

# SUMMARY ACTION MINUTES

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

*Wednesday, June 3, 2020, 9:00 A.M.*

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

**RAMIN BASCHSHI, MD**  
Vice Chair

**SANDRA BARRY**  
Chair Pro Tem

**DEBRA BAETZ**  
Commissioner

**DOUG CHAFFEE**  
Commissioner

**CLAYTON CHAU, MD**  
Commissioner

**JACKIE FILBECK**  
Commissioner

**YVETTE LAVERY, MPA, MBE**  
Commissioner

**SUSAN MCCLINTIC**  
Commissioner

**KENNETH MCFARLAND**  
Commissioner

ATTENDANCE: All Members Present (all members participated via zoom)

EXCUSED: None

PRESENT: PRESIDENT/CEO  
COMMISSION COUNSEL  
CLERK OF THE COMMISSION

Kimberly Goll (participated via zoom)  
Cassie Trapesonian (participated via zoom)  
Jamie Ross, Deputy (participated via zoom)

### **PLEDGE OF ALLEGIANCE**

Commission Counsel Cassie Trapesonian led the Pledge of Allegiance

### **PRESENTATIONS:** (Item 1)

1. Receive Presentation on the Developmental Screening Initiative  
**RECEIVED**

## SUMMARY ACTION MINUTES

### **CONSENT CALENDAR:** (Items 2 - 3)

591234678 **APPROVED AS RECOMMENDED**

2. Receive update on First 5 Orange County Website

3. Receive update on Performance Measurements

### **PUBLIC HEARING:** (Item 4)

4. Conduct Public Hearing, adopt resolutions and receive the Fiscal Year 2020/2021 Proposed Budget and Fiscal Year 2019/2020 Amended Operating Budget

C.O. **CLOSED PUBLIC HEARING**

123456789 **APPROVED AS RECOMMENDED**

*RESOS: 20-016 – 017 C&FC*

### **REGULAR ITEMS:** (Items 5 - 9)

5. Approve Revised Term Sheet for Homeless Prevention Agreements

691234578 **APPROVED AS RECOMMENDED**

A *(Commissioner McClintic abstained from discussion and vote on this matter and declared her affiliation with Families Forward.)*

6. Adopt resolution authorizing agreements for home visitation services for the CalWORKs Home Visitation Program

261345789 **APPROVED AS RECOMMENDED**

A A A *(Commissioner Baetz abstained from discussion and vote on this matter and declared her affiliation with Orange County Social Services Agency. Commission Chau abstained from discussion and vote on this matter and declared his affiliation with Orange County Health Care Agency. Commission McFarland abstained from discussion and vote on this matter and declared his affiliation with Fountain Valley Regional Hospital.)*

*RESO: 20-018 C&FC*

7. Adopt resolution authorizing amendments to agreements with Pretend City Children's Museum and Fullerton Interfaith Emergency Services to include additional options to secure First 5 Orange County's investments

152346789 **APPROVED AS RECOMMENDED**

*RESOS: 20-019 – 020 C&FC*

8. Receive funding from First 5 California and adopt resolutions authorizing agreements with First 5 California and Orange County Superintendent of Schools for First 5 IMPACT 2020 (Improve and Maximize Programs so All Children Thrive) and Regional Coordination, Training and Technical Assistance Hub

281345679 **APPROVED AS RECOMMENDED**

*RESOS: 20-021 – 024 C&FC*

9. Election of Commission Chair and Vice-Chair for Fiscal Year 2020/21

213456789 **NOMINATED AND ELECTED COMMISSIONER BASCHSHI AS CHAIR AND COMMISSIONER MCFARLAND AS VICE CHAIR**

## SUMMARY ACTION MINUTES

### **PRESIDENT/CHIEF EXECUTIVE OFFICER REPORT:** (Item 10)

10. Receive the Executive Officers Report
  - a. Financial and Quarterly Investment Report
  - b. HomeAid Essentials Diaper Drive
  - c. Advocacy Day
  - d. COVID-19 Response
  - e. Census Update
  - f. Vaping Tax

**RECEIVED**

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

**PUBLIC COMMENTS:** None

### **COMMISSION COMMENTS:**

Commissioner McFarland – Oral Re.: Complimented President/CEO Kim Goll and Commission team for all of their hard work.

**ADJOURNED:** 10:14 A.M.

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

### ***Left Margin Notes***

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

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

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RAMIN BASCHSHI, MD  
*Vice Chair*

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Jamie Ross, Deputy  
*Clerk of the Commission*



**Agenda Item 1**  
**June 3, 2020**  
**PRESENTATION**

**DATE:** March 5, 2020

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

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

**ACTION:** Receive Presentation on the Developmental Screening Initiative

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Increasing access to developmental screenings, promoting the use of validated screening instruments among providers, and linking parents with resources for early intervention are long-standing First 5 Orange County priorities. However, significant numbers of Orange County children go without the recommended types and frequency of developmental screening due to systemic barriers.

