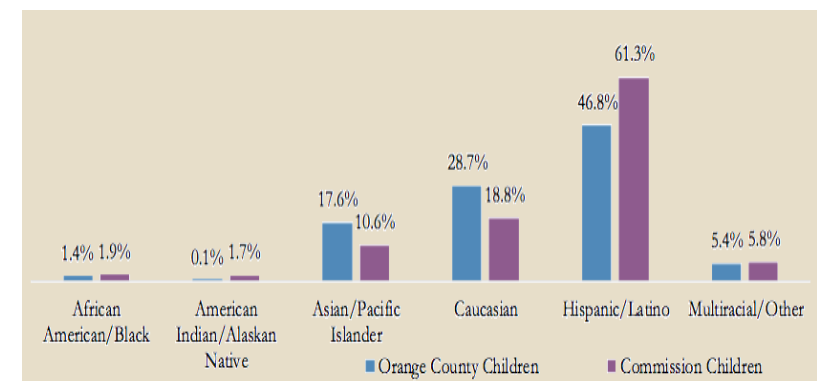


Source: California Department of Finance, Table P-3

The overall population of children ages 0-5 is projected to decline in Orange County, falling 19 percent between 2018 and 2060. Meanwhile, the historic increase in racial and ethnic diversity is projected to stabilize. Latino children comprise the largest proportion of children from birth through age five (47 percent), followed by White, Non-Hispanic children (19 percent) and Asian/Pacific Islander children (11

percent). While two percent of children birth through age five are African American/Black and two percent are Native American. These proportions are similar to projected proportions in 2045.

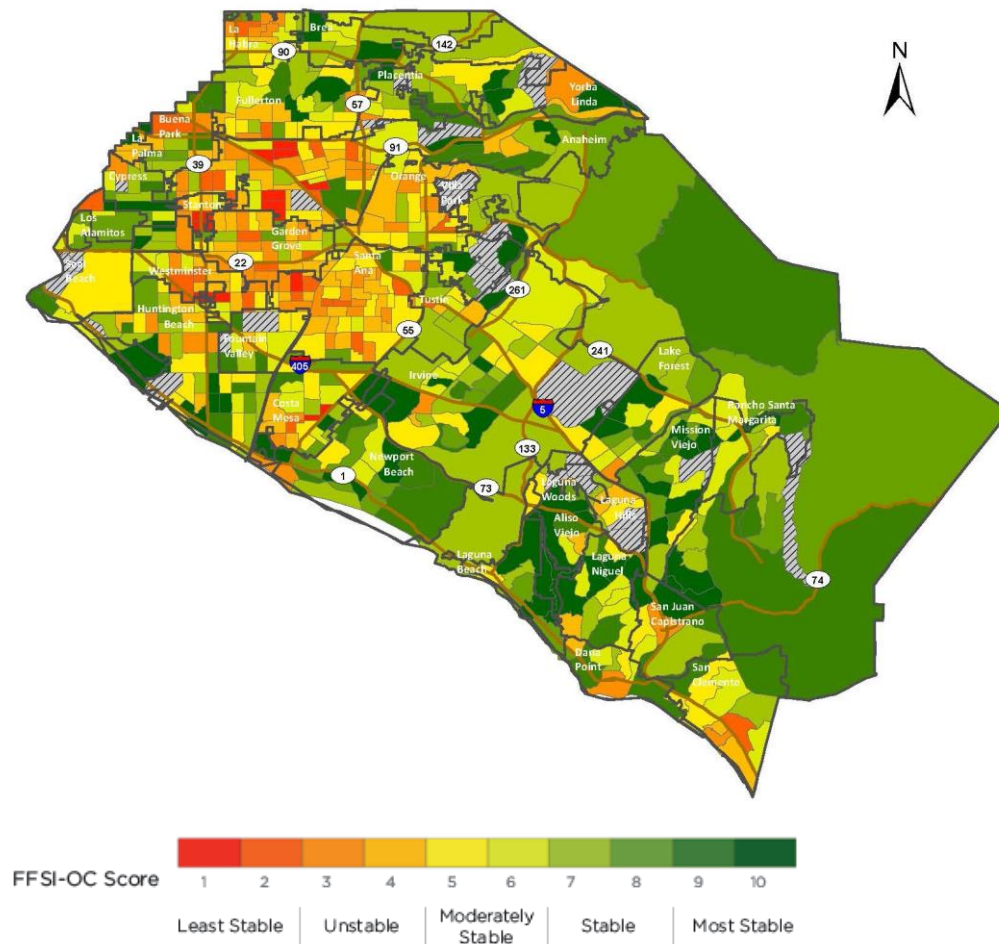
**FIGURE 9: PERCENT OF CHILDREN AGES 0-5 IN ORANGE COUNTY BY RACE/ETHNICITY, 2017**



## FAMILY ECONOMIC AND HOUSING STABILITY

### FAMILY FINANCIAL STABILITY INDEX

**FIGURE 10: FAMILY FINANCIAL STABILITY INDEX – ORANGE COUNTY: 2016 NEIGHBORHOOD-LEVEL RESULTS**

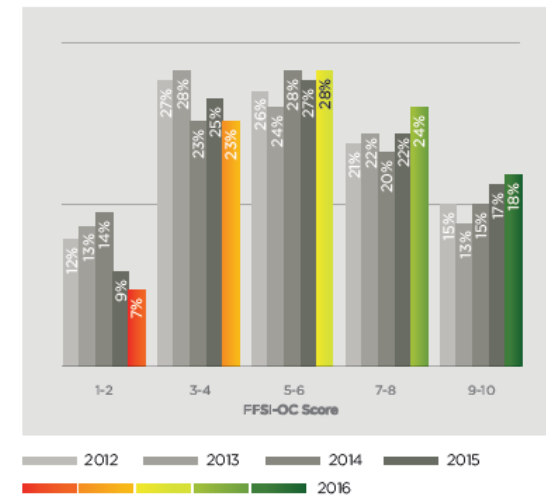


Source: Parsons Consulting, Inc. for Orange County United Way

In 2016, Family Financial Stability Index for Orange County (FFSI-OC) reveals that 30% of neighborhoods had low levels of family financial stability (scores of 1, 2, 3, and 4). The FFSI-OC measures the financial stability of families with children under 18 by Orange County neighborhood and is a composite of three metrics: family income, employment status, and amount of household income spent on rent. The 2016 FFSI-OC score of 30% is an improvement since tracking began in 2012, when 39% of neighborhoods were unstable, compared to 41% in 2013, 37% in 2014, and 34% in 2015. The improvement in financial stability is driven by increasing employment among families, while the FFSI-OC sub-scores in income and rent burden have not shown any lasting improvement over the past five years.

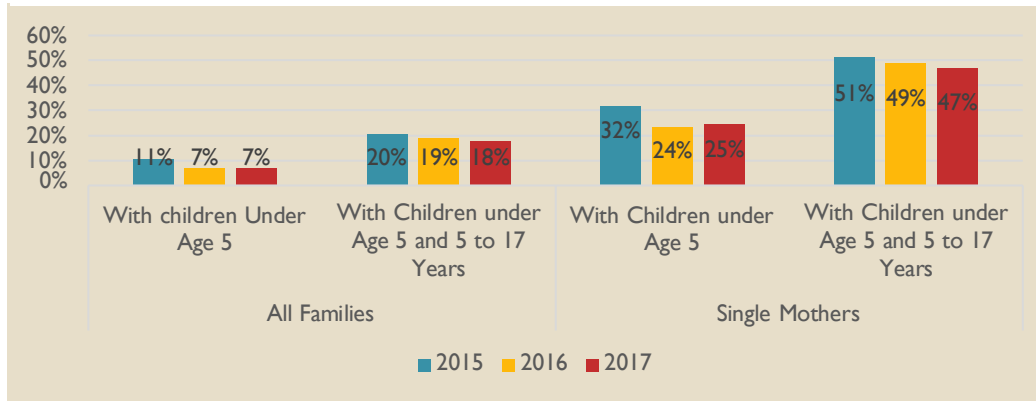
#### FEWER NEIGHBORHOODS SCORE 1 OR 2, THE LEAST STABLE CONDITION

Percent of Orange County Neighborhoods by FFSI-OC Score, 2012-2016



## POVERTY

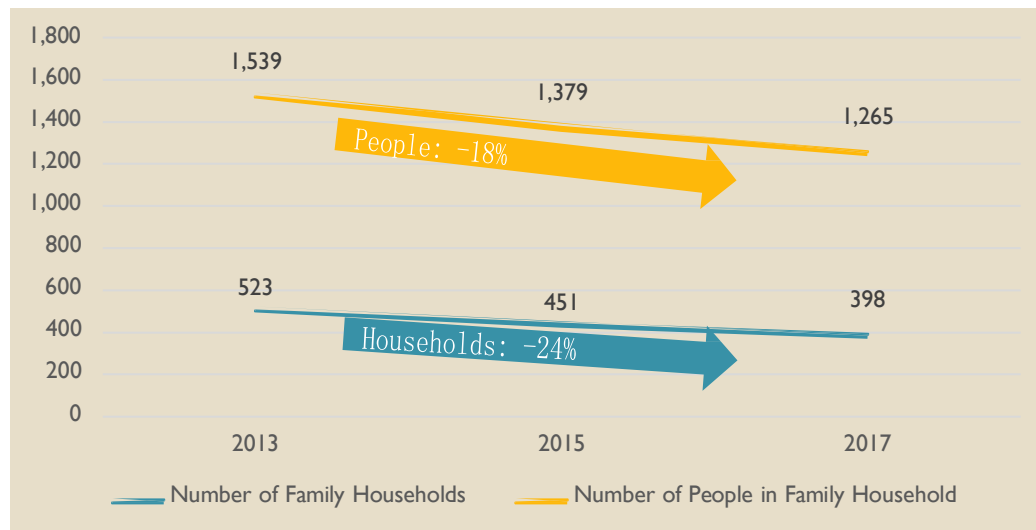
**FIGURE 11: PERCENTAGE OF FAMILIES WITH CHILDREN IN POVERTY IN ORANGE COUNTY, 2015-2017**



Source: U.S. Census Bureau, American Community Survey, 1-Year Estimates

## HOMELESSNESS

**FIGURE 12: NUMBER OF HOMELESS FAMILIES WITH CHILDREN IN ORANGE COUNTY AND NUMBER OF PEOPLE IN HOMELESS FAMILIES WITH CHILDREN IN ORANGE COUNTY, 2013-2017**



Source: Orange County Continuum of Care, 2017 Homeless Count and Survey

In Orange County, seven (7) percent of families with children under age five were in poverty and 18 percent of families with children under age five and children ages five to 17. The poverty rate for young families jumps up to 25 percent for households lead by a female with no partner present. For single mother-headed families with older children as well, the rate nearly doubles, to 47 percent. For context, the Federal Poverty Level for a family of four in 2018 was approximately \$25,100.

Family homelessness is difficult to track. Unsheltered homeless families typically do not congregate with other homeless populations, their homelessness is often episodic and cyclical, and they may actively hide from counts because of an unwarranted fear that their children will be taken away. However, the Homeless Families Count conducted over a three-day period in 2017 by a consortium of public and private Orange County agencies, helped 131 homeless families connect with housing and helped another 36 families at-risk of homelessness prevent homelessness. The Family Solutions Collaborative reports that, on average, between 40 and 50 new families enter the Coordinated Entry System each

Average number of homeless families entering the Coordinated Entry System each month:

**40-50**

month.

K-12 students living unsheltered in 2017/18:

**357**

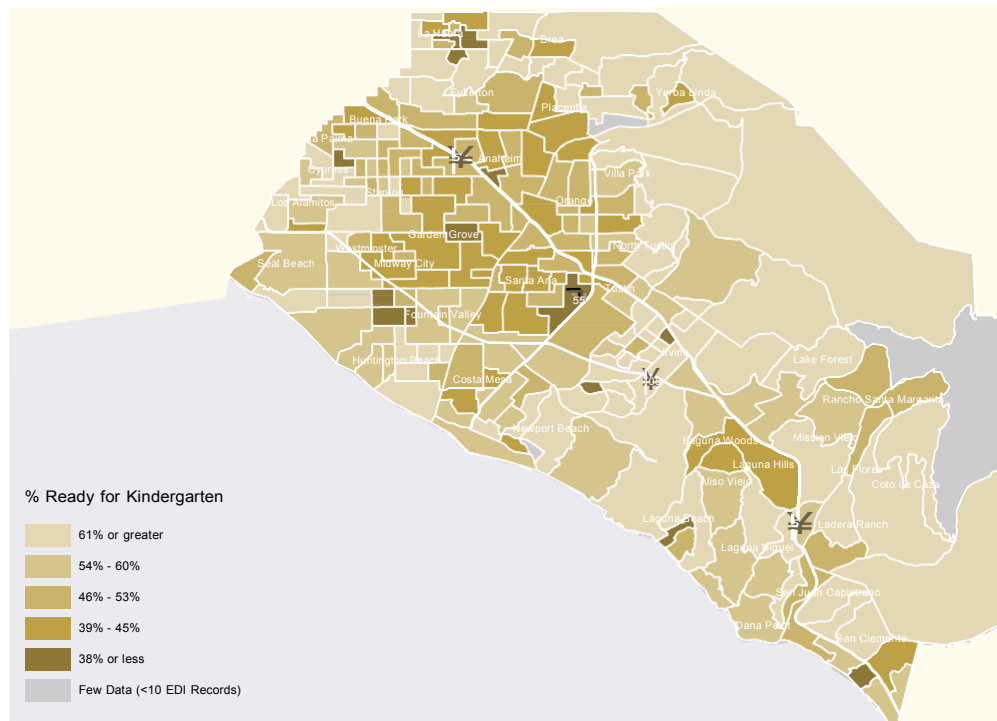
Source: OC Dept of Education

Source: Family Solutions Collaborative

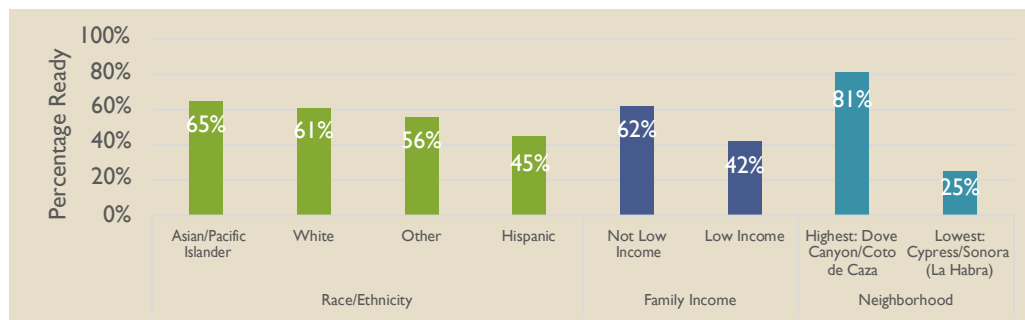
## CHILD OUTCOMES

### KINDERGARTEN READINESS

**FIGURE 13: CHILDREN READY FOR KINDERGARTEN BY NEIGHBORHOOD IN ORANGE COUNTY, 2018**



**FIGURE 14: EARLY DEVELOPMENT INDEX (EDI) DISPARITIES IN KINDERGARTEN READINESS BY RACE/ETHNICITY, FAMILY INCOME, AND NEIGHBORHOOD IN ORANGE COUNTY, 2018**



Overall, 53.2 percent of Orange County children entered kindergarten in 2018 developmentally ready to learn. This marks an increase from 2015, when 51.9 percent of children were ready.

Results vary considerably by neighborhood. The range spans from 81 percent ready in Dove Canyon/Coto de Caza to 25 percent ready in the Cypress/Sonora neighborhood of La Habra.

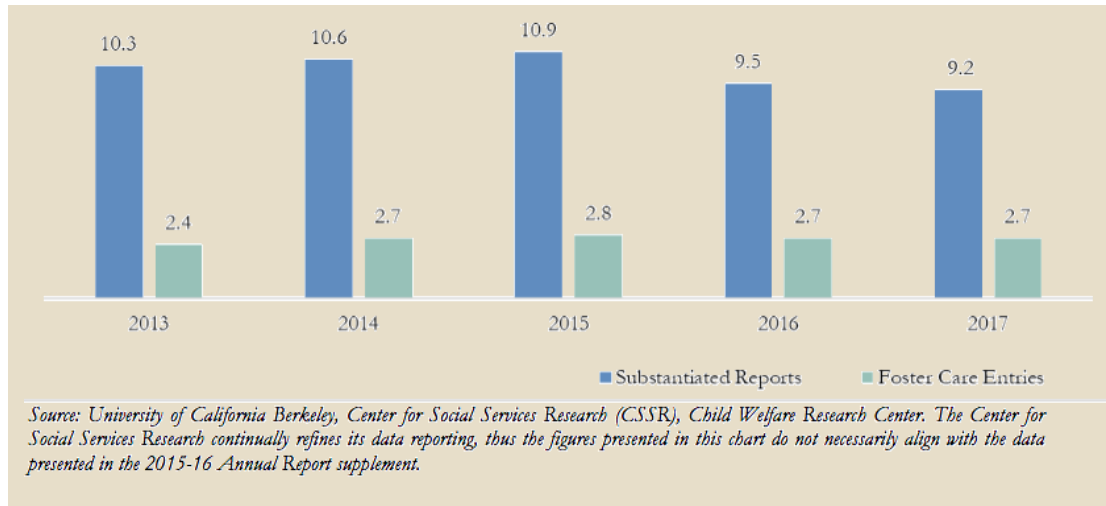
There is also variability by race or ethnicity and family income status, but less so than by neighborhood. Asian/Pacific Islander children are the most likely to enter kindergarten ready to learn (65 percent), followed by White, Non-Hispanic children (61 percent). Hispanic children were least likely to be developmentally ready for school (45 percent).

Children from low-income families (defined as families eligible for and enrolled in the Free or Reduced-Price Meals program) were less likely to be ready than their non-low-income peers (42 percent vs. 62 percent).

The EDI tracks a child's readiness in five developmental areas. Within these areas, children are most ready in gross and fine motor skills (52 percent) and overall social competence (47 percent). They are least ready in their communication skills and general knowledge (41 percent ready) and prosocial and helping behavior (42 percent ready).

## ABUSE AND NEGLECT

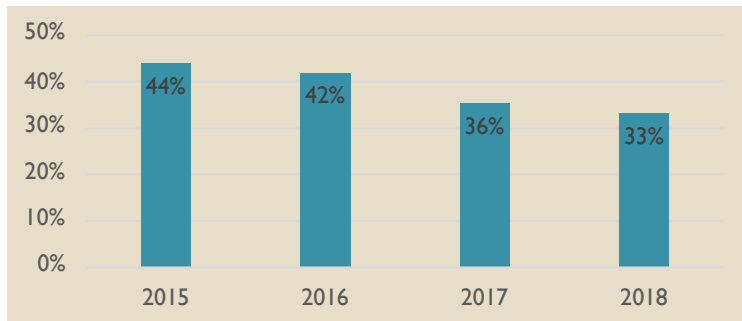
**FIGURE 15: SUBSTANTIATED REPORTS AND FOSTER CARE ENTRIES (RATE PER 1,000 CHILDREN UNDER AGE SIX) IN ORANGE COUNTY, 2013-2017**



Over the past five years, there has been a decrease of 10 percent in the rate of substantiated child abuse and neglect allegations among children under the age of six in Orange County. At the same time, entry to foster care among children ages 0-5 has remained steady over the past few years.