In early 2019, First 5 Orange County partnered with CHOC Children's to form a multi-sector steering group comprising system leaders working to strengthen developmental screening and referral in Orange County. Known as Detect & Connect OC, the group includes representatives from the Orange County Health Care Agency, Social Services Agency, Regional Center of Orange County, CalOptima, Pretend City and others. The group also advises CHOC's developmental screening quality improvement initiative, which is funded by the Commission's third intergovernmental transfer transaction (IGT), and consists of outreach and assistance to CHOC's 200+ pediatric practices regarding how to effectively incorporate developmental screening best practices. Rebecca Alvarez will present an overview of the group's efforts within the context of recent state policy changes that support developmental screening.

Ms. Alvarez is a principal and co-founder of NP Strategies, a consulting firm that serves non-profit organizations to help them reach higher levels of performance and impact. NP Strategies is on the Commission's approved consultant list

**ATTACHMENT:**

1. Developmental Screening Initiative presentation

Contact: Lisa Burke



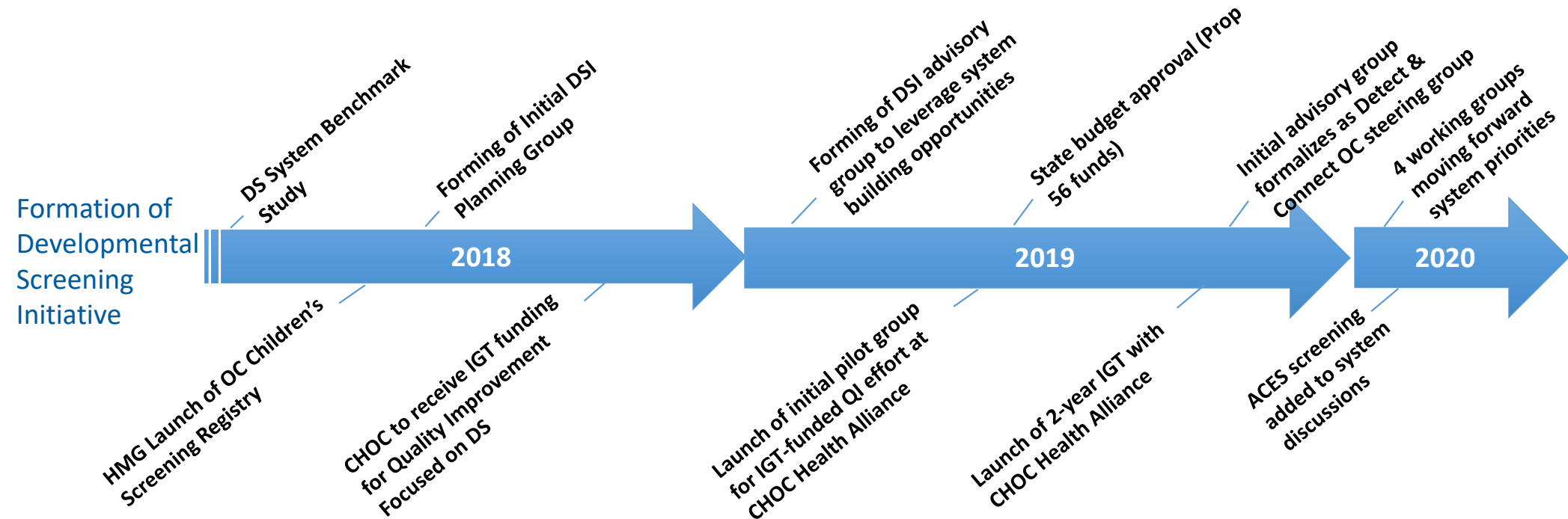
# **Developmental Screening Initiative:**

Update for Orange County First 5 Commission




*June 3, 2020*



# Background for the Developmental Screening Initiative



# Recap of Key Learnings from Benchmark Research

-  **Focus on a Targeted Population to Start**
  - Children enrolled in Medicaid in nearly all benchmarks
  - Benefits reached other children b/c it is easier for practices that accept Medicaid to have the same process for *all* children that they see
  
-  **Engage Physicians Early**
  - Partnerships with American Academy of Pediatrics (AAP) were cited in most benchmarks, as well as Family Medicine
  
-  **Provide Adequate Training, TA, QA and QI for Providers**
  - A significant portion of early funding for successful developmental screening systems goes to these efforts

## Recap of Key Learnings from Benchmark Research (Cont.)



### **Simplify Inter-Agency Coordination**

- Strategies and infrastructure for data sharing were key
- Structures for coordination (e.g. Advisory Council, Systems Workgroups)



### **Identify and Coordinate Systems-level Champions**

- Individual champions as well as agencies/organizations



# Detect & Connect OC

## Vision:

To ensure all children in Orange County receive timely, recommended developmental screenings in accordance with national, evidence-based guidelines<sup>1</sup>, and are connected to resources and interventions as early as possible.

## Agencies Involved:

- American Academy of Pediatrics – Orange County Chapter
- CalOptima
- CHOC Children's
- Child Guidance Center
- First 5 Orange County
- Help Me Grow Orange County
- OC Health Care Agency
- OC Social Services Agency
- Pretend City
- Regional Center of Orange County / Comfort Connection
- State Council on Developmental Disabilities, Orange County Office

<sup>1</sup> National, evidence-based guidelines include but are not limited to: Bright Futures, AAP, and government regulations or recommendations

# Role of the Steering Group

- Actively **championing** a shared vision
- Working together and **building linkages** with community partners to **remove system barriers**
- Committing to the **effective use of resources** and programs in the community
- **Focusing** on parents and primary care physicians

# Detect & Connect OC Working Groups



## **Data Sharing & Technology:**

Prioritize and execute opportunities to increase data sharing across systems



**System of Care:** Work with community partners to identify and develop strategies to link more children to support and address gaps within the system of care

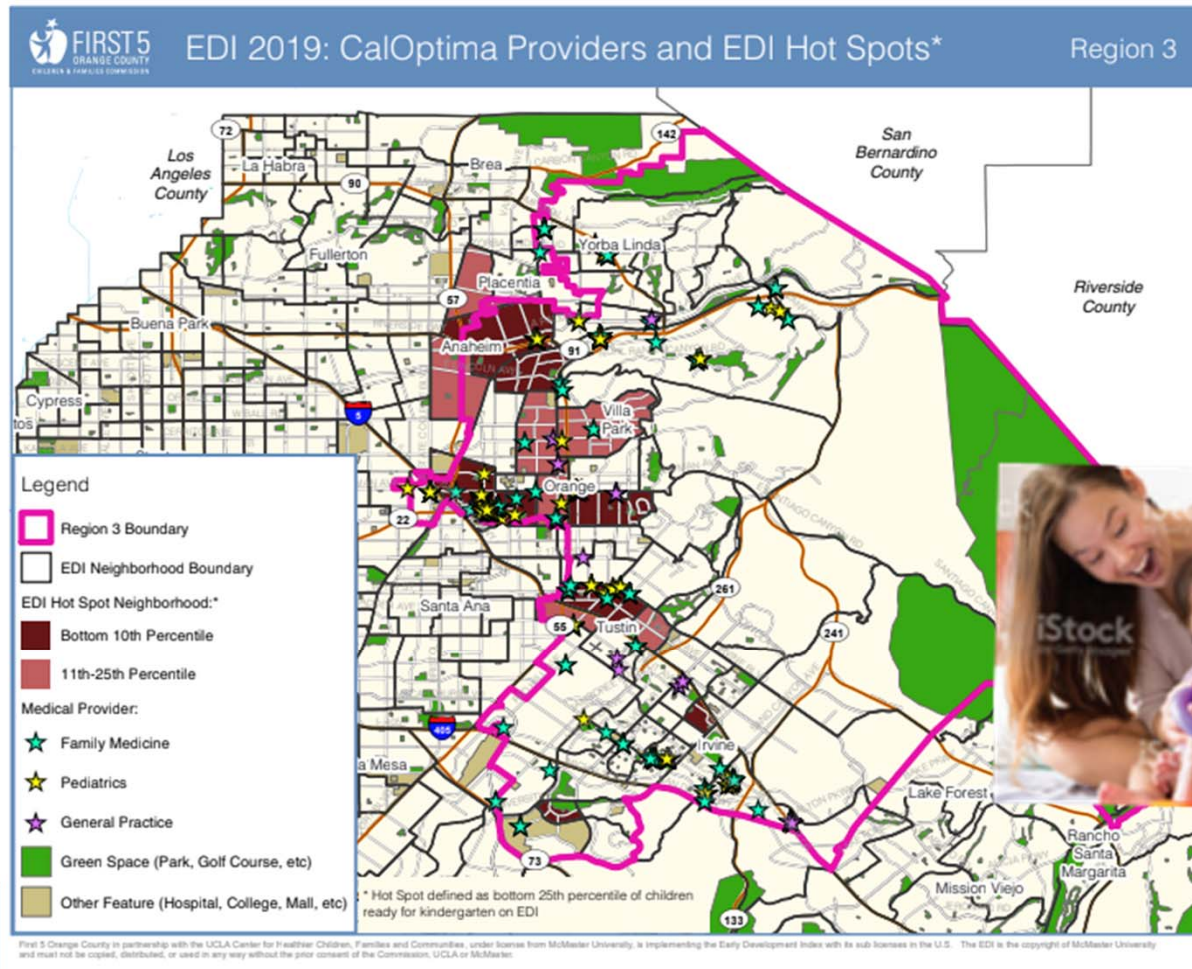


**Provider Support:** Support pediatric and family practice providers with implementation of screenings, and align provider/member incentives to reimbursement and incentive opportunities