## EARLY IDENTIFICATION

**FIGURE 16: PERCENTAGE OF KINDERGARTNERS WITH A PRESUMED UNIDENTIFIED DEVELOPMENTAL DELAY IN ORANGE COUNTY, 2015-2018**



Source: Early Development Index, UCLA Center for Children, Families, and Communities and First 5 Orange County

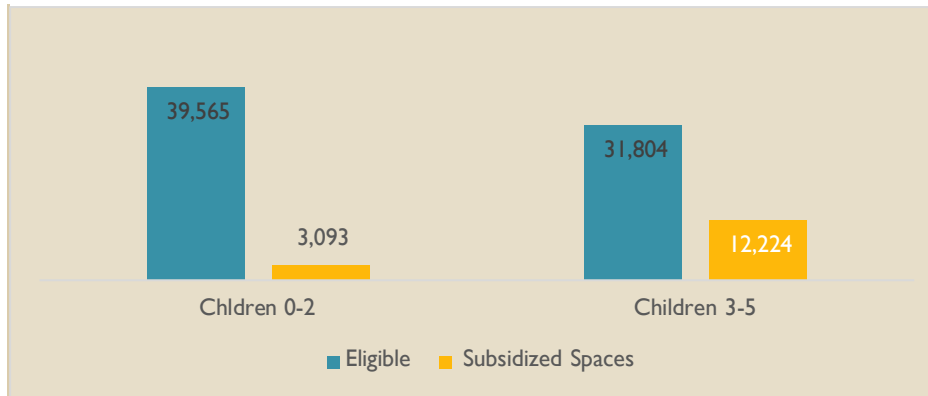
In 2018, an estimated 33% of kindergartners may have had an unidentified delay. The percentage reflects the proportion of kindergartners whose teacher thought the child had a developmental delay or special need, but the child did not have an IEP (was not receiving special education services). This measure allows us to assess how well we, as a county, are doing identifying children with developmental needs at an early age. The

and 2018, and the steady percentage of children whose teacher believes they have a special need, suggests that the Orange County early childhood system has improved its ability to identify and serve children with developmental delays.

## EARLY CARE AND EDUCATION

### SUPPLY AND DEMAND

**FIGURE 17: DEMAND AND AVAILABILITY OF SUBSIDIZED EARLY CHILDHOOD CARE AND EDUCATION IN ORANGE COUNTY FOR CHILDREN AGES 0-5, 2018**



Orange County experiences a challenge in the availability of subsidized child care vouchers and space for children ages 0-5 years. This is particularly evident for infants and toddlers ages 0-2 years. The supply of subsidized care for children 0-2 years falls significantly short, with 36,472 infants and toddlers unserved relative to those eligible. In addition, 19,580 preschool children remain unserved compared to the need for subsidized care.

### QUALITY

**FIGURE 18: QUALITY START OC, 2017/18**

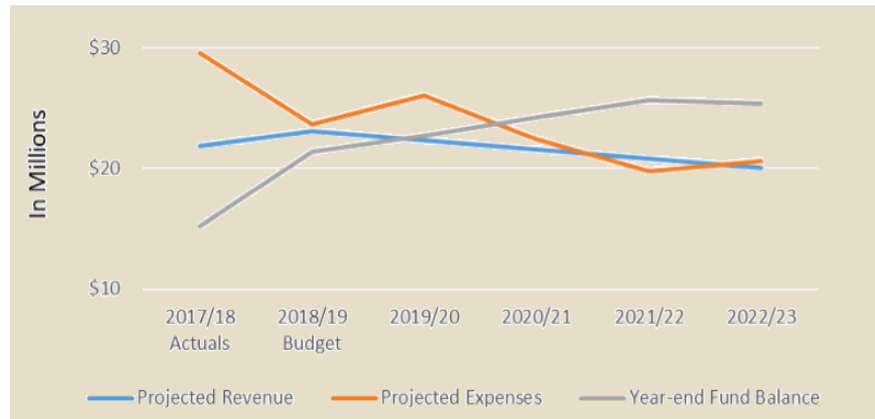
	Rated High Quality	Not Rated high Quality	Not Rated
Child Care Sites	247	112	4,017

The number of Orange County ECE providers participating in Quality Start OC Quality Rating Improvement System (QRIS) is increasing; however, there are still many providers that are not participating, and therefore, not rated or receiving the professional development, training, and supports the program provides to improve quality.



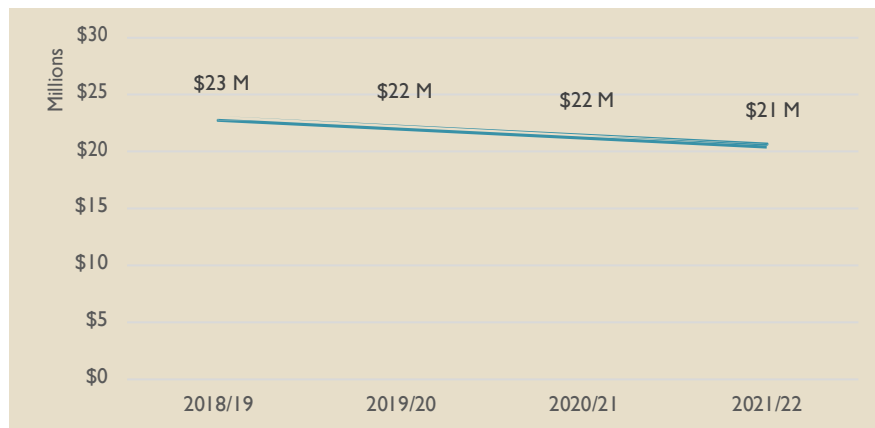
## LONG TERM FINANCIAL PLAN

FIGURE 19: FIRST 5 ORANGE COUNTY LONG-TERM FINANCIAL PLAN, FY 2017/18 - 2022/23



In Fiscal Year 2017/2018, actual First 5 Orange County tobacco tax revenue decreased 11.79%. Proposition 10 tobacco tax revenue is projected to continue to decline at an average annual rate of 3.5%. First 5 Orange County supplements the decline in annual revenue through annual withdrawals from our Long-Term Commitment account.

FIGURE 20: FIRST 5 ORANGE COUNTY REVENUE PROJECTIONS, 2018/19-2021/22



## APPENDIX C: STRATEGIC APPROACH (DETAILED)

### OUR GOALS AND HEADLINE OBJECTIVES

Outcomes we want to achieve and the headline objectives we will use to hold ourselves accountable.

#### Resilient Families

Cultivate parenting skills, promote economic stability, and enhance access to services

RF 1: Increase the rate of mothers receiving mental health services when indicated.

RF 2: Increase the proportion of families receiving family support services when needed.

RF 3: Reduce the number of children experiencing homelessness.

#### Quality Early Learning

Ensure children have access to quality early learning experiences and environments

QEL 1: Increase the percentage of children ready for kindergarten in focus communities.

QEL 2: Increase early childhood care and education programs participating in quality assistance programs.

QEL 3: Increase alignment of child care supply and demand.

#### Comprehensive Health and Development

Promote the overall physical, social, emotional, and intellectual health of young children

CHD 1: Lower the age of early identification of children with developmental, social, emotional, behavioral, speech, vision, and other special needs.

CHD 2: Reduce disparities in rates of overweight or obesity among children.

CHD 3: Increase the percentage of young children receiving dental care.

### OUR STRATEGIC DIRECTIONS

Strategies that guide how we will work toward achieving our goals and headline objectives.

#### Committed Leadership

Build community leadership knowledge and action related to early childhood by developing an internal and external leadership voice.

CL 1: Increase the number of traditional and non-traditional champions that advocate for and support early childhood.

CL 2: Increase First 5 Orange County's voice and presence in the community to promote early childhood priorities.

CL 3: Increase the number of local policies that support early childhood

#### Engaged Neighborhoods

Use Early Development Index (EDI) results to increase awareness and engage neighborhoods in improving outcomes for their young children.

EN 1: Increase family and community knowledge about child development, early intervention and Early Development Index.

EN 2: Increase the number of communities that have or are working toward shared, measurable goals for early childhood based on Early Development Index and other data.

EN 3: Increase alignment of Commission resources (funding, technical assistance, participation in collaboratives, or other) to identified neighborhood needs.

#### Connected Systems

Facilitate connected, high-functioning early childhood systems.

CS 1: Increase our understanding of coordination gaps and assets within the Orange County early childhood system.

CS 2: Improve referrals and connections within and across early childhood systems of care.

CS 3: Increase the number of agencies serving young children that align or share data and measurements.

#### Aligned Investments

Invest First 5 Orange County resources for greatest impact using data-informed, mission-driven decision making

AI 1: Employ a funding approach that uses data and is aligned with strategic plan objectives and system-building priorities.

AI 2: Achieve alignment of First 5 Orange County agreements and performance measurement system with strategic plan

AI 3: Increase system-building work in our community through catalytic investment

#### Sustained Funding

Work to increase access to new or repurposed sources of funding to sustain or grow early childhood services.

SF 1: Increase prioritization of early childhood among local, state, and federal funders, focusing on primary prevention.

SF 2: Increase investments in early childhood through the redirection of existing funding by non-Commission agencies.

SF 3: Increase fiscal independence among Commission-funded partners through leveraged or alternative funding sources.

### OUR FOUNDATIONAL POSITIONS

Broad statements about our future direction and focus that are embedded into our strategies and actions.

**Strategic:** We will maximize our impact by investing strategically in programs and services that yield measurable positive outcomes.

**Collaborative:** We will develop and leverage community partnerships to drive change.

**Efficient:** We will increasingly invest in strategies and partnerships that help the early childhood system work more effectively and efficiently.

**Focused:** We will continue to improve outcomes for all children while focusing on children that need additional support to reach their full potential.

**Catalytic:** We will support efforts to leverage other public resources and build capacity to sustain or expand the reach of critical programs and services.

**Leaders:** We will embrace and enhance our role as a convener, resource, and leader in early childhood outcomes.

## APPENDIX D: REFERENCES

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**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_\_-20-C&FC**

**April 1, 2020**

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

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

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

**WHEREAS**, at its meeting of April 1, 2020, the Commission conducted a public hearing and reviewed the following documents prepared and recommended by staff and identified in the staff report for the April 1, 2020 Commission meeting with the Attachment number set forth herein: The Strategic Plan (Attachment 1).

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

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

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

**Section 3** The Clerk of the Commission shall append to this Resolution a copy of the Strategic Plan set forth in Section 2, as Exhibit A (which shall correspond to Attachment 1 of the April 1, 2020 staff report). Exhibit A is hereby fully incorporated as part of this Resolution by this reference and made a part hereof as though fully set forth herein.

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

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

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 1, 2020 to wit:

AYES: Commissioners: \_\_\_\_\_

NOES: Commissioner(s): \_\_\_\_\_

EXCUSED: Commissioner(s): \_\_\_\_\_

ABSTAINED: Commissioner(s) \_\_\_\_\_

\_\_\_\_\_  
CHAIR

STATE OF CALIFORNIA    )  
  )  
COUNTY OF ORANGE    )

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

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

\_\_\_\_\_  
ROBIN STIELER

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

Resolution No: \_\_-20-C&FC

Agenda Date: April 1, 2020

Item No. \_\_\_\_



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

ROBIN STIELER, Clerk of the Commission


By: \_\_\_\_\_  
Deputy

**EXHIBIT A TO RESOLUTION OF COMMISSION  
STRATEGIC PLAN (FISCAL YEAR 2020-21 REVIEW)  
(attached)**

**Agenda Item 9****April 1, 2020**

**DATE:** March 12, 2020

**TO:** Children and Families Commission of Orange County

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

**ACTION:** Conduct Public Hearing, receive the First 5 California 2018/2019 Annual Report and the California State Controller's Results of Audit Oversight of County Commissions

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**SUMMARY:**

The First 5 Orange County Children and Families Commission is required to conduct a public hearing to receive First 5 California's Annual Report and the State Controller's report on their independent review of the county commission audits. This item is to conduct the Public Hearing to receive the Fiscal Year 2018/2019 First 5 California Annual Report and the California State Controller's Annual Report to the First 5 Commission: Results of the Audit Oversight of County Commissions.

**DISCUSSION:**

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

**2018-2019 First 5 California Annual Report**

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

The annual report includes information on the First 5 California program investments and the total number of services provided to children and families by First 5 California and the 58 county Commissions, along with expenditures. In Fiscal Year 2018/2019, 779,068 services were provided to California children, and over 688,723 services were provided to adults. Thirty-six percent of the total \$322 million in expenditures was focused on improved child development, thirty-nine percent on child health and twenty-five percent on improved family functioning.

Excerpts from the First 5 California 2018-2019 Annual Report (Attachment 1) include a message from the Executive Director First 5 California and Orange County's highlights. The Executive Director writes about First 5 California's adoption of its new 2019-24 Strategic Plan. Two of First 5 California's outreach campaigns were also highlighted. The Talk. Read. Sing public education and outreach campaign continued in efforts to inform parents and the public about the importance of



early brain development in young children in their earliest months and years. First 5 IMPACT funding has increased quality improvement support to approximately 7,558 early learning and care programs serving 426,635 children statewide and represents a 96 percent increase over the last three years for sites participating in Quality Counts California, the state's quality rating and improvement system. Local First 5 county commissions were highlighted for their commitment to developmental screenings and services.

Each county commission was provided with the opportunity to highlight several significant accomplishments achieved during Fiscal Year 2018/2019. Orange County's highlights showcase the Pritzker Children's Initiative funding to work on shaping early childhood systems that will lead to increased investments in core services for infants and toddlers and the newly created California Work Opportunity & Responsibility for Kids (CalWORKs) Home Visiting Initiative set aside funding to expand access to home visitation services throughout the state.

#### California State Controller/Results of Audit Oversight

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

The complete First 5 California 2017/2018 Annual Report and Results of Audit are both on file with the Clerk of the Commission and available on the First 5 California website at: [www.ccfc.ca.gov](http://www.ccfc.ca.gov). As required, a public hearing notice for this item was placed in the Orange County Register newspaper on March 4, 2018.

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

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

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

- April 2019 - Conducted the Public Hearing to receive and file the First 5 California 2017/2018 Annual Report and Audit Results Excerpts.
- April 2018 - Conducted the Public Hearing to receive and file the First 5 California 2016/2017 Annual Report and Audit Results Excerpts.

#### **RECOMMENDED ACTIONS:**

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

#### **ATTACHMENTS:**

1. First 5 California 2018/19 Annual Report Excerpt
2. Cover Letter - California State Controller's Annual Report to the First 5 California Commission: Results of Audit Oversight Commissions for the Period July 1, 2017 through June 30, 2018

**Contact:** Kimberly Goll



# FIRST 5 CALIFORNIA 2018-19 Annual Report



# Message from the Executive Director

The 2018–19 Annual Report highlights the breadth of First 5 California’s mission, our shared work with First 5 counties, and our laser focus on children. The report demonstrates First 5 California’s commitment to improving outcomes for children through investments in the following key areas: 1) informing and supporting families on the early brain science demonstrating the power of talking, reading, and singing to their children; 2) advocating at the local, state, and federal levels for policies and funding to support the state’s youngest children and their families; and 3) developing a system of quality early childhood education and care. The report also outlines our county partner investments in the key areas of First 5’s mission: improving child development, child health, and family functioning.

As we enter a new decade, First 5 California is excited to move forward with implementing its new strategic plan, which was adopted by the Commission in 2019. The 2019–24 Strategic Plan provides a road map for investments, partnership strategies, and advocacy to achieve First 5 California’s vision, mission, and goals. First 5 California’s mission is to “convene, partner in, support, and help lead the movement to create and implement a comprehensive, integrated, and coordinated system for California’s children prenatal through 5 and their families.” Each child deserves a strong start in life, and accomplishing this mission is only possible through the hard work of our dedicated staff, partners, and First 5 county commissions operating to bring valuable services and effective systems to children and their families.

Highlighted throughout this report are the accomplishments and collaborative efforts at both the state and local levels. They include:

- The continued success of the *Talk. Read. Sing.*® (TRS) public education campaign to inform parents and the public about the importance of early brain development through positive verbal engagement with young children. The most recent California Health Interview Survey indicates nearly 90 percent of California parents recognize the campaign and its message. Parents who have seen the TRS campaign messages are 2.9 times as likely to read to their children at least three times per week.
- First 5 IMPACT funding has increased quality improvement support to approximately 7,558 early learning and care programs serving 426,635 children statewide and represents a 96 percent increase over the last three years for sites participating in Quality Counts California, the state’s quality rating and improvement system.
- Last year, First 5’s stepped up to support communities devastated by wild fires, supporting families as they got back on their feet. Below are two examples of this good work:
  - » First 5 Butte County was heavily involved in relief efforts both during and after the Camp Fire disaster. Within months of the fire, they convened a childcare taskforce to restore child care services and ensure a focus on trauma responsiveness.
  - » First 5 Shasta County provided tens of thousands of dollars in Wildfire Recovery Grants to help child care providers rebuild, and help children and families recover from the trauma of the fires in their community.
- Together, First 5 California and our advocacy partners continue to work toward enhancing paid family leave both to provide new parents the opportunity to bond with their children, and for all Californians to care for family members in times of crisis. Guaranteed job protections, adequate wage replacement, and increased leave availability are all necessary enhancements to make Paid Family Leave accessible to all of California’s working families.

With 2019 as a key transition year across California leadership, we have renewed our commitment to the principles that have guided our service to the youngest Californians over the last 20 years. Our partnerships with the Governor, Legislature, First 5 county commissions, and all those who passionately advocate for kids and families provide a constant source of renewed optimism that California will lead the way to ensuring all children have the opportunity to thrive. I am grateful to be part of the early learning and care community who are dedicated to improving the lives of young children.



**CAMILLE MABEN**  
EXECUTIVE DIRECTOR, FIRST 5 CALIFORNIA



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

## PROPOSITION 10 AND THE LEGACY OF FIRST 5 CALIFORNIA

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

## STRATEGIC PLAN

In April 2019, First 5 California adopted its new Strategic Plan 2019–2024, providing a blueprint for the State Commission's investments and the agency's primary programs, partnerships, services, outreach efforts, and advocacy. The Plan builds on the strengths of First 5 California's 2014 Strategic Plan, while reflecting current direction from the Commission. It also incorporates in-depth input and feedback from First 5 county commissions, numerous stakeholder groups in early childhood education and health, partner state agencies, and California families.

First 5 California's administrative resources and declining revenues are key challenges for the Commission's future work. Despite these challenges, however, its efforts and investments strive to be the most impactful and achievable. The Commission continues to support and advocate for the strong start young children deserve to optimize early childhood health and education.

A fundamental objective of First 5 California remains to ensure all parents of newborns in this state, and particularly those living in poverty, receive critical information about early brain development in their babies' first months and years of life, along with comprehensive information about what they can do to shape and enhance their children's physical, emotional, and educational well-being and future.