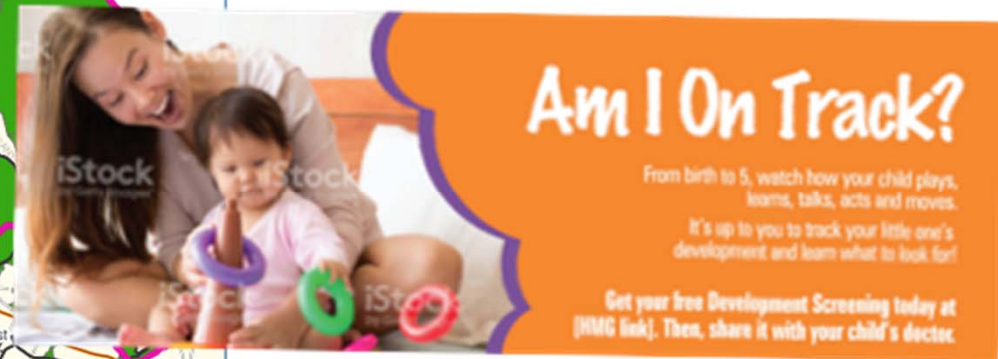


**Shared Messaging & Education:** Disseminate shared messages and targeted provider and parent outreach

# Working Group Example: Shared Messaging & Education



**Objective:** Leverage EDI data and Am I On Track campaign materials for targeted messaging to providers and families.



# Working Group Example: Provider Support

- Passing of Prop 56 was very timely and provides significant potential for provider incentives and managed care accountability



**Provider Support:** Support pediatric and family practice providers with implementation of screenings, and align provider/member incentives to reimbursement and incentive opportunities

- **Objectives:** Support providers with ACES implementation and culture change, and Support providers with developmental screening incentive roll-out
  - Education and resources
  - ACES tool for children (PEARLs) will be added to the OC Children's Screening Registry
  - QIA support
  - CHOC Health Alliance provider incentive on top of reimbursement

## Lessons Learned for First 5 OC's Systems Work

- **Start with background research**
- **Be strategic with partner engagement**
- **Then... let partners lead and champion**
- **Be patient**
- **Invest in project management/facilitation**

# Questions

**Thank You!!!**



**Agenda Item 2  
June 3, 2020****DATE:** April 30, 2020**TO:** Children and Families Commission of Orange County**FROM:** Kimberly Goll, President/CEO**ACTION:** Receive update on First 5 Orange County Website

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**SUMMARY:**

First 5 Orange County has operated our existing website with minimal changes since 2010. This agenda item provides an update on upgrades to the First 5 Orange County website to bring it up to date in its design, functionality, and alignment with the Strategic Plan.

**DISCUSSION:**

First 5 Orange County's existing website was developed in 2010 and is outdated and has limited ability to be modified. Further, the website was developed prior to widespread use of handheld electronic devices, and the current structure does not translate well to mobile devices with smaller screens. With the adoption of the new strategic plan in February of 2019, it is an optimal time to refresh First 5 Orange County's website. This work will support current efforts to streamline our communication and outreach efforts and make First 5's work readily understandable to stakeholders.

Changes will include updating the website structure and content to reflect First 5's strategic plan and the agency's increased focus on systems work. We will also be able to highlight learnings from programmatic work in the areas of prenatal-to-three and school readiness as well as insights from the Early Developmental Index and other data analysis and findings. Additionally, the site will be refreshed with a clean, updated design. Functionality will be updated to optimize the user experience, such as reformatting the website to read well on multiple platforms and seeking a URL that reflects the First 5 name.

First 5's communications consultant, Cornerstone Communications, will lead this effort working closely with staff. The initial framework, conceptual design and proposed structure is anticipated in early summer and will be vetted through the Commission's ad hoc Policy & Communications committee. The redesigned website should be operational by the end of 2020. Staff will return to the full board with updates as the project progresses.

**STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended action has been reviewed in relation to the Strategic Plan and is consistent with all goal areas. Funding for the website redesign is included in the FY 2020/21 budget for Cornerstone Communications. There is no funding action proposed for this item.



**PRIOR COMMISSION ACTIONS:** N/A

**RECOMMENDED ACTIONS:**

Receive the update on proposed changes to First 5 Orange County's website.

**ATTACHMENT:** None

**Contact:** Lisa Burke



Agenda Item 3  
June 3, 2020

**DATE:** May 5, 2020

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

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

**ACTION:** Receive update on Performance Measurement

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**SUMMARY:**

First 5 Orange County has historically assessed the effectiveness of our investments by tracking the performance of funded programs. This agenda item outlines changes to the Performance Measurement strategies ensuring alignment with the current strategic plan.

**DISCUSSION:**

The strategic plan approved in April 2019 emphasizes work on systems that serve children and families which is necessary for early childhood outcomes to improve. This system-level work includes the concepts of building leadership for early childhood, engaging neighborhoods, and aligning and coordinating access to services across systems. These new concepts were also a significant input into the renewal process and helped to inform our funded partners' scopes of work.

There are four categories of proposed performance measurements, each with a discrete purpose. The first two categories – population indicators and strategic direction measurement – help to track progress on our visionary goals, while program measures provide accountability for our funded partner investment and the state data collection allows us to fulfill our state reporting mandate. Each of these performance measurement categories is described in greater detail below.

**Population Indicators**

Tracking how young children are faring on certain indicators at a population level provides a countywide perspective of the effectiveness of systems serving young children and families. While recognizing that investment by First 5 Orange County is only one input among many that influence these indicators, they offer an important “big picture” gauge on whether children and families are better able to access services and supports to improve their outcomes. The strategic plan currently outlines several headline objectives tied to population indicators. Over the next several months we plan to revisit these headline objectives and population-level indicators to ensure they reflect the current focus of First 5 and our partners.

Staff's initial thoughts on an updated list of population indicators to be tracked and reported annually to the Commission include the following six measures.

1. Percentage of children ready for kindergarten per the Early Development Index
2. Number of children ages 0-3 entered into the OC Children's Screening Registry
3. Number and proportion of maltreated or neglected children ages 0-5
4. Number of homeless families with children ages 0-5

5. Percentage of births that are Low Birth Weight
6. Well child measures from the Healthcare Effectiveness Data and Information Set (HEDIS) including well-child visits in the first 15 months of life; and in the third, fourth, fifth and sixth years of life

First 5 Orange County will gather data from public or internal data sources and review the finalized set of indicators with the Commission annually as part of its strategic plan review.

### **Strategic Direction Measurement**

Our strategic directions include building committed leaders on behalf of young children; engaging neighborhoods to envision and advocate for the unique needs of young children; working to better connect the multiple systems serving children and families (e.g., health, education, and social services); and increasing available funding and resources for early childhood. Making progress on these strategic directions will help create countywide systems change that benefits Orange County's children and families. Measuring progress on the strategic directions will be more qualitative than quantitative.

As this is the first year of implementing strategic direction measurement, we are piloting a questionnaire, which we anticipate will evolve through trial and error. Initially, funded partners, as well as other collaboratives that First 5 Orange County convenes or participates in, will complete a questionnaire twice a year (beginning of the fiscal year and mid-way through the fiscal year) about progress towards strategic directions, rating themselves on whether they have not yet started, are just getting started, are making progress, or are well on their way towards a series of aspirational statements listed below.

#### **Committed Leadership**

- A group of stakeholders committed to early childhood meets regularly to identify areas of overlap and areas of future work.
- There is a greater focus on early childhood in the policies and investments of the stakeholders.

#### **Engaged Neighborhoods**

- The stakeholder group seeks, incorporates and is responsive to voices of community residents.
- Support is provided for families to advocate for themselves as they navigate through systems.

#### **Connected Systems**

- Families experience a seamless system of supports in response to identified needs.
- Leaders, residents, and service providers work together to increase access to high-quality services for underserved families.
- Agencies and programs share data with each other to advance their work toward shared outcomes.

#### **Sustained Services**

- Organizations work together to identify points of intersection to use existing funds and resources creatively as well as to find new funding sources for early childhood.

**Program Measures**

Similar to our traditional program-level performance measurement, funded partners will report on their program's progress on a monthly or quarterly basis, depending on the program. We have worked with partners to streamline the number of program milestones to be tracked. Program-specific measures are specified in funded partner agreements and may include:

- Scope of Work reporting to their First 5 program lead (implementation accountability)
- Work Plan milestone reporting via input to Salesforce, Bridges Connect or other data platform (service counts and program outcomes)
- Accountability Plan reporting (specific to school readiness initiative goals)

**Statewide Data Collection**

First 5 Orange County will continue to collect and submit data annually to First 5 California, including numbers of children and families served, demographic data, and broad categories of services provided.

**STRATEGIC PLAN & FISCAL SUMMARY:**

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

**PRIOR COMMISSION ACTIONS:**

- April 2019 – adopted First 5 Orange County 2019-2024 Strategic Plan

**RECOMMENDED ACTION:**

Receive the update on First 5 Orange County's performance measurements.