The vision of First 5 California is for all of the state's children to receive the best possible start in life and thrive. The agency seeks to realize this vision by working on behalf of California's children, prenatal through age 5, and their families to create a comprehensive, integrated, culturally competent, and equitable system that optimizes early childhood development. First 5 California's mission is to serve as a convener and partner that both supports and leads the movement to create and implement this system.

The agency's work is driven by its values, including a commitment to equity, collaboration, civic engagement, accountability, and sustainability. The agency's efforts are focused within the Plan on three strategic priority areas derived from the Act: Child Health, Child Development, and Family Functioning. The Plan also outlines three supportive strategies that represent the primary work and key activities that will be developed and implemented by First 5 California: Children and Families, Community Partners, and Policy and Systems.

For more information about the Strategic Plan, please go to First 5 California's website at [http://www.ccfc.ca.gov/pdf/about/budget\\_perf/F5CA\\_StrategicPlan\\_2019-24.pdf](http://www.ccfc.ca.gov/pdf/about/budget_perf/F5CA_StrategicPlan_2019-24.pdf).





## BUILDING PUBLIC WILL AND INVESTMENT

First 5 California's Children's State Policy Agenda guides the agency's efforts to advocate for the strong start all children deserve, with an emphasis on optimizing early childhood development and reducing childhood poverty for children prenatal through age 5 and their families. The Commission's 2019–20 Policy Agenda reflects First 5 California's commitment in its Strategic Plan to participate and lead in the area of civic engagement, and the recognition of the Commission's responsibility to the people of California to ensure the wise and effective use of public funds.

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

First 5 California serves as a convener and partner in state policy conversations, collaborating with First 5 county commissions, state agencies, stakeholders, and other advocates to convene, align, support, and strengthen statewide advocacy efforts to realize

shared goals. First 5 California continued to expand its policy and advocacy engagement in 2019, guided by its Policy Agenda. The Policy Agenda is focused on the following four areas the Commission identified as its top state policy priorities, including targeted goals within each priority area to achieve a seamless statewide system of integrated and comprehensive programs for children and families:

### Resilient Families and Communities

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

### Child Health

- Protect children and families' access to health care, and support coordination across the health care system to ensure affordable and comprehensive health insurance coverage and services for every child and mother, prenatal through age 5

- Support and promote universal developmental screenings, assessment, referral, and treatment

## Early Learning

- Expand access to quality early care and education programs for children ages 0 to 3
- Support implementation of high-quality universal preschool access for all low-income four-year-old children, and high-quality transitional kindergarten and kindergarten statewide
- Define, measure, and achieve learning readiness for all California children prior to kindergarten
- Support a high-quality early learning workforce through strengthened qualifications, compensation, stability, diversity, and robust professional development systems
- Promote statewide access to and participation in successful quality improvement systems

## First 5 Revenue

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

## ACCOUNTABILITY: FUNDING AND AUDIT RESULTS

Under the Act, the California Department of Tax and Fee Administration collects an excise tax levied on all tobacco products and deposits the revenue into the California Children and Families Trust Fund, allocating 20 percent to First 5 California and 80 percent to county commissions. In FY 2018–19, First 5 California received \$68.1 million and county commissions received \$272.5 million.

The amount of funding allocated annually to each county commission is based on the annual number

of births in the county relative to the total number in the state. Each county must prepare an annual independent audit subject to guidelines prepared by the State Controller's Office. The counties invest their dollars in locally designed programs, as well as in First 5 California's statewide programs as match funding. First 5 county commissions use their funds to support local programs in four result areas:

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

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

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

The administration of these and other programs is consistent with all applicable State and Federal laws, rules, and regulations. The State Controller's Office conducts an annual review of the 58 county commissions' independent audits. In October 2018, the Controller published its review of the counties' audits for FY 2016–17, summarizing several findings contained in the local audits, but did not deem any of them significant enough to withhold funding. Audits can be viewed on First 5 California's website



at [http://www.cafc.ca.gov/pdf/about/budget\\_perf/annual\\_report\\_pdfs/etc/AR\\_SCO\\_Audit\\_Report\\_2016-2017.pdf](http://www.cafc.ca.gov/pdf/about/budget_perf/annual_report_pdfs/etc/AR_SCO_Audit_Report_2016-2017.pdf).

## LEGISLATIVE AND BUDGET ENGAGEMENT

First 5 California continued to garner awareness of the importance of First 5-funded programs and significant state-level support for its Children's Policy Agenda goals from policymakers, advocacy partners, and other stakeholders during the 2019 state legislative and budget session. By expanding the reach of First 5 California's policy education efforts, deepening its advocacy partnerships, and continuing its commitment to shared priorities with its partners and leaders in the Legislature and the Administration,

significant gains were made in each priority area.

The year 2019 marked the first year of Governor Gavin Newsom's Administration, and with the new Administration came significant budget wins for the state's youngest children and their families. Through shared advocacy efforts between First 5 California and its early childhood education and care partners and leaders in the Legislature, over \$2 billion in early childhood investments were included in Governor Newsom's inaugural Budget Act for the 2019–20 year. First 5 California and the Early Care and Education (ECE) Coalition were successful in advocating for an expansion in child care access, crucial facilities and workforce development infrastructure, and a new early childhood funding stream derived from Proposition 64 marijuana revenues.

In addition to putting forth a robust Parents Agenda that prioritizes strategic investments in California's child care and early learning system, paid family leave, home visiting, developmental and trauma screenings, cash assistance to families with children, and child savings accounts, Governor Newsom reaffirmed in his first Budget his long-term commitment to children's issues by establishing key infrastructures to ensure a comprehensive, sequenced, and thoughtful policy approach. This infrastructure includes the call for a Master Plan for Early Learning and Care to guide the state's investments in early childhood education and family strengthening supports; the establishment of an Early Childhood Policy Council to advise the Governor, Legislature, and Superintendent of Public Instruction on statewide early learning and care policy; and the formation of a Paid Family Leave Task Force to develop recommendations for how to expand Paid Family Leave to allow all California babies to be cared for by a parent or close relative for up to six months by 2021–22.

The year 2019 was an active year for policies supporting young children and families, and First 5 California once again sponsored legislation. After facilitating an 18-month stakeholder workgroup process to develop policy recommendations, First 5 California co-sponsored AB 125 (McCarty) and SB 174 (Leyva) with the Child Care Resource Center (CCRC) and EveryChild California to establish a single regionalized state reimbursement rate system—called the Child Care Stabilization Formula—for child care, preschool, and early learning services. Together, the



bills would adopt a policy for a sequenced approach that takes steps toward ensuring all child care providers and teachers are fairly and competitively compensated. AB 125 and SB 174 remain alive as two-year bills to allow time for the Administration to review the policy recommendations proposed by the legislation and determine how they fit into the Master Plan for Early Learning and Care.

First 5 California also co-sponsored AB 324 (Aguiar-Curry), the Dion Aroner Child Care Workforce Act of 2019, with CCRC and the Service Employees International Union (SEIU), to create streamlined standards for professional support stipends provided under the AB 212 program, based on the early care and education field's best practices to support teacher professional development and higher education attainment, and expand these stipends to more providers. First 5 California staff were pleased to see the 2019–20 Budget Act adopt part of the policies of AB 324, designating \$195 million for the Early Learning and Care Workforce Development Grants Program and developing guidelines for the use of funds. Unfortunately, the remaining goal of requiring the California Department of Education to create guidelines for the use of AB 212 funds that align to the standards governing the new Workforce Development Grants was not included as part of the Budget Act, and AB 324 was held in the Senate. First 5 California and the California Department of Education have committed to work together in the coming year to achieve this goal administratively.

In follow-up to First 5 California's 2017 sponsor bill, SB 63 (Jackson), which expanded paid family leave job protections, this year First 5 California co-sponsored SB 135 (Jackson) with Legal Aid at Work and the California Employment Lawyers Association which would further expand state family leave job protections and create parity between bonding and sick leave eligibility in California. SB 135 also would expand the definition of family members for the purpose of caregiving to include a grandparent, grandchild, sibling, parent-in-law, child-in-law, or "designated person," to allow for diverse caregiving needs and multigenerational families. This legislation would ensure more California workers who have been paying into the Paid Family Leave insurance program are able to take leave without risk of losing their jobs or



their health insurance. SB 135 remains alive as a two-year bill to allow time for the Governor's Paid Family Leave Task Force to develop their recommendations on the future and sequencing of California's family leave policies. The Task Force is slated to release their recommendations in January 2020 which will cover a variety of issues, including job protections.

First 5 California is committed to building on its 2019 advocacy achievements by continuing to strengthen its partnerships with stakeholders, and its efforts to build policymakers' knowledge base and investment in shared priorities. Capitalizing on the momentum and commitment to early childhood education and care from the Administration and the Legislature, First 5 California staff and partners pledge to work with the Administration, State Superintendent of Public Instruction, Master Plan for Early Learning and Care and Early Childhood Policy Council teams, and the Legislative Women's Caucus as these entities work together to develop a road map for building a stronger, more comprehensive, high-quality early learning system for all California's children, and determine how best to invest scarce resources in this crucial foundation for lifelong success. In doing so, the agency will continue to build on this year's successes and continue working toward the underlying Strategic Plan goal to ensure all children prenatal through age 5 have the resources, foundation, and systems of support they need to thrive.



# Serving California's Young Children, Parents, and Teachers

## FOUR RESULT AREAS

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

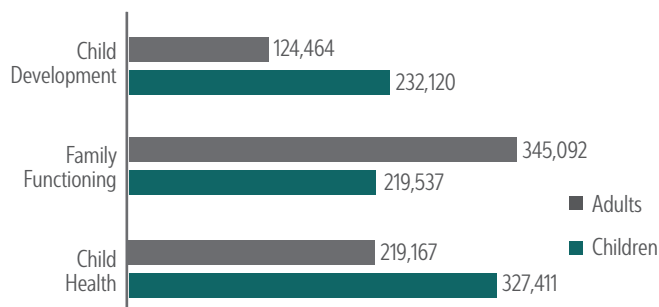
- Improved Family Functioning
- Improved Child Development
- Improved Child Health
- Improved Systems of Care

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

Exhibit 1 contains the total numbers of services provided to children ages birth to 5 and adults (including primary caregivers and providers) in FY 2018–19 for Improved Family Functioning, Improved Child Development, and Improved Child Health. First 5 county commissions provided a total of 779,068 child services and 688,723 adult services. The distribution of expenditures in these three result areas totals \$322 million (Exhibit 2).

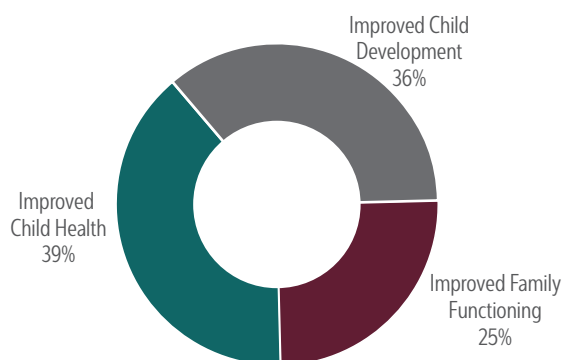
The result area, Improved Systems of Care, with expenditures of \$83 million, differs from the others. It consists of programs and initiatives that support program providers in the other three result areas. The four result areas combined have total expenditures of \$405 million.

**Exhibit 1: Total Number of Services Provided to Children Ages 0 to 5 and Adults in FY 2018–19 Across Result Areas**



\*Totals for Adults include both Primary Caregiver and Provider counts

**Exhibit 2: Total Expenditures for Children Ages 0 to 5 and Adults in FY 2018–19 by Result Area**



\*Adults include both Primary Caregivers and Providers

Source: County Revenue and Expenditure Summary, November 2019

# First 5 County Commission Program Result Areas

First 5 county commissions are required to report to First 5 California their annual expenditure and service data on their programs. In collaboration with the First 5 Association, First 5 California developed and adopted guidelines to standardize data collection. Counties report program service data under the four result areas. These data have been aggregated to the State level. Data reported are from programs funded by both county and state First 5 commission dollars (Appendix A) using specific definitions for each result area (Appendix B).

## IMPROVED FAMILY FUNCTIONING

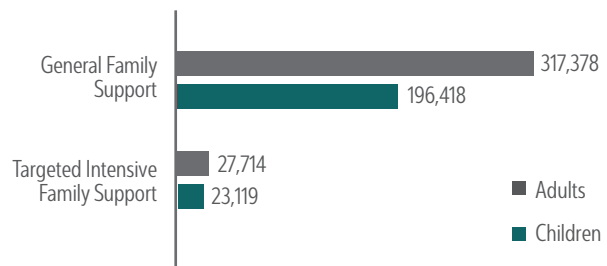
Family Functioning includes the categories General Family Support and Targeted Intensive Family Support. Services include instruction on general parenting topics, support for basic family needs and case management, parent education and literacy, referrals to community resources, and assistance for parents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

In FY 2018–19, First 5 county commissions provided a total of 219,537 services to improve family functioning for children ages 0 to 5, with 196,418 child services in General Family Support and 23,119 child services in Targeted Intensive Family Support.

First 5 county commissions provided a total of 345,092 services to adults (parents, guardians, primary caregivers, relatives, and providers), with 317,378 adult services in General Family Support and 27,714 adult services in Targeted Intensive Family Support. Exhibit 3 displays the numbers of services provided.

First 5 county commissions expended \$80 million to improve Family Functioning, with 53 percent of expenditures in General Family Support and 47 percent of expenditures in Targeted Intensive Family Support. Exhibit 4 shows the distribution of expenditures by service category.

**Exhibit 3: Family Functioning—Total Number of Services Provided to Children Ages 0 to 5 and Adults in FY 2018–19 By Service**



\*Totals for Adults include both Primary Caregiver and Provider counts

**Exhibit 4: Family Functioning—Distribution of Expenditures for Children Ages 0 to 5 and Adults in FY 2018–19 By Service**



\*Adults include both Primary Caregivers and Providers  
Source: County Revenue and Expenditure Summary, November 2019

## IMPROVED CHILD DEVELOPMENT

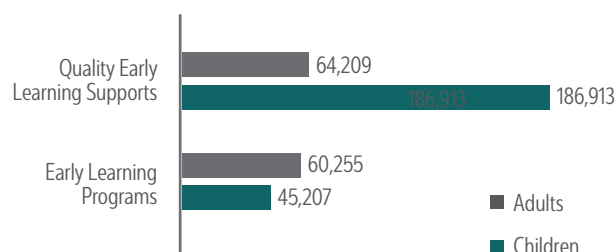
Child Development includes the categories Quality Early Learning Supports and Early Learning Programs. Programs include professional development for educators, high-quality preschool, services for diverse populations, and school readiness.

In FY 2018–19, First 5 county commissions delivered 232,120 child development services to children ages 0 to 5, with 186,913 child services in Quality Early

Learning Supports and 45,207 child services in Early Learning Programs.

First 5 county commissions provided 124,464 services to adults (parents, guardians, primary caregivers, relatives, and providers), with 64,209 adult services in Quality Early Learning Supports and 60,255 adult services in Early Learning Programs. Exhibit 5 displays the numbers of services provided.

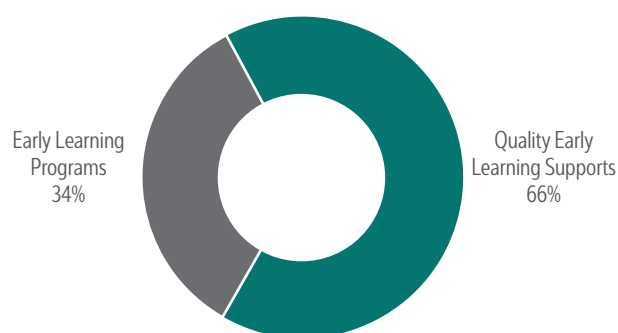
**Exhibit 5: Child Development—Total Number of Services Provided to Children Ages 0 to 5 and Adults in FY 2018–19 By Service**



\*Totals for Adults include both Primary Caregiver and Provider counts

In FY 2018–19, county commissions expended \$117 million to improve Child Development, with 66 percent of expenditures in Quality Early Learning Supports and 34 percent of expenditures in Early Learning Programs. Exhibit 6 shows the distribution of expenditures by service category.

**Exhibit 6: Child Development—Distribution of Expenditures for Children Ages 0 to 5 and Adults in FY 2018–19 By Service**



\*Adults include both Primary Caregivers and Providers

Source: County Revenue and Expenditure Summary, November 2019

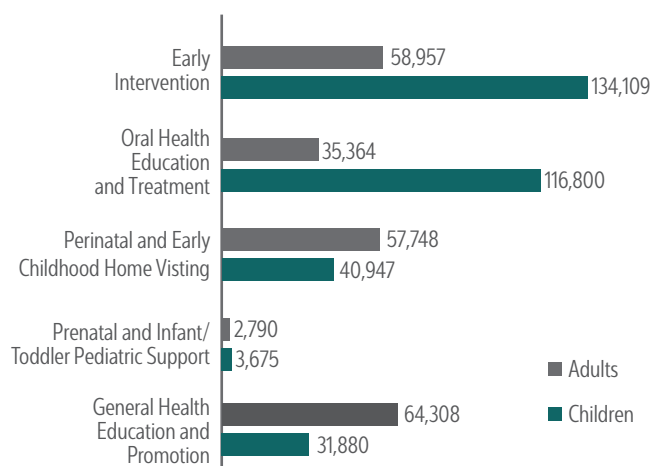
## IMPROVED CHILD HEALTH

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

In FY 2018–19, First 5 county commissions provided a total of 327,411 child services designed to improve Child Health to children ages 0 to 5, with 31,880 child services in General Health Education and Promotion, 40,947 in Perinatal and Early Childhood Home Visiting, 3,675 in Prenatal and Infant/Toddler Pediatric Support, 116,800 in Oral Health Education and Treatment, and 134,109 in Early Intervention.

First 5 county commissions provided 219,167 services to adults (parents, guardians, primary caregivers, relatives, and providers), with 64,308 adult services in General Health Education and Promotion, 57,748 in Perinatal and Early Childhood Home Visiting, 2,790 in Prenatal and Infant/Toddler Pediatric Support, 35,364 in Oral Health Education and Treatment, and 58,957 in Early Intervention. Exhibit 7 displays the numbers of services provided.

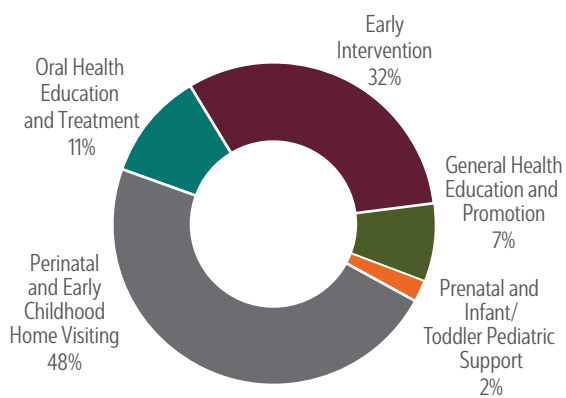
**Exhibit 7: Child Health—Total Number of Services Provided to Children Ages 0 to 5 and Adults in FY 2018–19 By Service**



\*Totals for Adults include both Primary Caregiver and Provider counts

In FY 2018–19, county commissions expended \$126 million to improve Child Health, with 7 percent of adult services in General Health Education and Promotion, 48 percent in Perinatal and Early Childhood Home Visiting, 2 percent in Prenatal and Infant/Toddler Pediatric Support, 11 percent in Oral Health Education and Treatment, and 32 percent in Early Intervention. Exhibit 8 shows the distribution of expenditures by service category.