**ATTACHMENT:**


None

**Contact:** Lisa Burke

**Agenda Item 4**  
**June 3, 2020**

**DATE:** May 14, 2020

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

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

**ACTION:** Conduct Public Hearing, adopt resolutions and receive the Fiscal Year 2020/2021 Proposed Budget and Fiscal Year 2019/2020 Amended Operating Budget

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**SUMMARY:**

First 5 Orange County Children and Families Commission conducts a public hearing to approve the annual budget for the upcoming fiscal year. This item recommends approval of the Budget, as described below, for Fiscal Year 2020/2021.

**DISCUSSION:****Fiscal Year 2020/2021 Proposed Budget**

The Fiscal Year 2020/2021 budget proposal represents the first of the three-year funding actions approved in February 2020. The proposed base program budget for Fiscal Year 2020/2021 is approximately \$16.2 million and is consistent with the Long-Term Financial Plan assumptions provided at the December 2019 Commission meeting.

In April 2019, First 5 Orange County updated its Strategic Plan, claiming a bold vision that all Orange County children reach their full potential, and outlining new strategic directions to reach that vision including:

- Building committed leaders working for children and families;
- Engaging neighborhoods using Early Development Index results;
- Connecting the systems of care that serve children and families;
- Aligning First 5 Orange County investments for greatest impact using data-informed, mission-driven decision making; and
- Sustaining funding for early childhood services by working to secure new or repurposed funds.

Past budgets have presented program funding in the four Commission goal areas of Healthy Children, Strong Families, Early Learning, and Systems Building (Capacity Building). The Fiscal Year 2020/2021 budget has been reformatted to better align with the updated Strategic Plan. The updated budget area classifications are intended to appropriately represent the Commission's forward-looking efforts 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.

Commission approval of the proposed budget does not provide funding authority for specific programs or contracts. All program funding is approved through specific Commission action. To summarize and provide narrative regarding these previous Commission actions, a list of Funded Initiatives for Fiscal Year 2020/2021 (Attachment 3) is attached. The list of funded initiatives

provides a point-in-time overview and will change throughout the year through subsequent Commission actions.

*Budget Highlights:*

- *Revenue*
  - Tobacco tax revenue, after several volatile years, is currently projected near the annual 3.5% decline included as an important assumption in the financial plan for years. Monthly revenues are closely monitored, and if any adjustment or revision to budgeted tobacco tax revenue is deemed necessary due to unexpected deviations of tax receipts, the Commission will be notified and presented with different budget planning scenarios in a subsequent budget amendment.
  - Estimated revenue has been budgeted for Commission's pass-through and subcontracted programs: First 5 California IMPACT (\$1,840,000), Dental Transformation Initiative (\$4,500,000), and CalWORKS Home Visitation (\$3,100,000).
  - Other revenue sources consist of contributions for both the Conditions of Children Report, investment earnings, and other miscellaneous anticipated reimbursements and payments.
  - Total revenue is less than initial budgeted expenses in the proposed budget. Expected disbursements include nearly \$4.5 million in Systems Building (previously called Catalytic) projects. These are one-time projects that are tracked against the Systems Building fund that was initially established by the Commission in 2012. Catalytic projects are not funded by current tobacco tax revenues and are not included as ongoing annual budget demands.
  
- *Program Funding*
  - All budget program areas are consistent with the February 2020 Commission three-year funding actions. Pass-through and subcontract funded programs with First 5 California, the California Department of Health Care Services, and other miscellaneous projects have been approved by separate Commission action.
  - Estimated expenses equal to the revenue previously detailed have been included in the programs budget: First 5 California IMPACT (\$1,840,000), Dental Transformation Initiative (\$4,500,000), and CalWORKS Home Visitation (\$3,100,000).
  - Estimates of Systems Building (Catalytic Round 1 and 2) expenses are included in the proposed Fiscal Year 2020/2021 budget and include \$1,200,000 for the Intergovernmental Transfer (IGT) approved in April 2020. Catalytic funding consists of one-time Systems Building projects that are tracked separately from annual budgeted programs.
  - Program management, evaluation and administrative consultants are included in the proposed budget.
  - Staff salaries and benefits supporting a specific Commission program or project are allocated to the related program goal area totaling approximately \$893,000. Allocations are based on an initial time study of Commission staff managing programs and also consider specific job descriptions and staff assignments.

*Fiscal Year 2020/2021 Administrative Budget*

Total administrative expenses of \$1.48 million are lower than the previous year amount of \$1.67 million due to allocations of staff time dedicated to programs. All staff salaries and benefits

dedicated to administrative activities are included along with office operations, travel, meetings, communications, and professional services. The proposed administrative budget is 4.4% of the total annual operating budget of \$34 million. The total annual operating budget includes funding for First 5 California IMPACT, Dental Transformation Initiative, IGT transfer, CalWORKS Home Visiting and one-time Systems Building (Catalytic) funding.