**Exhibit 8: Child Health—Distribution of Expenditures for Children Ages 0 to 5 and Adults in FY 2018–19 By Service**



\*Adults include both Primary Caregivers and Providers

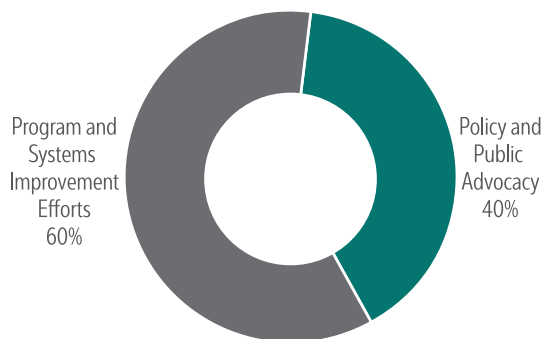
Source: County Revenue and Expenditure Summary, November 2019

## IMPROVED SYSTEMS OF CARE

Systems of Care addresses system-wide structural supports as county commissions effectively work toward achievement in the result areas of Family Functioning, Child Health, and Child Development. For example, interagency collaboration allows coordinated wrap-around efforts from multiple organizations providing targeted services. Since this result area is at a systems level, counties do not report numbers of children and adults served. Expenditure data indicate that for FY 2018–19, county commissions expended

\$83 million to improve Systems of Care (Exhibit 9), with 40 percent toward Policy and Public Advocacy, and 60 percent of expenditures toward Program and Systems Improvement Efforts.

**Exhibit 9: Systems of Care—Distribution of Expenditures in FY 2018–19 by Service**



Source: County Revenue and Expenditure Summary, November 2019

## POPULATIONS SERVED

Statewide, 30 percent of children served were under 3 years old, 45 percent were ages 3 to 5 years old, and 25 percent were ages unknown. Adults included Primary Caregivers such as parents and other family members (93 percent), and Providers (7 percent). With respect to primary language of children served, services were provided to English speakers 62 percent of the time and to Spanish speakers 32 percent of the time. While children and adults from all race/ethnic groups received services, for those with a reported race/ethnicity, Latinos were the largest recipient group (55 percent), followed by Whites (18 percent).

## Orange

Strategic Plan—First 5 Orange County updated its strategic plan, holding meetings with Commission members and stakeholders and conducting targeted community outreach and public study sessions to develop measurable objectives in three areas that align with statewide early childhood goals: Resilient Families, Quality Early Learning, and Comprehensive Health and Development. Adopted in April 2019, the 2019-2024 Strategic Plan acknowledges a shift of priorities from the creation of new services to better integration and coordination of services and agencies that support young children and families. It also includes the new branding of First 5 Orange County which now aligns with the network of First 5 Commissions throughout the state.

- Prenatal to Three—First 5 Orange County received Pritzker Children’s Initiative funding to work on shaping early childhood systems that will lead to increased investments in core services for infants and toddlers. A Pritzker fellow began work in August 2018, convening partners to strategize how to increase access to high quality services for children from birth to age 3 and their families, with the ultimate goal of improving kindergarten readiness. As a participating county in the National Collaborative of Infants and Toddlers, First 5 Orange County is

contributing to the national effort to strengthen early childhood systems and drive policies toward investment in core services for infants and toddlers.

- Home Visiting – The newly created California Work Opportunity & Responsibility for Kids (CalWORKs) Home Visiting Initiative set aside funding to expand access to home visitation services throughout the state. First 5 Orange County’s Bridges Maternal Child Health Network provided the platform for implementation of CalWORKs-funded expansion of home visiting services, leveraging several Bridges program assets including comprehensive screenings for women and babies, the established and evaluated local home visitation programs, and subject-matter expertise for the targeted local families in need.

# **ANNUAL REPORT TO THE FIRST 5 CALIFORNIA COMMISSION**

## **RESULTS OF AUDIT OVERSIGHT OF COUNTY COMMISSIONS**

*For the Period of July 1, 2017, through June 30, 2018*



**BETTY T. YEE**  
California State Controller

October 2019



**BETTY T. YEE**  
**California State Controller**

October 31, 2019

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

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

Dear Ms. Maben:

I am pleased to submit our annual report to the First 5 California Commission. The report summarizes the results of our review of the independent audits of the First 5 county commissions for fiscal year (FY) 2017-18. This report also summarizes the results of our review of the audit findings identified in the independent auditor's report to the county commissions.

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

Our review focused on the county commissions' compliance with program requirements (as reported by their independent auditors) specified in the California Health and Safety Code. We also verified the independent auditors' compliance with auditing standards and the expanded audit guidelines when performing the county commission audits. The audit findings and audit findings follow-up section of our report provide information related to the findings from each county commission's independent audit report. Lastly, where applicable, our report contains comparative statistics from the results of our desk reviews of the independent audits for FY 2017-18, FY 2016-17, and FY 2015-16.

Camille Maben, Executive Director  
October 31, 2019  
Page 2

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

Sincerely,

*Original signed by*

RICK CHIVARO  
Chief Counsel

JR/as

Enclosure

cc: Roxanne Eres, Interim Director, Fiscal Services Office, First 5 California Commission  
George Halvorson, Commission Chair, First 5 California Commission  
Mayra E. Alvarez, Commissioner, First 5 California Commission  
Molly Munger, Commissioner, First 5 California Commission  
Monica Fitzgerald, Commissioner, First 5 California Commission  
Muntu Davis, Commissioner, First 5 California Commission  
Jackie Majors, Commissioner, First 5 California Commission  
Shana Hazan, Commissioner, First 5 California Commission  
Dr. Mark Ghaly, Ex Officio Member, Health and Human Services Agency,  
First 5 California Commission  
Jim Suennen, Designee, First 5 California Commission



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# Executive Summary

The California Children and Families Act was created in 1998 by the passage of Proposition 10. The California Children and Families Act was amended in 2005, giving the State Controller's Office (SCO) oversight responsibility for audits of the First 5 county commissions. The objective of the amendment was to provide the First 5 California Commission with independently verified fiscal and state compliance information obtained from audits performed in accordance with applicable standards and requirements.

SCO oversight responsibility includes providing audit guidelines, reviewing county commissions' annual audit reports for compliance with applicable auditing standards and guidelines, and following up on findings contained in the audit reports to ensure compliance with policies and practices specified in the California Health and Safety Code. SCO approves and makes substantive changes to the audit guide as necessary after consultation with an audit guide committee composed of representatives from the First 5 California Commission and county commissions.

Each year, SCO performs its oversight activities through a cycle of receiving, reviewing, and reporting on the auditors' reports for each county commission. This report summarizes the results of our review of independent auditors' reports for compliance with applicable standards and requirements. This report also summarizes the results of our review and follow-up on audit findings identified in the independent auditors' reports to the county commissions.

This is the twelfth report submitted in accordance with the expanded audit statutes chaptered into law in 2005; therefore, this report includes comparative results. Our report contains the following key observations we made during our review of the county commissions' independent audit reports:

- Of the 58 independent audit reports, 52 (90%) independent auditors complied with audit guide requirements and/or audit standards. In comparison, compliance was 91% in fiscal year (FY) 2016-17 and 81% in FY 2015-16.
- Of the 58 counties, 42 (72%) submitted the required audit reports by the November 1 deadline. In comparison, 86% of the audits in FY 2016-17 and 78% of the audits in FY 2015-16 were submitted by the deadline.

In addition to the observations we made during our review of the reports, the independent auditors identified a total of six audit findings at four county commissions; five of the audit findings were categorized as internal control and one was categorized as state compliance. In comparison, eight of the FY 2016-17 audit reports contained a total of nine audit findings (eight internal control and one state compliance), and four of the FY 2015-16 audit reports contained a total of four audit findings (three internal control and one state compliance).

We also noted that the independent auditors for two of the 58 county commissions issued qualified opinions on local commissions' Governmental Activities. During the review cycle for FY 2016-17, two local commissions' independent auditors issued qualified opinions. In FY 2015-16, the independent auditor for two local commissions issued a qualified opinion.

Lastly, for FY 2017-18, SCO did not recommend withholding funding allocations from any commission for failure to correct—or provide a viable plan to correct—audit findings.

# Introduction

## Overview

SCO's Division of Audits is responsible for performing the oversight activities for independent audits of county commissions administering the First 5 program authorized by the California Children and Families Act. Oversight activities consist of:

- Developing an audit guide based on the Health and Safety Code and applicable auditing standards;
- Verifying (via desk reviews/analysis) that independent audit reports, contracted for by the county commissions, complied with auditing standards and the audit guide; and
- Verifying county commission compliance with policies and practices (specified in the Health and Safety Code) by reviewing and following up on audit findings reported in the independent audits.

Health and Safety Code (HSC) section 130151 (added by Chapter 243, Statutes of 2005) requires SCO to issue guidelines for annual expanded audits<sup>1</sup> that require independent auditors to review county commission compliance with policies and practices related to:

- Contracting and procurement
- Administrative costs
- Conflict of interest
- County ordinance(s)
- Long-range financial plans
- Financial condition of the commission
- Program evaluation
- Salaries and benefits policies

HSC section 130151 also requires that SCO:

- Determine, within six months of the state or county commission's response pursuant to subdivision 130151(d), whether the county commission has successfully implemented corrective action in response to the findings contained in its audit report;
- Recommend that the First 5 California Commission withhold funding allocations for county commissions unable to provide SCO with a viable plan to correct identified audit findings; and

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<sup>1</sup>*Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5 Audit Guide).*

- Submit to the First 5 California Commission, by November 1 of each year, a report summarizing the results of the reviews of the county commissions' audits for the preceding reporting cycle.

## **Background**

### ***First 5 Program***

The California Children and Families Act authorized the First 5 program. The California Children and Families Act requires that the First 5 program be funded by surtaxes imposed on the sale and distribution of cigarettes and tobacco products. The California Children and Families Act further requires that the funds be deposited into the California Children and Families Trust Fund, for the implementation of comprehensive early childhood and smoking-prevention programs.

### ***SCO Oversight***

Senate Bill (SB) 35 (Chapter 243, Statutes of 2005) added SCO oversight and reporting requirements (HSC section 130151). Prior to SB 35, existing law already included a fiscal/audit reporting component; therefore, the addition of SCO oversight was considered to be an expansion of those requirements. Consequently, the county commissions refer to SCO audit guidelines as “expanded” audit guidelines.

SCO—along with a committee composed of representatives from the First 5 California Commission, county commissions, the Government Finance Officers Association, county auditor-controllors, and independent auditors—developed the initial audit guide based on statutory requirements enumerated in HSC section 130151(b). The guide is updated as necessary by a committee composed of representatives from SCO, the First 5 California Commission, and the county commissions. HSC section 130151(b) specifies the scope of the independent audits.

### ***Independent Audit Report Requirements***

Health and Safety Code requires the auditors for county commissions, or county commissions themselves<sup>2</sup>, to submit an independent audit report to both SCO and the First 5 California Commission each year by November 1. The fiscal year ended June 30, 2018, was the twelfth year that the 58 county commissions were subject to SCO's expanded audit guidelines; the resulting audit reports were due by November 1, 2018.

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<sup>2</sup>The submission deadline is based on two statutory codes, one requiring the submission and one specifying the deadline:

- HSC section 130151(c) requires that “the auditor for the state commission or the county commission shall submit each audit report, upon completion, simultaneously to both the Controller and to the state commission or applicable county commission.”
- HSC section 130150(a) requires that “On or before November 1 of each year, each county commission shall submit its audit and report to the state commission.”

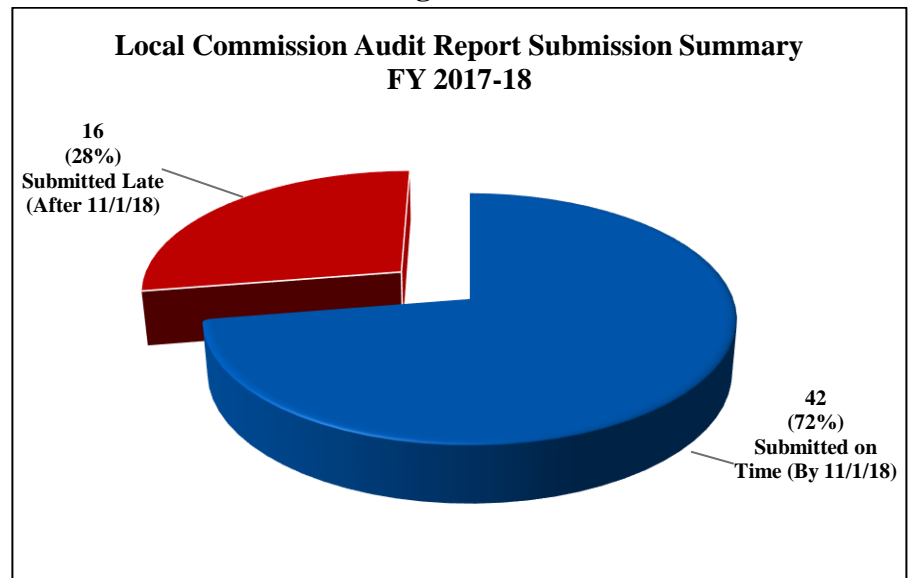
## Results of Oversight Activities

### Audit Report Submissions

Independent auditors' reports for each county commission for the preceding fiscal year must be submitted to SCO by November 1 of the current fiscal year. As noted in Figure 1, for FY 2017-18, 42 of 58 (72%) county commission audit reports were submitted by the required deadline, while 16 (28%) were submitted after the required deadline. Of the 16 reports submitted after the required deadline, eight (14%) were submitted within 30 days of the deadline, while the remaining eight audit reports (14%) were submitted more than 30 days late.

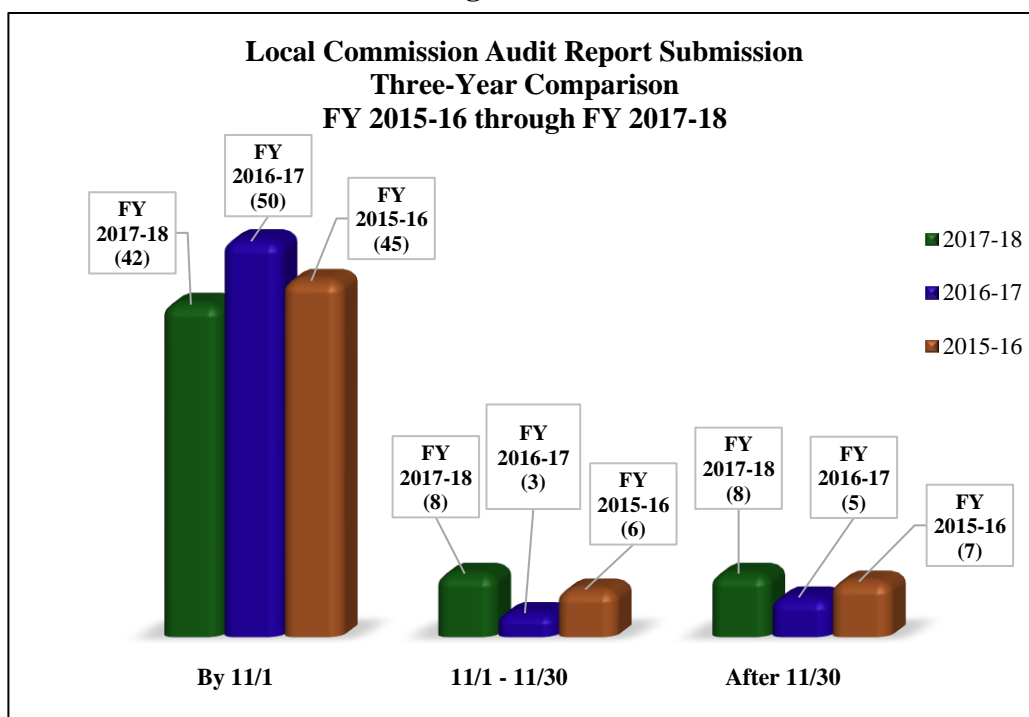
Three of the eight county commissions stated that their reports were more than 30 days late due to the reporting requirements in Governmental Accounting Standards Board Statement No. 75 (GASB Statement No. 75). These county commissions experienced delays in obtaining the required financial documentation from the agency that manages pension benefits. Two of the eight county commissions submitted their reports more than 30 days late due to commission staff changes. Another two county commissions submitted their reports more than 30 days late due to their auditors' confusion about the audit report submission process. The remaining county commission submitted its report more than 30 days late because it received late payments due to Proposition 56 revenue issues. As a result, the commission's financial statements could not be completed in a timely manner.

**Figure 1**



Compared with the FY 2016-17 and 2015-16 audit review cycle, in FY 2017-18 there was a decrease in audit reports submitted on time (42). During the FY 2016-17 review cycle, 50 audit reports were submitted on time. For the FY 2015-16 review cycle, 45 audit reports were submitted on time. For the FY 2017-18 review cycle, eight audit reports were submitted more than 30 days late. See Figure 2 for comparative data on report submissions.

**Figure 2**



## Audit Review and Certification Process

In accordance with HSC section 130151, SCO reviews and certifies the annual independent audit reports issued by the auditors for each county commission for compliance with applicable auditing standards and the audit guidelines set forth in the First 5 Audit Guide.

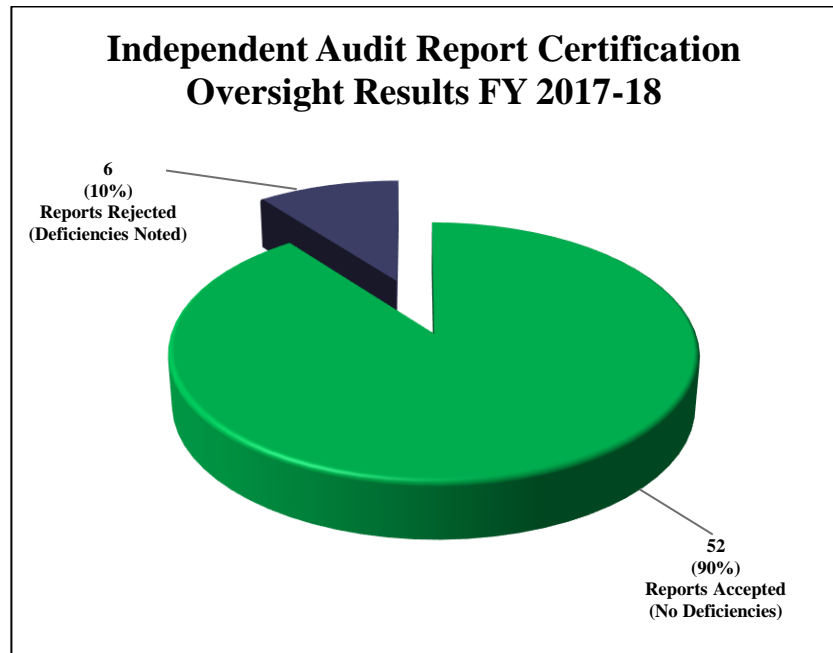
To facilitate the consistent review and certification of each audit report, SCO created a comprehensive desk review checklist that details and categorizes the program requirements specified in the First 5 Audit Guide. The desk review checklist also includes the required components of an audit report based on auditing standards generally accepted in the United States and government auditing standards. The desk review checklist is also annually updated in response to changes in auditing standards and program requirements. This report summarizes the instances of non-compliance that we found within the independent auditors' reports.



## Audit Report Deficiencies

A deficiency is an instance of an independent auditor's non-compliance with auditing standards and/or the First 5 Audit Guide issued by SCO. Independent auditors, not county commissions, are responsible for addressing deficiencies in their reports on the county commissions. Based on our desk reviews of the FY 2017-18 county commission audits, we found that six of the 58 independent audits (Figure 3) contained deficiencies. SCO notified each independent auditor and county commission in writing that the audit report required correction(s). The rejection letters identified the deficiency/deficiencies noted during our review, and the criteria used to determine non-compliance.

**Figure 3**



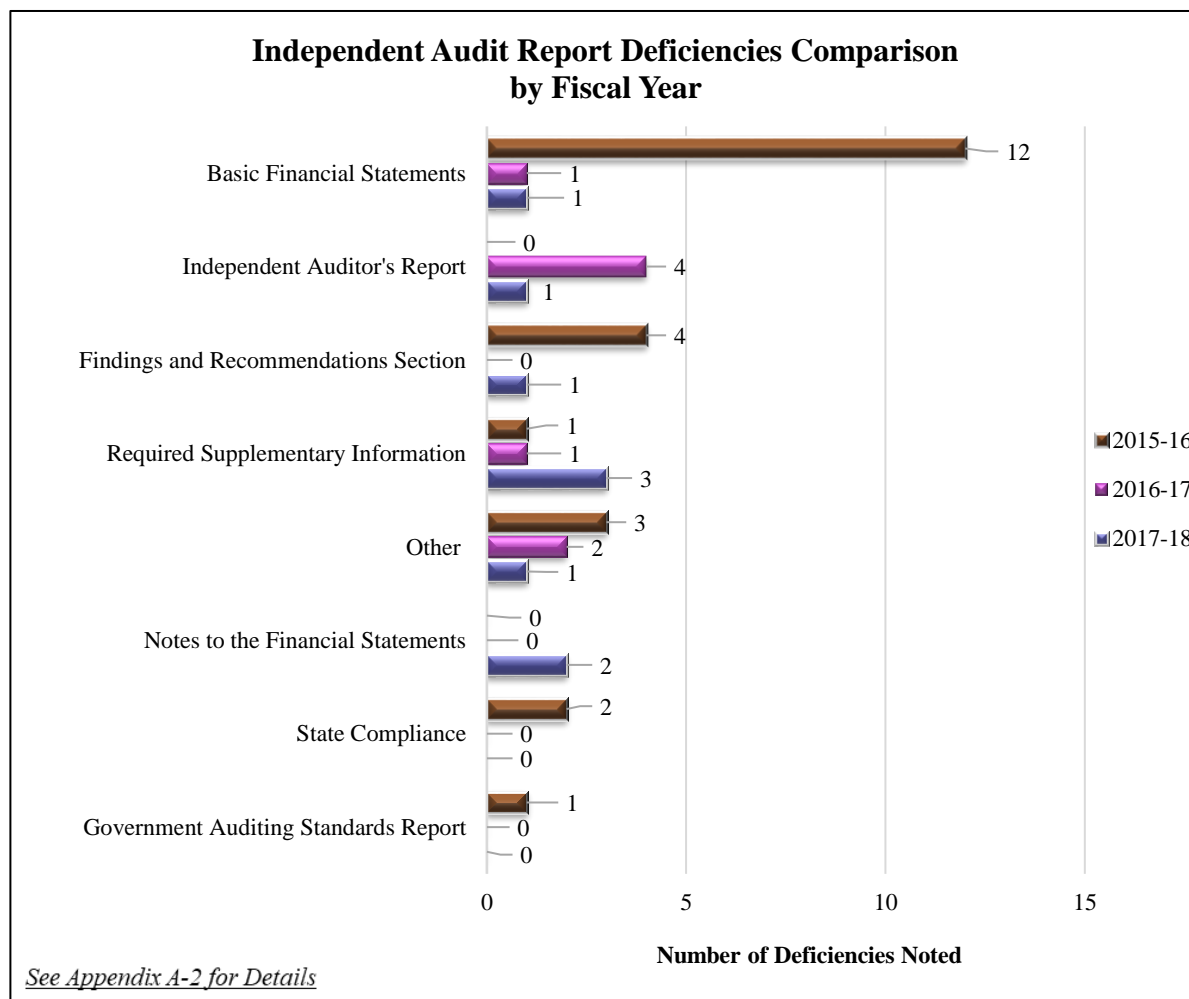
## Notable Audit Report Deficiencies

As detailed in Figure 4, during our review and certification cycle, we identified nine deficiencies in six rejected reports. The audit report deficiencies were related to the required supplementary information, basic financial statements, Notes to the Financial Statements, Findings and Recommendations section, and the independent auditor's report. The majority of the deficiencies that we identified during our review pertained to the required supplementary information. Specifically, the report did not include the schedule of the entity's other post-employment benefit (OPEB) liability, changes in the net OPEB liability, entity's proportionate share of the net OPEB liability, or a schedule of the entity's OPEB contributions. Deficiencies that we identified during our review are described in detail in Appendix A-1 and comparatively in Appendix A-2.

Other notable deficiencies that we identified were:

- The Independent Auditor's Report contained inaccurate or inconsistent references to a separate report;
- The Basic Financial Statements were not presented properly; and
- The Notes to the Financial Statements did not include the OPEB plan description.

**Figure 4**



***Comparison of  
Independent Audit  
Report Deficiencies  
by Fiscal Year***

During this review cycle (FY 2017-18), we found nine independent audit report deficiencies (see Appendix A-1 for detailed category breakdown). This represents an increase from the prior year; there were eight deficiencies in FY 2016-17. In FY 2015-16, we identified 23 deficiencies. Of the nine independent audit report deficiencies identified for FY 2017-18, three (34%) were related to the required supplementary information. None of the three county commissions' independent auditors' reports were prepared in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial

audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

During this review cycle, SCO identified one independent audit report that contained a recurring deficiency previously identified during the FY 2016-17 review cycle. For the FY 2016-17 or FY 2015-16 review cycles there were no recurring audit report deficiencies.

Figure 5 provides a breakdown by category of independent audit report deficiencies for the current and previous reporting periods. Appendix A-2 provides additional detail for each category for the three audit fiscal years.

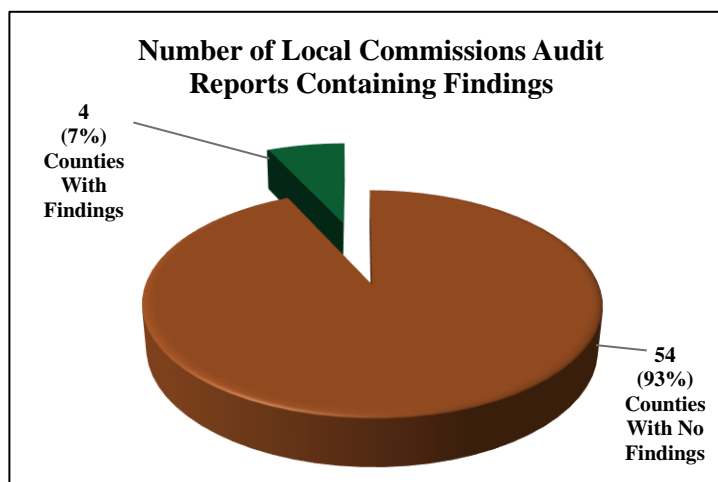
**Figure 5**

<b>Independent Audit Report Deficiencies – Comparison by Fiscal Year</b>			
<b>Category</b>	<b>Number of Occurrences</b>		
	<b>FY 2017-18</b>	<b>FY 2016-17</b>	<b>FY 2015-16</b>
Notes to the Financial Statements	2	0	0
Independent Auditor's Report	1	4	0
Basic Financial Statements	1	1	12
Required Supplementary Information	3	1	1
Government Auditing Standards Report	0	0	1
State Compliance Report	0	0	2
Findings and Recommendations Section	1	0	4
Other	<u>1</u>	<u>2</u>	<u>3</u>
<b>Total</b>	<b><u>9</u></b>	<b><u>8</u></b>	<b><u>23</u></b>

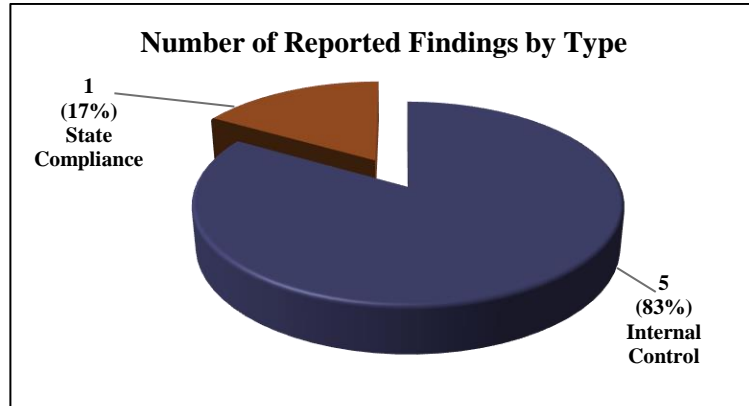
## Findings Reported by the Independent Auditors

The independent auditors for four of the 58 county commissions reported a total of six audit findings (Figure 6A): five categorized as internal control, and one categorized as state compliance (Figure 6B).

**Figure 6A**



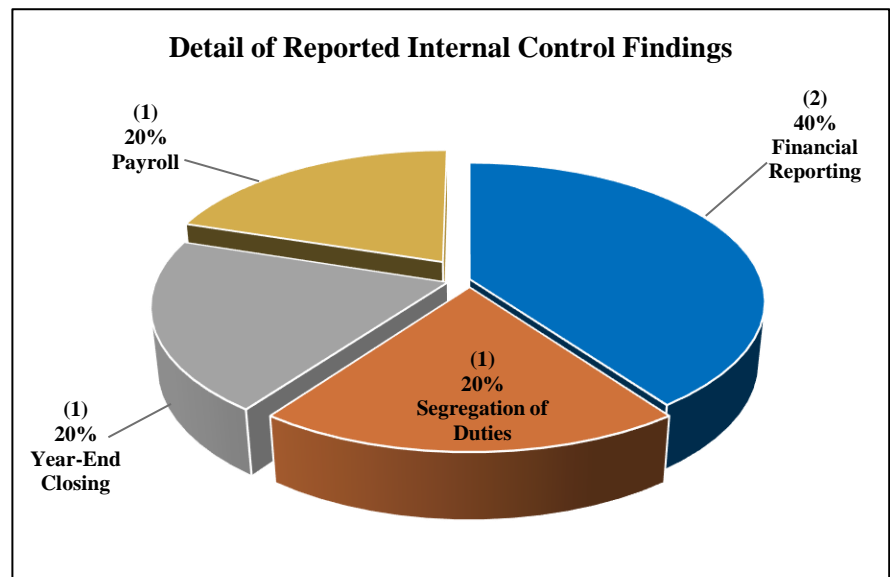
**Figure 6B**



***Breakdown of  
Reported Internal  
Control Findings***

During the FY 2017-18 review cycle, we identified four functional areas in the five internal control findings reported for FY 2017-18, as summarized in Figure 7.

**Figure 7**



Two of the five internal control findings are in the financial reporting category, and one of the two is related to a recurring situation that is not readily corrected in one reporting cycle. Specifically, this finding addresses the county commission's reliance on its independent auditor to draft financial statements and/or accompanying notes to the financial statements.

Consistent with Statements of Auditing Standards No. 122, section AU-C 200.05, management has acknowledged responsibility for financial statements and accompanying notes. Therefore, when an independent auditor prepares (or significantly assists in preparing) these documents, it must be reported as an internal control finding under auditing standards applicable to

FY 2017-18. This finding for the county commission's report indicates that the commission does not find it feasible to hire additional staff, or to hire an additional independent auditor to prepare financial statements and/or accompanying notes.

Based on our follow-up of the audit finding, our review of the corrective action plan included in the commission meeting minutes, and the county commission's response to the audit finding, the county commission has found it cost-prohibitive to hire staff or retain a public accountant to prepare the financial statements, but that the commission is working with its respective county auditor-controller to assist in preparing the financial statements and/or accompanying notes.

Our review of the county commission's board meeting minutes indicated that the county commission apprised its governing commission of attempts to take corrective action or implement mitigating procedures. This issue with the preparation of financial statements is not easily remedied due to a number of factors, including limited resources and options for smaller or remote county commissions. The repeat finding from FY 2016-17 is a result of the county commission's reliance on its auditor to prepare financial statements and accompanying notes.

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***Breakdown of  
Reported State  
Compliance Findings***

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For FY 2017-18, there was one state compliance finding. There was also one state compliance finding for the FY 2016-17 and FY 2015-16 review cycles. Fiscal-year comparison by year is summarized in Figure 8.

**Figure 8**

<b>Comparative Detail of Audit Findings – State Compliance</b>			
	<b><u>FY 2017-18</u></b>	<b><u>FY 2016-17</u></b>	<b><u>FY 2015-16</u></b>
Payroll	1	0	0
Policies and Procedures	0	1	0
Conflict of Interest	<u>0</u>	<u>0</u>	<u>1</u>
<b>Total Findings</b>	<b><u>1</u></b>	<b><u>1</u></b>	<b><u>1</u></b>

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***Qualified Opinion on  
Governmental Activities***

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For FY 2017-18, the independent auditors for two of the 58 county commissions issued qualified opinions on the local commissions' Governmental Activities. Specifically, neither of the two local commissions complied with reporting requirements per GASB Statement No. 75. Except for the effects of these qualified opinions, the independent auditors for the two local commissions issued unmodified opinions on the basic financial statements and the respective financial positions of the local commissions' governmental activities. In addition, independent auditors for two local commissions issued qualified opinions due to failed

implementation of GASB Statement No. 68 in FY 2016-17 and FY 2015-16.

### **SCO Follow-up of Reported Audit Findings**

In addition to performing our desk review of the county commission audits, SCO is required to follow up on findings reported in the county commission audits. Specifically, HSC section 130151(e) requires:

Within six months of the state or county commission's response pursuant to subdivision (d), the Controller shall determine whether a county commission has successfully corrected its practices in response to the findings contained in the audit report. The Controller may, after that determination, recommend to the state commission to withhold the allocation of money that the county commission would otherwise receive from the California Children and Families Trust Fund until the Controller determines that the county commission has a viable plan and the ability to correct the practices identified in the audit.

In accordance with HSC section 130151(d) and *Government Auditing Standards* paragraphs 4.33 through 4.36, county commissions are required to submit responses to findings in their audit reports. Audit finding follow-up is accomplished in three ways:

1. Review of evidence that the county commission has adopted a corrective action plan and/or resolved any findings. Evidence reviewed includes commission minutes, signed commission meeting agenda item documentation, and commission-approved audit finding responses;
2. Review of the subsequent fiscal year financial and compliance audit. Audit standards require that the independent auditor or auditor-controller determine the status of previously reported audit findings; and
3. Onsite visits or telephone conference by SCO staff with county commissions with audit findings.

For the FY 2017-18 audit review cycle, SCO performed follow-up of the audit findings via telephone conference with two of the four county commissions whose independent audit reports contained findings. Our follow-up resulted in a review of 33% of the total reported findings for all four county commissions. The two county commissions provided corrective action plans and other documentation to substantiate resolution of their FY 2017-18 audit findings.

Based on our desk reviews of commission meeting minutes and telephone conference follow-up of audit findings, SCO did not

recommend withholding funding allocations from any commission for failure to correct or to provide a viable plan to correct audit findings.

**Compliance with Requirement for Public Discussion of Reported Audit Findings**

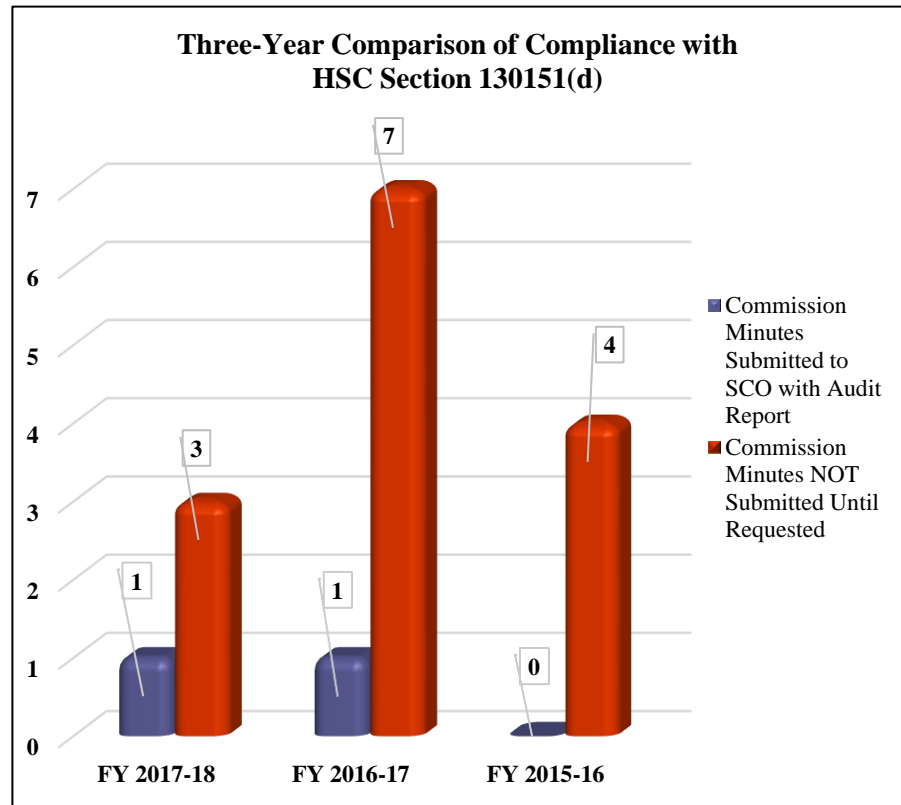
The county commissions are required to discuss their audit findings in a public hearing, and submit to the Controller a response to the audit findings. Specifically, HSC section 130151(d) states, in part, that:

...each respective county commission shall schedule a public hearing within two months of receipt of the audit to discuss findings within the report and any response to the findings. Within two weeks of the public hearing, the state or county commission shall submit to the Controller a response to the audit findings.

In September 2009, SCO issued an advisory requesting that county commissions submit evidence (e.g., commission minutes and signed commission meeting agenda item documentation) of public discussion of audit findings and any related corrective action plans with their independent audit reports. However, for the last 11 review cycles, multiple county commissions failed to submit the required documentation until requested to do so by SCO.

For FY 2017-18, only one of the four county commissions whose independent audit contained a finding submitted public discussion-related documentation to the SCO with their audit report (Figure 9). Upon request, the remaining three county commissions submitted the required documentation. Based on the SCO review of the documentation submitted, all four county commissions with audit findings held public hearings discussing the findings and related corrective action plans as required by HSC section 130151(d).