Total staff salaries and benefits are budgeted at \$1.9 million compared to \$1.7 million in Fiscal Year 2019/2020. The staffing budget reflects the organizational design approved by the Commission in October 2019. The shift to systems building created a need for additional staffing that will be balanced to efficiently meet the demands with consultants in specific areas of technical expertise. Benefits are provided through the County and budgeted at the current rates.

The Fiscal Year 2020/2021 Proposed Budget is fully compliant with the policy to limit administrative expenses to 10 percent of the annual budget. California Health and Safety Code Section 130140 requires the Commission to adopt a limit on the percentage of the operating budget that may be spent on administrative functions. Administrative costs and functions are defined by the First 5 California Commission guidelines pursuant to Chapter 284, Statutes of 2005 (AB 109). Adoption of the Fiscal Year 2020/2021 budget includes a 10 percent limitation of the operating budget on administrative function expenditures. Approval of the Fiscal Year 2020/2021 Proposed Budget (Attachment 2) is requested.

### **Final Amended Fiscal Year 2019/2020 Budget**

The Fiscal Year 2019/2020 Budget was approved by the Commission in April 2019 and amended in December 2019. Current program allocations and encumbrances were analyzed and a proposed amended operating budget for Fiscal Year 2019/2020 (Attachment 4) has been developed. The amended operating budget includes both previously approved contracts and pass-through program funding amounts.

- *First 5 California IMPACT and Hub* – Both revenue and expenses for the IMPACT and Hub are amended to reflect the final program contract amounts. The revenue increase represents the approved carryover of unspent funds from prior years with the addition of incentive funds from the IMPACT program to be received by June 30, 2020. Expenses have been increased to represent the approved carryover. The incentive funds received will not be expended in the current year and will be included in the appropriate future-year budget once the disbursement has been approved by the Commission.

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

The Fiscal Year 2020/2021 proposed Operating Budget and Final Amended Fiscal Year 2019/2020 Budget and recommended actions presented in this staff report have been reviewed in relation to the Commission's Strategic Plan and are consistent with applicable goals. The proposed evaluation priority areas are consistent with the Strategic Plan and statutory requirements related to evaluation.

### **PRIOR COMMISSION ACTIONS:**

- December 2019 - Approved the Fiscal Year 2019/2020 Amended Budget
- April 2019 - 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

- February 2019 – Conducted annual planning meeting to review and discuss new Strategic Plan

**RECOMMENDED ACTIONS:**

1. Conduct Public Hearing.
2. Adopt resolution (Attachment 1) approving the Annual Operating Budget for Fiscal Year 2020/2021 (Attachment 2) and confirming the 10 percent limitation on administrative expenditures for the operating budget.
3. Adopt resolution (Attachment 5) approving the Fiscal Year 2019/2020 Amended Operating Budget (Attachment 4).

**ATTACHMENTS:**

1. Resolution - Fiscal Year 2020/2021 Operating Budget
2. Fiscal Year 2020/2021 Proposed Budget
3. Funded Initiatives for Fiscal Year 2020/2021
4. Fiscal Year 2019/2020 Final Amended Budget
5. Resolution—Fiscal Year 2019/2020 Final Amended Budget

**Contact:** Michael Garcell



**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

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

**June 3, 2020**

**A RESOLUTION OF THE CHILDREN AND FAMILIES  
COMMISSION OF ORANGE COUNTY (1) ADOPTING THE  
FISCAL YEAR 2020-21 OPERATING BUDGET, AND (2)  
CONFIRMING A 10% LIMIT ON ADMINISTRATIVE  
EXPENSES**

**WHEREAS**, the Children and Families Act of 1998 requires the Children and Families Commission of Orange County (“Commission”) to adopt and annually review 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 (1) its adoption of an Annual Operating Budget, and (2) adoption of a percentage limitation of its operating budget that may be spent on administrative functions; and

**WHEREAS**, at its meeting of June 3, 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 June 3, 2020 Commission meeting with the Attachment number set forth herein: The Annual Operating Budget for the Fiscal Year 2020-21 (Attachment 2).

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

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

**Section 2**      The Commission hereby adopts the Annual Operating Budget for Fiscal Year 2020-21.

**Section 3**      Pursuant to California Health and Safety Code Section 130140(d)(5), the Commission confirms 10% of the operating budget as the limit that may be expended on administrative functions.

**Section 4**      Notwithstanding the approval of the budget, no expenditures from the line item categories for grant funding for Program Services (or any subcategory within such categories) is authorized or may be approved except by subsequent action of the Board of Commissioners, no category is required to be funded at any particular level, no grant funding decisions for individual applicants or types of applicant will be made except in connection with specific grant processes, and no ceiling or floor for such categories is established by this budget.