**Figure 9**





## Appendix A-1

### Summary of Independent Audit Report Deficiencies

### Fiscal Year 2017-18

Description of Audit Report Deficiency	Number of Occurrences
<u>Independent Auditor's Report</u>	
The report contains an inaccurate or inconsistent reference to a separate report.	1
<u>Basic Financial Statements</u>	
The <i>Governmental Statement of Revenues, Expenditures, and Changes in Fund Balance</i> was not presented properly.	1
<u>Notes to the Financial Statements</u>	
The Notes to the Financial Statements did not include the number of employees covered by the benefit terms of the Other Post-Employment Benefit (OPEB) plan.	
The Notes to the Financial Statements did not include the required statement on whether the OPEB plan issues a stand-alone financial report that is available to the public and, if so, how to obtain it.	2
<u>Required Supplementary Information</u>	
The schedule of budgetary comparison data for the general fund was not presented properly.	
The report did not include the entity's OPEB liability, changes in the net OPEB liability, or entity's proportionate share of the net OPEB liability or a schedule of the entity's OPEB contributions.	3
<u>Findings and Recommendations</u>	
The schedule contains an inaccurate or inconsistent reference to the current-year audit finding.	1
<u>Other</u>	
One or more of the auditor's reports did not include the manual or printed signature of the auditor's firm, the firm's city and state, and the date of the auditor's report.	1
Total	9

## Appendix A-2

### Summary of Independent Audit Report Deficiencies Three-Year Comparison

Description of Audit Report Deficiency	Number of Occurrences		
	FY 2015-16	FY 2016-17	FY 2017-18
<u>Independent Auditor's Report</u>			
The report did not include the reference to the Government Auditing Standards in the statement that the audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the <i>Government Auditing Standards</i> , issued by the Comptroller General of the United States.	0	4	0
The report contains an inaccurate or inconsistent reference to a separate report.	0	0	1
<u>Basic Financial Statements</u>			
The <i>Statement of Net Position</i> did not total correctly.	1	0	0
The <i>Statement of Activities</i> did not total correctly and/or the auditor submitted an incorrect version of the financial statement.	2	0	0
The <i>Balance Sheet – Governmental Funds</i> did not total correctly and/or the auditor submitted an incorrect version of the financial statement.	2	0	0
The <i>Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position</i> did not total correctly and/or the auditor submitted an incorrect version of the financial statements.	2	0	0
The <i>Governmental Statement of Revenues, Expenditures, and Changes in Fund Balance</i> was not presented properly.	3	1	1
The <i>Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balance to the Statement of Activities</i> did not total correctly and/or the auditor submitted an incorrect version of the financial statement.	2	0	0
<u>Notes to the Financial Statements</u>			
The Notes to the Financial Statements did not include the number of employees covered by the benefit terms of the Other Post-Employment Benefit (OPEB) plan.	0	0	1

## Appendix A-2 (continued)

Description of Audit Report Deficiency	Number of Occurrences		
	FY 2015-16	FY 2016-17	FY 2017-18
<u>Notes to the Financial Statements (continued)</u>			
The Notes to the Financial Statements did not include the required statement on whether the OPEB plan issues a stand-alone financial report that is available to the public and, if so, how to obtain it.	0	0	1
<u>Required Supplementary Information</u>			
The schedule of budgetary comparison data for the general fund and any major special revenue funds that have legally adopted budgets was not presented properly.	1	1	1
The report did not include the entity's OPEB liability, changes in the net OPEB liability, or entity's proportionate share of the net OPEB liability or a schedule of the entity's OPEB contributions.	0	0	2
<u>Government Auditing Standards Report</u>			
The Government Auditing Standards Report did not include the statement that identifies whether the results of tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.	1	0	0
<u>State Compliance Report</u>			
The State Compliance Report included a list with the incorrect number of procedures that the independent auditor was required to review for compliance.	2	0	0
<u>Findings and Recommendations</u>			
The audit report did not include the views of the responsible officials of the auditee concerning findings, conclusions, recommendations, and planned corrective actions.	1	0	0
The audit report did not include the auditee's corrective action plan to eliminate noncompliance with state laws, federal laws, or internal control weaknesses.	1	0	0
The audit report did not include a Schedule of Prior Audit Findings and/or the status of the findings.	2	0	0
The Schedule of Prior Audit Findings contained an inaccurate or inconsistent reference to the current-year audit finding.	0	0	1

## **Appendix A-2 (continued)**

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Description of Audit Report Deficiency	Number of Occurrences		
	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
<u>Other</u>			
One or more of the auditor's reports did not include the manual or printed signature of the auditor's firm, the firm's city and state, and the date of the auditor's report.	2	2	1
The sequence of the independent audit report did not follow the Governmental Accounting Standards Board (GASB Statement No. 34) reporting model.	<u>1</u>	<u>0</u>	<u>0</u>
Total	<u>23</u>	<u>8</u>	<u>9</u>

**State Controller's Office  
Division of Audits  
Post Office Box 942850  
Sacramento, CA 94250**

**[www.sco.ca.gov](http://www.sco.ca.gov)**



## Agenda Item 10

April 1, 2020

**DATE:** March 11, 2020**TO:** First 5 Orange County Children and Families Commission**FROM:** Kimberly Goll, President/CEO**ACTION:** Receive the President/CEO's Report

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**A. Financial and Quarterly Investment Report**

Financial highlight reports for the months of November (Attachment 1), December (Attachment 2), January (Attachment 3) and February (Attachment 4) are included. The reports summarize information regarding year-to-date revenue, expenses and encumbrances. Pursuant to First 5 Orange County's fiscal year 2019/2020 Investment Policy Statement, the Orange County Treasurer submits Quarterly Investment Reports to the Commission. This Investment Report (Attachment 5) summarizes investment activities for the three-month period from October 1 through December 31, 2019. The primary objective of the Treasurer is to invest the Commission's funds to provide safety of principal and liquidity, while providing a reasonable return on investments. Currently, the Treasurer has invested 100 percent of the Commission's funds in the Orange County Investment Pool (OCIP). A summary of key OCIP investment information is in Attachment 5.

**B. Updated Strategic Plan Implementation Dashboard**

The updated Strategic Plan Implementation Dashboard (Attachment 6) provides an at-a-glance look at progress through March 2020 across First 5 Orange County's Strategic Plan goals and objectives. Significant work has occurred in this third fiscal quarter, with a few key activities highlighted below. Further, staff has identified several of the actions that will occur on an ongoing basis and will never be considered "completed." While these will have a yellow dot on the dashboard, their evergreen status is noted with an asterisk.

- **Perinatal Mood and Anxiety Disorders** – The Orange County Perinatal Mood and Anxiety Disorder (OC PMAD) Collaborative Steering Committee, consisting of 15 county partners, established baseline data for the number of people served by publicly available programs that address perinatal mental health in Orange County. Compared to the estimated 1,500 families served in 2018, the number more than doubled in 2019, reaching 3,904. We expect this number to continue to grow as the OC PMAD Collaborative publishes a toolkit of resources for primary care providers working with the prenatal-to-three population.
- **Engaged Neighborhoods** – First 5 Orange County's effort to engage neighborhoods around early childhood continues.
  - The city of Garden Grove has developed an Ad Hoc committee that will focus solely on early childhood care and education efforts in its community. City staff are interested in partnering with First 5 and other stakeholders to champion the cause, using EDI as their driving force.
  - First 5 is bringing an early childhood voice to the discussion about community investment in Anaheim. Anaheim's 5th District used EDI data as part of its criteria for the first round of its ANAHEIM FIRST Neighborhood Investment Program. Now, the city is considering using EDI data citywide as one of its ANAHEIM FIRST funding criteria. Additionally, Anaheim's District 5 council member Stephen Faessel has agreed to co-host a screening of

- No Small Matter in his district to increase awareness of the importance of early childhood education.
- La Habra city stakeholders held a well-attended literacy event where the collaborative shared EDI data and Kid Builder resources to families through interactive activities with children.

- **Maternal, Infant, and Early Childhood Home Visiting (MIECHV)** – In November 2019, the Health Care Agency was informed by the California Home Visitation Program (CHVP), which administers federal home visiting funds on behalf of the California Department of Public Health, that it will receive approximately \$524,000 annually to expand services provided by its Nurse Family Partnership (NFP) program. NFP, a public health nursing program that works with pregnant and parenting adolescents, is one of several models approved by the federal Maternal, Infant, and Early Childhood Home Visiting Program (MIECHV), and the only approved model currently operating in Orange County. First 5 Orange County's Bridges Maternal Child Health Network will be trained in another MIECHV-approved model, Parents as Teachers, in the coming fiscal year.

### **C. First 5 Commissioner Recruitment**

The First 5 Orange County board includes six at-large members, who serve staggered two-year terms that begin April 1 and expire March 31 of the second year. Each year, three of these positions must be filled through a recruitment process. This year, two of the positions fall in the category of Health and Early Intervention and one falls in the category of Education and Early Intervention. First 5 disseminated information about the positions through its website, an email blast and social media. Members of the Board of Supervisors promoted the recruitment through their e-newsletters, along with several community partners such as the Orange County Department of Education, Orange County Business Council, and CalOptima. Candidate recruitment ended March 6, and six applications were received, three in each category. These six applications have been sent to the Clerk of the Board, who manages the process from here. Supervisors Chaffee and Wagner will nominate candidates to fill the two Health positions, and Supervisor Bartlett will make the Education position nomination. The full Board of Supervisors will make the appointments at their April 14th meeting

### **ATTACHMENTS:**

1. Financial Highlight-November
2. Financial Highlight-December
3. Financial Highlight-January
4. Financial Highlight-February
5. Investment Report
6. Strategic Plan Implementation Dashboard

# Financial Highlights As of November 30, 2019

## Comparison of Budget vs. Actual Fiscal Year 2019-20 Unaudited Period Ending 11/30/19

	<u>FY 2019-20 Amended Budget</u>	<u>FY 2019-20 Actuals</u>	
<b>Financing Sources</b>			
Tobacco Tax Revenue	\$22,336,249	\$3,549,915	15.9%
Interest Earnings	100,000	143,894	143.9%
Other Revenue	<u>10,530,841</u>	<u>1,953,826</u>	18.6%
<b>Revenue Total</b>	<b>\$32,967,090</b>	<b>\$5,647,635</b>	
<b>Expenses*</b>			
Healthy Children	\$18,753,320	\$2,251,052	12.0%
Strong Families	2,113,205	622,430	29.5%
Early Learning**	6,564,329	-200,672	-3.1%
Capacity Building***	<u>1,352,915</u>	<u>258,059</u>	17.7%
<b>Program Services</b>	<b>\$28,783,769</b>	<b>\$2,930,869</b>	
Admin. Functions****	<u>1,665,754</u>	<u>553,817</u>	27.7%
<b>Total Operating Exp.</b>	<b>\$30,449,523</b>	<b>\$3,484,686</b>	

\*Not including One-time Systems Expenses

\*\*Negative amount shown is due to year-end entries remaining on the books for First 5 CA IMPACT, HUBS accrued but not yet processed.

\*\*\*Includes Evaluation costs of \$162,414

\*\*\*\*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 \$553,817 and encumbrances of \$690,816 were 4.1% of the Fiscal Year 2019/2020 Amended Budget of \$30.4 million not including Catalytic projects. Final administrative expenses are projected to be 7.5% at year-end.

### Total Encumbrances as of November 30, 2019 including some multi-year contracts

Healthy Children	\$17,983,338
Strong Families	\$1,343,069
Early Learning	\$9,576,125
Capacity Building	\$967,444
Admin. Functions	\$690,816

## Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue through November 2019 as reported by First 5 California is \$3.55 million. This amount represents the delayed Prop 10 revenues for May and June from the prior year. First 5 California is working with the California Department of Tax and Fee Administration to secure July, August and September revenue figures.

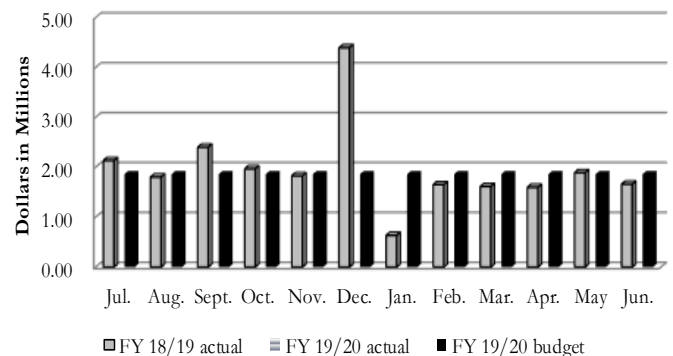
Interest earnings for July 2019 through November 2019 are \$143,894.

## Systems Funding Update

\$39,837,519 in One-time Systems Funding was expensed from FY 2012-13 through FY 2018-19. Expenses booked in the current year total \$320,743 as of November 30, 2019.

As of November 30, 2019, \$5,856,728 was encumbered for Round 1 and Round 2 programs. Nearly \$4.5 million is encumbered for Children's Dental and \$1 million for Developmental Services.

## Fiscal Year 2018-19 & 2019-20 Tobacco Monthly Revenues



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

Beginning Fund Balance, July 1, 2019	\$37,293,188
Forecasted Revenue	32,967,090
Budgeted Program Expenses	(28,783,769)
Budgeted Administrative Expenses	(1,665,754)
One-time Systems Projects	<u>(20,369,741)</u>

**Projected June 30, 2020 Fund Balance** **\$19,441,014\***

\*Based on Commission action through December 2019. Projected fund balance does not include Catalytic funding. For financial planning purposes, Catalytic funding has been designated by Commission action and removed from available fund balance.



# Financial Highlights As of December 31, 2019

## Comparison of Budget vs. Actual Fiscal Year 2019-20 Unaudited Period Ending 12/31/19

	<u>FY 2019-20 Amended Budget</u>	<u>FY 2019-20 Actuals</u>	
<b><u>Financing Sources</u></b>			
Tobacco Tax Revenue	\$22,336,249	\$5,128,453	23.0%
Interest Earnings	100,000	210,276	210.3%
Other Revenue	<u>10,530,841</u>	<u>1,953,966</u>	18.6%
<b>Revenue Total</b>	<b>\$32,967,090</b>	<b>\$7,292,695</b>	
<b><u>Expenses*</u></b>			
Healthy Children	\$18,753,320	\$2,981,849	15.9%
Strong Families	2,113,205	685,136	32.4%
Early Learning	6,564,329	65,813	1.0%
Capacity Building**	<u>1,352,915</u>	<u>320,039</u>	23.7%
<b>Program Services</b>	<b>\$28,783,769</b>	<b>\$4,052,837</b>	
Admin. Functions***	<u>1,665,754</u>	<u>654,413</u>	39.3%
<b>Total Operating Exp.</b>	<b>\$30,449,523</b>	<b>\$4,707,250</b>	

\*Not including One-Time Systems Expenses

\*\*Includes Evaluation costs of \$223,572

\*\*\*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 \$654,413 and encumbrances of \$662,347 were 4.3% of the Fiscal Year 2019/2020 Amended Budget of \$30.4 million not including Catalytic projects. Final administrative expenses are projected to be 7.5% at year-end.

### **Total Encumbrances as of December 31, 2019 including some multi-year contracts**

Healthy Children	\$22,085,343
Strong Families	\$1,288,178
Early Learning	\$9,329,985
Capacity Building	\$908,153
Admin. Functions	\$662,347

## Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue through November 2019 as reported by First 5 California is \$5.13 million. This amount represents the delayed Prop 10 revenues for May and June from the prior year and July revenue for the current year. First 5 California is working with the California Department of Tax and Fee Administration to secure August through October revenue figures.

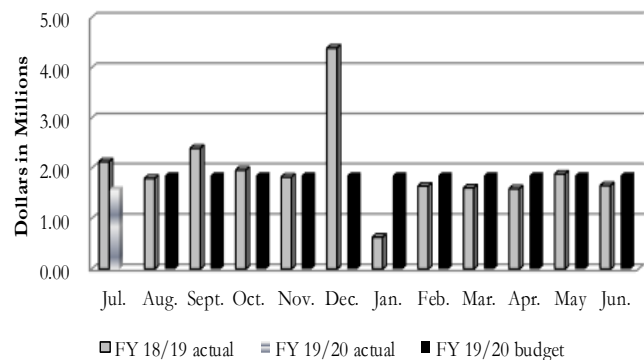
Interest earnings for July 2019 through December 2019 are \$210,276.

## Systems Funding Update

\$39,837,519 in One-Time Systems Funding was expensed from FY 2012-13 through FY 2018-19. Expenses booked in the current year total \$391,351, as of December 31, 2019.

As of December 31, 2019, \$5,786,120 was encumbered for Round 1 and Round 2 programs. Nearly \$4.5 million is encumbered for Children's Dental and \$1 million for Developmental Services.

## Fiscal Year 2018-19 & 2019-20 Tobacco Monthly Revenues



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

Beginning Fund Balance, July 1, 2019	\$37,293,188
Forecasted Revenue	32,967,090
Budgeted Program Expenses	(28,783,769)
Budgeted Administrative Expenses	(1,665,754)
One-time Systems Projects	<u>(20,369,741)</u>
<b>Projected June 30, 2020 Fund Balance</b>	<b>\$19,441,014*</b>

\*Based on Commission action through December 2019. Projected fund balance does not include Catalytic funding. For financial planning purposes, Catalytic funding has been designated by Commission action and removed from available fund balance.

# Financial Highlights As of January 31, 2020

## Comparison of Budget vs. Actual Fiscal Year 2019-20 Unaudited Period Ending 01/31/20

	<u>FY 2019-20 Amended Budget</u>	<u>FY 2019-20 Actuals</u>	
<b><u>Financing Sources</u></b>			
Tobacco Tax Revenue	\$22,336,249	\$12,787,761	57.3%
Interest Earnings	100,000	271,805	271.8%
Other Revenue	<u>10,530,841</u>	<u>3,264,629</u>	18.6%
<b>Revenue Total</b>	<b>\$32,967,090</b>	<b>\$16,324,195</b>	
<b><u>Expenses*</u></b>			
Healthy Children	\$18,753,320	\$3,707,842	19.8%
Strong Families	2,113,205	1,004,301	47.5%
Early Learning	6,564,329	202,418	3.1%
Capacity Building**	<u>1,352,915</u>	<u>363,043</u>	26.8%
<b>Program Services</b>	<b>\$28,783,769</b>	<b>\$5,277,604</b>	
Admin. Functions***	<u>1,665,754</u>	<u>751,337</u>	45.1%
<b>Total Operating Exp.</b>	<b>\$30,449,523</b>	<b>\$6,028,941</b>	

\*Not including One-Time Systems Expenses

\*\*Includes Evaluation costs of \$244,025

\*\*\*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 \$751,337 and encumbrances of \$567,158 were 4.3% of the Fiscal Year 2019/2020 Amended Budget of \$30.4 million not including Catalytic projects. Final administrative expenses are projected to be 7.5% at year-end.

### **Total Encumbrances as of January 31, 2020 including some multi-year contracts**

Healthy Children	\$21,483,432
Strong Families	\$954,152
Early Learning	\$9,235,722
Capacity Building	\$839,315
Admin. Functions	\$567,158

## Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue through November 2019 as reported by First 5 California is \$12.79 million. This amount represents the delayed Prop 10 revenues for May and June from the prior year and current year revenue and the annual backfill amount of \$5.78.

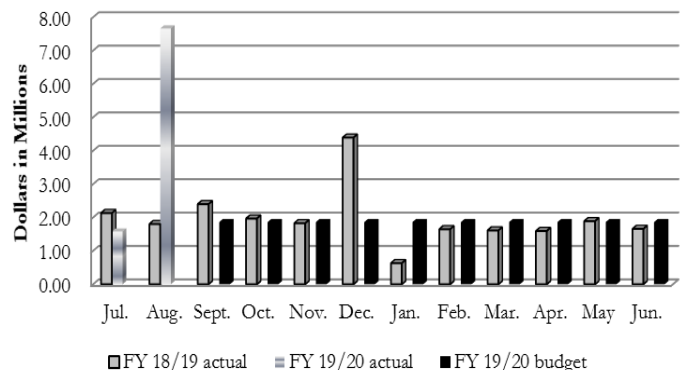
Interest earnings for July 2019 through January 2020 are \$271,805.

## Systems Funding Update

\$39,837,519 in One-Time Systems Funding was expensed from FY 2012-13 through FY 2018-19. Expenses booked in the current year total \$719,528, as of January 31, 2020.

As of January 31, 2020, \$5,457,943 was encumbered for Round 1 and Round 2 programs. Nearly \$4.2 million is encumbered for Children's Dental and \$1 million for Developmental Services.

## Fiscal Year 2018-19 & 2019-20 Tobacco Monthly Revenues



## Forecasted Fiscal Year 2019-20 Ending Fund Balance

*From Commission Long Term Financial Plan*

Beginning Fund Balance, July 1, 2019	\$37,293,188
Forecasted Revenue	32,967,090
Budgeted Program Expenses	(28,783,769)
Budgeted Administrative Expenses	(1,665,754)
One-time Systems Projects	<u>(20,369,741)</u>
<b>Projected June 30, 2020 Fund Balance</b>	<b>\$19,441,014*</b>

\*Based on Commission action through December 2019.

Projected fund balance does not include Catalytic funding. For financial planning purposes, Catalytic funding has been designated by Commission action and removed from available fund balance.

# Financial Highlights As of February 29, 2020

## Comparison of Budget vs. Actual Fiscal Year 2019-20 Unaudited Period Ending 02/29/20

	<u>FY 2019-20 Amended Budget</u>	<u>FY 2019-20 Actuals</u>	
<b><u>Financing Sources</u></b>			
Tobacco Tax Revenue	\$22,336,249	\$16,363,181	73.3%
Interest Earnings	100,000	341,650	341.7%
Other Revenue	<u>10,530,841</u>	<u>3,264,629</u>	18.6%
<b>Revenue Total</b>	<b>\$32,967,090</b>	<b>\$19,969,460</b>	
<b><u>Expenses*</u></b>			
Healthy Children	\$18,753,320	\$5,954,203	31.8%
Strong Families	2,113,205	1,165,933	55.2%
Early Learning	6,564,329	841,451	12.8%
Capacity Building**	<u>1,352,915</u>	<u>442,565</u>	32.7%
<b>Program Services</b>	<b>\$28,783,769</b>	<b>\$8,404,152</b>	
Admin. Functions***	<u>1,665,754</u>	<u>873,197</u>	52.4%
<b>Total Operating Exp.</b>	<b>\$30,449,523</b>	<b>\$9,277,349</b>	

\*Not including One-Time Systems Expenses

\*\*Includes Evaluation costs of \$307,426

\*\*\*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 \$873,197 and encumbrances of \$522,056 were 4.6% of the Fiscal Year 2019/2020 Amended Budget of \$30.4 million not including Catalytic projects. Final administrative expenses are projected to be 7.5% at year-end.

### **Total Encumbrances as of February 29, 2020 including some multi-year contracts**

Healthy Children	\$20,122,733
Strong Families	\$800,585
Early Learning	\$8,737,675
Capacity Building	\$767,551
Admin. Functions	\$522,056

## Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue through November 2019 as reported by First 5 California is \$16.36 million. This amount represents the delayed Prop 10 revenues for May and June from the prior year and current year revenue and the annual backfill amount of \$5.78.

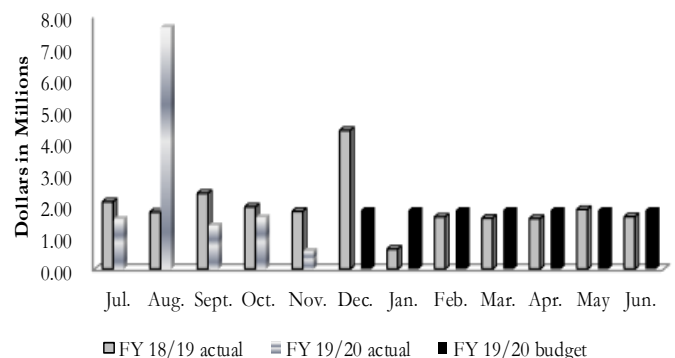
Interest earnings for July 2019 through February 2020 are \$341,650.

## Systems Funding Update

\$39,837,519 in One-Time Systems Funding was expensed from FY 2012-13 through FY 2018-19. Expenses booked in the current year total \$883,581, as of February 29, 2020.

As of February 29, 2020, \$5,293,890 was encumbered for Round 1 and Round 2 programs. Nearly \$4 million is encumbered for Children's Dental and \$1 million for Developmental Services.

## Fiscal Year 2018-19 & 2019-20 Tobacco Monthly Revenues



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

Beginning Fund Balance, July 1, 2019	\$37,293,188
Forecasted Revenue	32,967,090
Budgeted Program Expenses	(28,783,769)
Budgeted Administrative Expenses	(1,665,754)
One-time Systems Projects	<u>(20,369,741)</u>
<b>Projected June 30, 2020 Fund Balance</b>	<b>\$19,441,014*</b>

\*Based on Commission action through December 2019. Projected fund balance does not include Catalytic funding. For financial planning purposes, Catalytic funding has been designated by Commission action and removed from available fund balance.

**First 5 Orange County, Children & Families Commission**  
**Quarterly Investment Report**  
**October 1, 2019 through December 31, 2019**

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**OVERVIEW**

Pursuant to the First 5 Orange County, Children & Families Commission (Commission) fiscal year 2019/2020 Investment Policy Statement (IPS), the Treasurer submits this Quarterly Investment Report to the Commission. This Investment Report summarizes investment activities for the Commission for the three-month period from October 1 through December 31, 2019.

**COMMISSION INVESTMENTS**

The primary objective of the Treasurer is to invest the Commission's funds to provide safety of principal and liquidity, while providing a reasonable return on investments. Currently, the Treasurer has invested 100% of the Commission's funds in the Orange County Investment Pool (OCIP). As of December 31, 2019, these totaled \$37,163,366. All funds are managed by the Office of the Orange County Treasurer. We have attached a summary of key OCIP investment information (Attachment A).

**ORANGE COUNTY INVESTMENT POOL**

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

**PORTFOLIO PERFORMANCE SUMMARY – QUARTERLY**

The following table presents an overview of the Commission's investments for the months of October, November and December 2019. The net year-to-date yield for fiscal year 2019/2020 is 2.11%, net of the estimated investment administrative fee of 5.9 basis points. The forecasted gross and net yields for the fiscal year 2019/2020 for the Commission's Investment in the OCIP are 2.15% and 2.09%, respectively. The OCIP has a net asset value (NAV) of 1.00 and there is sufficient liquidity to meet the forecasted expenditures for the next six months.

Month Ended	Commission's Month End Balance	Commission's Monthly Gross Yield	OCIP Market Value	OCIP Book Value	Weighted Average Maturity	Net Asset Value	Modified Duration
October	\$39,253,799	2.18%	\$4,445,781,380	\$4,425,487,293	281 days	1.00	0.76
November	\$36,683,236	2.07%	\$4,451,712,839	\$4,432,886,066	271 days	1.00	0.73
December	\$37,163,366	1.94%	\$5,091,530,022	\$5,074,870,551	219 days	1.00	0.59

**ECONOMIC UPDATE**

The job market added 152,000 (revised) new jobs in October, 256,000 (revised) jobs in November, and 145,000 jobs in December. The unemployment rate fell to 3.6% in October, further fell to 3.5% in November, and remained unchanged at 3.5% in December. U.S. Gross Domestic Product rose at a 2.1% annualized revised rate in the third quarter of 2019, an increase from the previous quarter's revised rate of 2.0%. S&P/CaseShiller reported that housing prices continued to remain positive on a year-over-year basis up 3.16% (revised) in August, up 3.23% (revised) in September and for the ninetieth consecutive month up 3.34% in October. The index for pending home sales on a year-over-year basis increased 6.3%, 4.4% (revised) and 5.6% in September, October and November respectively. On October 30, 2019, the Federal Open Markets Committee reduced the benchmark Federal Funds rate by 0.25 percent resulting in a new target range of 1.50% to 1.75%.

**U.S. Treasury Yield Curve:** Yields on the Treasury 3-month, 2-year, 5-year, 10-year, and 30-year increased during the Quarter Ended December 31, 2019.

	Quarter Ended September 30, 2019	Quarter Ended December 31, 2019
3 - Month	1.88%	1.55%
2 - Year	1.63%	1.58%
5 - Year	1.55%	1.69%
10 - Year	1.68%	1.92%
30 - Year	2.12%	2.39%

Source: U.S. Department of the Treasury

### COMPLIANCE MONITORING

As of December 31, 2019, 100% of the holdings of the Commission are in compliance with the Commission's IPS. The investment portfolios had no compliance exceptions for the quarter ended December 31, 2019.

The County Treasurer's investments are audited regularly by the County Auditor-Controller Internal Audit Division (ACIAD).

#### Review of the Schedule of Assets Held by the County Treasury as of March 31, 2019

Auditor-Controller issued their report on October 16, 2019 stating that they were 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 except that management has elected to omit all disclosures ordinarily included in a financial schedule. The County Treasurer's current practice is to prepare all required disclosures only in the financial schedule for each fiscal year-end and not for the quarterly reviews.

We have attached the Investment Policy Statement (IPS) and Treasury Oversight Committee Compliance Summary as reported in the Treasurer's Monthly Report for the months of October, November and December 2019 (Attachment B). This summary tracks compliance in a variety of areas.

### PORTFOLIO HOLDINGS OF DEBT ISSUED BY POOL PARTICIPANTS

Under guidelines outlined in the County's current IPS, the County Treasurer may invest in A or above rated securities issued by municipalities. Municipal debt issued by the County of Orange is exempt from this credit rating requirement. OCIP may invest no more than 5% of pool assets in any one issuer, with the exception of the County of Orange which has a 10% limit. As of December 31, 2019, OCIP has a total market value of \$85 million in County of Orange debt, which represents approximately 1.68% of total OCIP assets.

### STATEMENT OF ACTIVITY

We have attached the Statement of Activity for the months of October, November and December 2019 (Attachment C). These Statements report the beginning and ending balances of the Commission's funds invested in the OCIP.

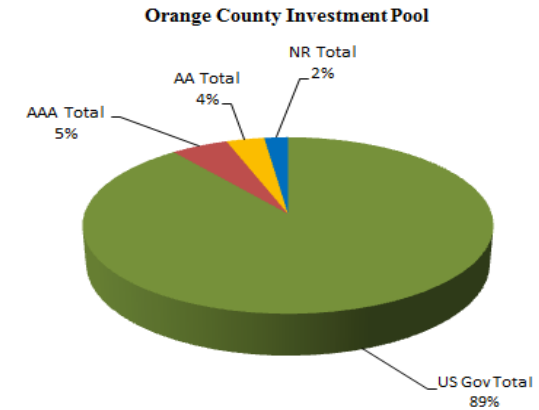
#### Attachments:

- A. Orange County Investment Pool Summary
- B. Investment Policy and Treasury Oversight Committee Compliance Summary for October, November and December 2019
- C. Statement of Activity for the months of October, November and December 2019
- D. Review of the Schedule of Assets Held by the County Treasury as of March 31, 2019
- E. **Revised** - Quarterly Investment Report Summary, July 1, 2019 through September 30, 2019
- F. **Revised** - Investment Pool Summary September 30, 2019

# ATTACHMENT A

## ORANGE COUNTY TREASURER-TAX COLLECTOR ORANGE COUNTY INVESTMENT POOL INVESTMENT POOL SUMMARY AT DECEMBER 31, 2019

Security Type	OCIP PORTFOLIO COMPOSITION			
	Market Value	% of Market Value	Book Value	Unrealized Gain (Loss)
U.S. GOVERNMENT AGENCIES	\$ 3,465,161,715	68.06%	\$ 3,453,368,225	\$ 11,793,490
U.S. TREASURIES	1,139,746,977	22.39%	1,136,096,404	3,650,573
MEDIUM-TERM NOTES	203,289,749	3.99%	202,074,341	1,215,408
MUNICIPAL DEBT	85,482,076	1.68%	85,482,076	-
MONEY MARKET MUTUAL FUNDS	170,710,278	3.35%	170,710,278	-
LOCAL AGENCY INVESTMENT FUND	27,139,228	0.53%	27,139,228	-
CERTIFICATES OF DEPOSIT	-	0.00%	-	-
<b>TOTAL</b>	<b>\$ 5,091,530,023</b>	<b>100.00%</b>	<b>\$ 5,074,870,552</b>	<b>\$ 16,659,471</b>



US GOV Includes Agency & Treasury Debt  
AA Includes AA+, AA- & AA  
A Includes A+, A- & A  
NR Includes LAIF and Orange County Pension Obligation Bonds

### SUMMARY OF INVESTMENT DATA INVESTMENT TRENDS OCIP

	DECEMBER 2019	NOVEMBER 2019	INCREASE (DECREASE)	NET CHANGE %	DECEMBER 2018	INCREASE (DECREASE)	NET CHANGE %
<b>Orange County Investment Pool (OCIP)</b>							
End Of Month Market Value <sup>1,2</sup>	\$ 5,091,530,022	\$ 4,451,712,839	\$ 639,817,183	14.37%	\$ 5,008,408,848	\$ 83,121,174	1.66%
End Of Month Book Value <sup>2</sup>	\$ 5,074,870,551	\$ 4,432,886,066	\$ 641,984,485	14.48%	\$ 5,016,509,479	\$ 58,361,072	1.16%
Monthly Average Balance <sup>2</sup>	\$ 5,625,603,546	\$ 4,495,891,987	\$ 1,129,711,559	25.13%	\$ 5,430,555,655	\$ 195,047,891	3.59%
Year-To-Date Average Balance	\$ 4,303,850,963	\$ 4,039,500,446	\$ 264,350,517	6.54%	\$ 4,251,548,062	\$ 52,302,901	1.23%
Monthly Accrued Earnings <sup>3</sup>	\$ 9,423,469	\$ 7,800,487	\$ 1,622,982	20.81%	\$ 9,757,749	\$ (334,280)	-3.43%
Monthly Net Yield	1.88%	2.01%	-0.13%	-6.47%	2.04%	-0.16%	-7.84%
Year-To-Date Net Yield <sup>4</sup>	2.11%	2.18%	-0.07%	-3.21%	1.83%	0.28%	15.30%
Annual Estimated Gross Yield <sup>5</sup>	2.15%	2.15%	0.00%	0.00%	2.11%	0.04%	1.90%
Weighted Average Maturity (WAM)	219	271	(52)	-19.19%	275	(56)	-20.36%

<sup>1</sup> Market values provided by Bloomberg and Northern Trust.

<sup>2</sup> In December 2019, OCIP End of Month Market and Book Value and Monthly Average Balances increased from the prior month primarily due to higher incoming secured property tax receipts.

<sup>3</sup> In December 2019, OCIP Monthly Accrued Earnings were higher than the prior month primarily due to an increased pool balance. The OCIP December 2018 Monthly Accrued Earnings and Monthly and Year-to-Date Net Yields are higher than the reported yields in the Monthly Investment December 2018 Report due to the addition of the Money Market Mutual Funds (MMMF) interest income that was not posted timely as noted in the June 2019 report.

<sup>4</sup> In December 2019, OCIP Year-to-Date Net Yields was higher than the prior year primarily due to an increased pool balance and to the eleven Federal Reserve short-term rate changes resulting in a net increase of 1.25% since November 2016.

<sup>5</sup> In December 2019, OCIP Weighted Average Maturity (WAM) declined from prior month and year primarily due to incoming secured property tax receipts being invested in overall shorter maturities.

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY  
October 31, 2019**

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2018 in progress.
Quarterly Statement of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	March 31, 2019 completed. September 30, 2019 in progress.
Annual Statement of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2018 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	September 30, 2019 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 17/18 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2018 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	All 2018 IPS certifications received for active approved brokers.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions/Form 700	FY 19/20 identified zero compliance incidents as of October 31, 2019.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made no changes at the October 30, 2019 meeting. No BOS approval required.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 30, 2019 meeting and did not make any additional changes. BOS approval scheduled for November 19, 2019.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2018 Annual Report was approved at the BOS meeting March 12, 2019.
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 30, 2019.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	The TOC members are in compliance for calendar year 2019
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	The TOC members are in compliance for calendar year 2018.
Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	All current TOC members and designated employees are in compliance for calendar year 2018.

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

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY  
November 30, 2019**

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2018 in progress.
Quarterly Statement of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	September 30, 2019 in progress.
Annual Statement of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2018 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	September 30, 2019 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 17/18 & 18/19 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2018 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	Receipt of 2019 IPS Certifications for active approved brokers in progress.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions/Form 700	FY 19/20 identified zero compliance incidents as of November 30, 2019.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made no changes at the October 30, 2019 meeting. No BOS approval required.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 30, 2019 meeting and did not make any additional changes. BOS approved November 19, 2019.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2018 Annual Report was approved at the BOS meeting March 12, 2019.
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 30, 2019.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	The TOC members are in compliance for calendar year 2019
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	The TOC members are in compliance for calendar year 2018.
Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	All current TOC members and designated employees are in compliance for calendar year 2018.

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



**ORANGE COUNTY TREASURER-TAX COLLECTOR  
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY  
December 31, 2019**

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2018 in progress. June 30, 2019 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	September 30, 2019 completed. December 31, 2019 in progress.
Annual Statement of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2018 in progress. June 30, 2019 in progress.
Quarterly Statement of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	September 30, 2019 in progress. December 31, 2019 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 17/18 & 18/19 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2018 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	Receipt of 2019 IPS Certifications for active approved brokers in progress.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions/Form 700	FY 19/20 identified zero compliance incidents as of Decmber 31, 2019.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made no changes at the October 30, 2019 meeting. No BOS approval required.
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TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2018 Annual Report was approved at the BOS meeting March 12, 2019.
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 30, 2019.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	The TOC members are in compliance for calendar year 2019
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	The TOC members are in compliance for calendar year 2018.
Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	All current TOC members and designated employees are in compliance for calendar year 2018.

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

ATTACHMENT C



[ocgov.com/ocinvestments](http://ocgov.com/ocinvestments)

October 31, 2019

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

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

Monthly Apportionment Gross Yield: 2.177%  
 Estimated Investment Administration Fee Rate: -0.059%  
 Monthly Apportionment Net Yield: 2.118%

**Fund Number : 225**

**OCTOBER 2019 STATEMENT**

**INVESTMENT BALANCE IN OCIP**

**Transactions**

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
10/01/19	September 2019 Investment Admin Fee	\$ (1,883.88)
10/18/19	July 2019 Interest Paid	\$ 74,469.59
12/30/19	September 2019 Interest Paid	\$ 74,320.79

**Summary**

Total Deposit:	\$ 1,739,222.71	Beginning Balance:	\$ 36,683,236.07
Total Withdrawal:	\$ (1,259,092.72)	Ending Balance:	\$ 37,163,366.06

**ACCRUED INVESTMENT INCOME**

**Description**

**Amount**

August 2019 Interest Accrued	\$ 74,660.88
September 2019 Interest Accrued	\$ 66,381.90
October 31, 2019 Total	<u>\$ 141,042.78</u>
October 2019 Interest will be posted in November	\$ 61,528.98



COUNTY OF ORANGE  
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**ATTACHMENT C**



[ocgov.com/ocinvestments](http://ocgov.com/ocinvestments)

November 30, 2019

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

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

Monthly Apportionment Gross Yield: 2.073%  
Estimated Investment Administration Fee Rate: -0.059%  
Monthly Apportionment Net Yield: 2.014%

**Fund Number : 225**

**NOVEMBER 2019 STATEMENT**

**INVESTMENT BALANCE IN OCIP**

**Transactions**

<b><u>Transaction Date</u></b>	<b><u>Transaction Description</u></b>	<b><u>Amount</u></b>
11/01/19	October 2019 Investment Admin Fee	\$ (2,017.58)
11/13/19	Prior Period Interest Paid	\$ 36,424.15

**Summary**

Total Deposit:	\$ 665,989.97	Beginning Balance:	\$ 39,253,798.50
Total Withdrawal:	\$ (3,236,552.40)	Ending Balance:	\$ 36,683,236.07

**ACCRUED INVESTMENT INCOME**

<b><u>Description</u></b>	<b><u>Amount</u></b>
August 2019 Interest Accrued <sup>(1)</sup>	\$ 74,469.59
September 2019 Interest Accrued	\$ 74,320.79
October 2019 Interest Accrued	\$ 74,660.88
November 30, 2019 Total	<u>\$ 223,451.26</u>

November 2019 Interest will be posted in December	\$ 66,381.90
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<sup>(1)</sup> In November, several days of interest income were not posted to the pooled interest account in a timely manner. These late postings caused August 2019 Interest to be paid in December versus November. TTC management is implementing additional operating procedures to ensure timely posting of interest to the pooled interest account and subsequent timely payment of monthly interest to your pool participant account.



COUNTY OF ORANGE  
**OFFICE OF THE TREASURER-TAX COLLECTOR**  
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ATTACHMENT C



[ocgov.com/ocinvestments](http://ocgov.com/ocinvestments)

December 31, 2019

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

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

Monthly Apportionment Gross Yield: 1.940%  
Estimated Investment Administration Fee Rate: -0.059%  
Monthly Apportionment Net Yield: 1.881%

**Fund Number : 225**

**DECEMBER 2019 STATEMENT**

**INVESTMENT BALANCE IN OCIP**

**Transactions**

<b><u>Transaction Date</u></b>	<b><u>Transaction Description</u></b>	<b><u>Amount</u></b>
12/02/19	November 2019 Investment Admin Fee	\$ (1,883.88)
12/18/19	August 2019 Interest Paid	\$ 74,469.59
12/30/19	September 2019 Interest Paid	\$ 74,320.79

**Summary**

Total Deposit:	\$ 1,739,222.71	Beginning Balance:	\$ 36,683,236.07
Total Withdrawal:	\$ (1,259,092.72)	Ending Balance:	\$ 37,163,366.06

**ACCRUED INVESTMENT INCOME**

**Description**

**Amount**

October 2019 Interest Accrued	\$ 74,660.88
November 2019 Interest Accrued	\$ 66,381.90
December 31, 2019 Total	<u>\$ 141,042.78</u>
December 2019 Interest to be accrued in January 2020	\$ 61,528.98



# Orange County Auditor-Controller Internal Audit



Review of the Schedule of Assets  
Held by the County Treasury as of  
March 31, 2019

Audit Number 1887  
Report Date: October 16, 2019



O R A N G E C O U N T Y  
**AUDITOR-CONTROLLER**  
I N T E R N A L A U D I T

**Frank Davies, CPA**  
**Orange County Auditor-Controller**

**Michael Steinhaus, CPA, CGMA    Audit Manager I**

**JC Lim    Auditor II**

**1770 North Broadway  
Santa Ana, CA 92706**

**Auditor-Controller Website  
[www.acgov.com](http://www.acgov.com)**





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Held by the County Treasury  
Audit No. 1887*

As of March 31, 2019

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# Independent Accountant's Review Report

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## **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 March 31, 2019, 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 statements 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.





# Independent Accountant's Review Report

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## *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", is positioned above the printed name.

Frank Davies, CPA  
Auditor-Controller  
October 16, 2019



# Schedule of Assets Held by the County Treasury

**ORANGE COUNTY TREASURY**  
**Schedule of Assets Held by the County Treasury**  
**As of March 31, 2019**

**ASSETS**

	<b>OCIP</b>	<b>OCEIP</b>	<b>Non-Pooled</b>	<b>Total</b>
<b>CASH</b>				
Cash On Hand	\$ 164,289	\$ -	\$ -	\$ 164,289
Bank Demand Accounts	58,807,552	6,573,515	17,602,088	82,983,155
<b>Total Cash</b>	<b>58,971,841</b>	<b>6,573,515</b>	<b>17,602,088</b>	<b>83,147,444</b>
<b>INVESTMENTS, stated at fair value</b>				
<i>Orange County Investment Pool (OCIP):</i>				
Money Market Fund	1,212,972,208	-	-	1,212,972,208
Extended Fund	3,494,933,146	-	-	3,494,933,146
<i>Orange County Educational Investment Pool (OCEIP):</i>				
Money Market Fund	-	747,875,967	-	747,875,967
Extended Fund	-	4,222,509,189	-	4,222,509,189
<i>Non-Pooled</i>	-	-	107,795,917	107,795,917
<b>Total Investments</b>	<b>4,707,905,354</b>	<b>4,970,385,155</b>	<b>107,795,917</b>	<b>9,786,086,426</b>
<b>TOTAL ASSETS</b>	<b>\$ 4,766,877,195</b>	<b>\$ 4,976,958,670</b>	<b>\$ 125,398,005</b>	<b>\$ 9,869,233,870</b>

**First 5 Orange County, Children & Families Commission**  
**Quarterly Investment Report<sup>1</sup>**  
**July 1, 2019 through September 30, 2019**  
**REVISED**

**OVERVIEW**

Pursuant to the First 5 Orange County, Children & Families Commission (Commission) fiscal year 2019/2020 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 July 1 through September 30, 2019.

**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 September 30, 2019, these totaled \$40,756,469.08. 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 July, August and September 2019. The net year-to-date yield for fiscal year 2019/2020 is 2.25%, net of the estimated investment administrative fee of 5.9 basis points. The forecasted gross and net yields for the fiscal year 2019/2020 for the OCIP are 2.15% and 2.09%, respectively. The OCIP has a net asset value (NAV) of 1.00 and there is sufficient liquidity to meet the forecasted expenditures for the next six months.

Month Ended	Commission's Month End Balance	Commission's Monthly Gross Yield	OCIP Market Value	OCIP Book Value	Weighted Average Maturity	Net Asset Value	Modified Duration
July	\$38,507,220	2.34%	\$3,797,231,020	\$3,782,235,352	320 days	1.00	0.86 <sup>1</sup>
August	\$37,442,471	2.28%	\$3,843,393,139	\$3,821,633,661	328 days	1.01	0.89 <sup>1</sup>
September	\$40,756,469	2.30%	\$3,907,560,407	\$3,889,613,364	329 days	1.00	0.89 <sup>1</sup>

**ECONOMIC UPDATE**

The job market added 166,000 (revised) new jobs in July, 168,000 (revised) jobs in August, and 136,000 jobs in September. The unemployment rate remained unchanged at 3.7% in July from the prior month, remained unchanged at 3.7% in August, and decreased to 3.5% in September. U.S. Gross Domestic Product annualized revised rate in the second quarter of 2019 was 2.0%, a decrease from the 2019 first quarter revised rate of 3.1%. S&P/CaseShiller reported that housing prices continued to remain positive on a year-over-year basis up 3.46% (revised) in May, up 3.25% (revised) in June and for the eighty-seventh consecutive month up 3.18% in July, but has risen by an increasingly smaller amount for the past 16 months. The index for pending home sales on a year-over-basis decreased 0.6% in June, increased by 1.7% in July and increased by 1.1% in August. On July 31, 2019, the Federal Open Markets Committee (FOMC) reduced the benchmark Federal Funds rate by 0.25 percent resulting in a new target range of 2.00 percent to 2.25 percent. On September 18, 2019, the FOMC reduced the benchmark Federal Funds rate by another 0.25 percent resulting in a new target range of 1.75 percent to 2.00 percent.

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<sup>1</sup> Revised

**U.S. Treasury Yield Curve:** Yields on the Treasury 3-month, 2-year, 5-year, 10-year, and 30-year increased during the Quarter Ended September 30, 2019.

	Quarter Ended June 30, 2019	Quarter Ended September 30, 2019
3 - Month	2.12%	1.88%
2 - Year	1.75%	1.63%
5 - Year	1.76%	1.55%
10 - Year	2.00%	1.68%
30 - Year	2.52%	2.12%

Source: U.S. Department of the Treasury

#### COMPLIANCE MONITORING

As of September 30, 2019, 100% of the holdings of the Commission are in compliance with the Commission's IPS. The investment portfolios had no compliance exceptions for the quarter ended September 30, 2019.

The County Treasurer's investments are audited regularly by the County Auditor-Controller Internal Audit Division (ACIAD) and the Orange County Internal Audit Department. The ACIAD issued two reports during the quarter ended September 30, 2019 as follows:

- The Second & Final Follow-Up Internal Control Audit: Electronic Funds Transfer Process – Treasurer-Tax Collector as of May 2, 2019  
The Internal Audit Department issued their report on the Second & Final Follow-Up Internal Control Audit: Electronic Funds Transfer Process-Treasurer-Tax Collector as of May 2, 2019 stating that the County Treasurer implemented two recommendations and is in the process of implementing one remaining recommendation.
- Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended June 30, 2019  
The Auditor-Controller issued their report, which stated that no instances of noncompliance were identified.

We have attached the Investment Policy Statement (IPS) and Treasury Oversight Committee Compliance Summary as reported in the Treasurer's Monthly Report for the months of July, August and September 2019 (Attachment B). This summary tracks compliance in a variety of areas.

#### PORTFOLIO HOLDINGS OF DEBT ISSUED BY POOL PARTICIPANTS

Under guidelines outlined in the County's current IPS, the County Treasurer may invest in A or above rated securities issued by municipalities. Municipal debt issued by the County of Orange is exempt from this credit rating requirement. OCIP may invest no more than 5% of pool assets in any one issuer, with the exception of the County of Orange which has a 10% limit. As of September 30, 2019, OCIP has a total market value of \$136 million in County of Orange debt, which represents approximately 3.48% of total OCIP assets.

#### STATEMENT OF ACTIVITY

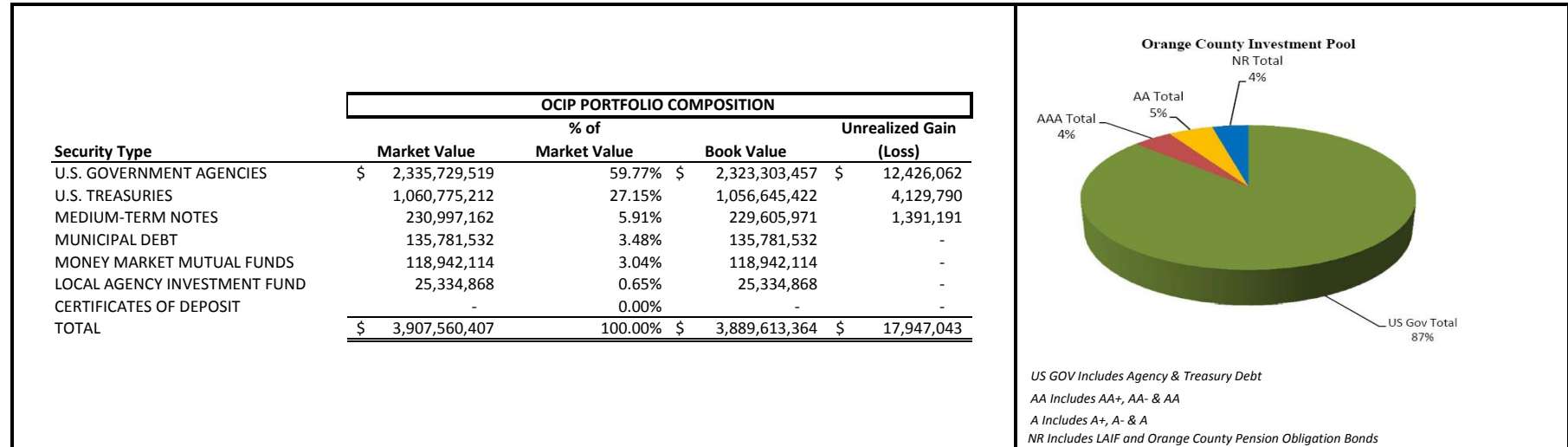
We have attached the Statement of Activity for the months of July, August and September 2019 (Attachment C). These Statements report the beginning and ending balances of the Commission's funds invested in the OCIP.

#### Attachments:

- A. Orange County Investment Pool Summary
- B. Investment Policy and Treasury Oversight Committee Compliance Summary for July, August and September 2019
- C. Statement of Activity for the months of July, August and September 2019

# ATTACHMENT F

ORANGE COUNTY TREASURER-TAX COLLECTOR  
ORANGE COUNTY INVESTMENT POOL  
INVESTMENT POOL SUMMARY  
AT SEPTEMBER 30, 2019



SUMMARY OF INVESTMENT DATA								
INVESTMENT TRENDS								
OCIP								
	SEPTEMBER 2019	AUGUST 2019	INCREASE (DECREASE)	NET CHANGE %	SEPTEMBER 2018	INCREASE (DECREASE)	NET CHANGE %	
<b>Orange County Investment Pool (OCIP)</b>								
End Of Month Market Value <sup>1</sup>	\$ 3,907,560,407	\$ 3,843,393,139	\$ 64,167,268	1.67%	\$ 3,767,385,607	\$ 140,174,800	3.72%	
End Of Month Book Value <sup>1</sup>	\$ 3,889,613,364	\$ 3,821,633,661	\$ 67,979,703	1.78%	\$ 3,788,455,916	\$ 101,157,448	2.67%	
Monthly Average Balance	\$ 3,830,516,786	\$ 3,754,252,419	\$ 76,264,367	2.03%	\$ 3,761,688,842	\$ 68,827,944	1.83%	
Year-To-Date Average Balance	\$ 3,900,667,445	\$ 3,935,742,774	\$ (35,075,329)	-0.89%	\$ 3,815,987,973	\$ 84,679,472	2.22%	
Monthly Accrued Earnings <sup>2</sup>	\$ 7,286,381	\$ 7,345,170	\$ (58,790)	-0.80%	\$ 5,572,329	\$ 1,714,051	30.76%	
Monthly Net Yield <sup>2</sup>	2.24%	2.22%	0.01%	0.54%	1.75%	0.49%	28.14%	
Year-To-Date Net Yield <sup>2</sup>	2.25%	2.26%	-0.01%	-0.22%	2.05%	0.20%	10.01%	
Annual Estimated Gross Yield	2.15%	2.15%	0.00%	0.00%	2.11%	0.04%	2.06%	
Weighted Average Maturity (WAM)	329	328	1	0.30%	357	(28)	-7.84%	

<sup>1</sup> Market values provided by Bloomberg and Northern Trust.

<sup>2</sup> In September 2019, the OCIP Monthly Accrued Earnings, Monthly Net Yield and the Year-To-Date Net Yields were higher than the prior year primarily due to the ten Federal Reserve short-term rate changes resulting in a net increase of 1.50% since November 2016. The OCIP September 2018 Monthly Accrued Earnings and Monthly and Year-to-Date Net Yields are higher than the reported yields in the Monthly Investment September 2018 Report due to the addition of the Money Market Mutual Funds (MMMF) interest income that was not posted timely as noted in the June 2019 report.



The Implementation Plan Dashboard tracks progress made toward activities to be accomplished in fiscal year 2019/20 to support the priorities of First 5 Orange County's 2019-2024 Strategic Plan.











































### Strategic Plan Goals

○ Not Yet Started    ● In Progress    ● Complete    ● On Hold

Resilient Families	Jul-Sept 2019	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020
Update the Bridges Maternal Child Health Network model to align with the Strategic Plan and link more seamlessly with perinatal mental health, child abuse prevention programs, and early learning services and settings	●	●	●	
Improve access to prevention services and treatment for perinatal mood and anxiety disorders *	●	●	●	
Create backbone agency support for family homeless prevention	○	●	●	
Quality Early Learning				
Modify School Readiness Initiative scope of work to align with Strategic Plan	●	●	●	
Increase the number of Family Childcare, private childcare sites and alternative sites that participate in Quality Start OC *	●	●	●	
Complete a childcare landscape scan for children ages 0 - 3	○	●	●	
Comprehensive Health and Development				
Improve access to oral health care for underserved children through continued implementation of the Dental Transformation Initiative Local Dental Pilot Program	●	●	●	
Conduct educational forums to increase effectiveness of early childhood obesity prevention activities among health care providers	●	●	●	
Increase the routine use of validated screening tools by pediatric providers and improve linkage with early intervention services *	●	●	●	
Across All Goal Areas				
Integrate early childhood and promote upstream prevention in countywide planning efforts and collaborations *	●	●	●	

\*Will always be ongoing

# Strategic Directions

Committed Leadership	Jul-Sept 2019	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020
Build relationships with countywide leaders (current and future) to increase representation of early childhood advocates in countywide leadership positions *				
Create communications materials (by First 5 Orange County and with partners) to broadcast consistent messages to leaders, as well as targeted messages that are relevant to a sector's priorities *				
Plan and implement Census 2020 outreach for 0 – 5 population				
Engaged Neighborhoods				
Develop a community identification process that considers data, assets, and readiness, and identify communities based on that process				
Develop capacity to conduct community outreach and elevate community leaders *				
Connected Systems				
Identify system stakeholders and conduct outreach to engage in system assessment and quality improvement work, to be piloted with P-3 group				
Conduct system coordination assessment				
Convene system stakeholders to formulate a shared agenda for system improvements based on assessment results				
Aligned Investment				
Create funding approach that aligns investments with data, evaluation results, and strategic priorities				
Revise performance measurement system to align with strategic plan and implement				
Develop process for investment in system building work				
Sustained Funding				
Develop 0-3 child care funding leveraging plan to identify dollars, assess availability, and work to obtain it				
Develop strategies to increase use of entitled benefits in existing programs				
Develop a state home visiting funding leveraging plan to identify dollars, assess availability, and work to obtain it				

\*Will always be ongoing