**Section 5**      Approval by the Board of Commissioners is required to increase or decrease the existing total amount of budgeted appropriations, revenues, and/or reserves as adopted by the Board of Commissioners. The Executive Director, or designee, is authorized to transfer existing budgeted

appropriations mid-fiscal year between existing budget categories and accounts in order to pay for required operating expenses. In accordance with the Commission's Budgetary Control policy, the Commission renews its delegation of authority to approve budgetary transfers to the Executive Director for Fiscal Year 2020-21.

**Section 6** The Clerk of the Commission shall append to this Resolution a copy of the Annual Operating Budget for Fiscal Year 2020-21 set forth in Section 2, as Exhibit A (which shall correspond to Attachment 2 of the June 3, 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 7** 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 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 June 3, 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: June 3, 2020

Item No. \_\_\_\_



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

ROBIN STEILER, Clerk of the Commission

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

**EXHIBIT A TO RESOLUTION OF COMMISSION**  
**(ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2018-19)**  
**(attached)**

# First 5 Orange County Children and Families Commission

## Fiscal Year 2020/2021 Proposed Budget

	<b>FY 20/21 Proposed Budget</b>
<b><u>FINANCING</u></b>	
<b>Prop 10 Tax Allocations</b>	21,554,480
<b>Other Revenues</b>	
Investment Earnings	100,000
MAA Revenue	250,000
First 5 CA IMPACT	1,840,000
Dental Transformation Initiative	4,500,000
CalWORKS Home Visitation Program	3,100,000
Other Revenue	200,000
	<b>31,544,480</b>
<b><u>PROGRAM SERVICES</u></b>	
<b>Prenatal-to-Three</b>	
Bridges: Maternal Child Health Network Hospitals	1,458,000
Bridges: Maternal Child Health Network Home Visiting Services	3,845,500
CalWORKS Home Visitation Program	3,100,000
Early Relational and Mental Health Systems	390,000
Autism and Pediatric Support	1,030,240
Prenatal-to-Three Catalytic Funding	1,200,000
Prenatal-to-Three Program Support	646,122
Prenatal-to-Three subtotal	11,669,862
<b>School Readiness Initiative</b>	
School District Partnerships	6,006,400
Childcare Quality Improvement: First 5 CA IMPACT	1,840,000
Early Literacy and Math Programs	850,260
School Readiness Initiative Program Support	541,632
School Readiness Initiative subtotal	9,238,292

# First 5 Orange County Children and Families Commission

## Fiscal Year 2020/2021 Proposed Budget

	<b>FY 20/21 Proposed Budget</b>
<b>Homeless Prevention</b>	
Homeless Prevention Operational Support	985,000
Homeless Prevention Systems Building	<u>850,000</u>
Homeless Prevention subtotal	1,835,000
<b>Children's Dental</b>	
Children's Dental (Dental Transformation Initiative)	4,500,000
Children's Dental Education, Outreach, Prevention and Treatment	<u>2,500,000</u>
Children's Dental subtotal	7,000,000
<b>Systems Building</b>	
Systems Building	250,000
Engaged Neighborhoods	340,000
Systems Building Support	<u>340,327</u>
Systems Building subtotal	930,327
<b>Performance Evaluation</b>	
Performance Management - Data Systems Platforms	391,746
Evaluation and Performance Management Support	<u>763,000</u>
	1,154,746
<b>Total Program</b>	<b>31,828,227</b>
<b>Administrative Functions</b>	
Administrative Staff Salary and Benefits	556,000
Strategic Communications	195,800
Professional and Technical Services	479,000
Office, Training & Operating Costs	<u>253,520</u>
Administrative Functions Subtotal	1,484,320
<b>Fiscal Year 2020/2021 Proposed Budget Total</b>	<b>33,312,547</b>

**FUNDED INITIATIVES FOR FY 2020-2021**

Attachment 3

**Prenatal-to-Three Programs****Bridges Maternal Child Health Network Hospitals**

Partners provide prenatal outreach, distribution of the Kit for New Parents, selected bedside screening and referrals as needed. Significant shifts in the distribution of births among the hospitals have occurred over the past 10 years. An evaluation analyses confirmed both the important and unique role of hospitals in reaching at-risk families as well as the validity of the screening process as a means of identifying children at increased risk for maltreatment.

**Partners:**

Anaheim Regional Medical Center	Mission Hospital Regional Medical Center
South Coast Global Medical Center	St. Joseph Hospital of Orange
Fountain Valley Regional Hospital & Medical Ctr.	St. Jude Medical Center
Garden Grove Hospital & Medical Ctr.	Anaheim Global Medical Center
Hoag Memorial Hospital Presbyterian	Orange County Global Medical Center

**Home Visiting Services**

The home visiting services of the Bridges Network encompasses both community and County-based service providers and a shared information system for bidirectional communication. The Bridges Network was selected to implement the County's CalWORKs Home Visiting Program and also encompasses programs that provide public health nursing programs serving special populations, and the Neighborhood Resource Network, a home visiting program aimed at reducing child maltreatment. All of these programs increase prenatal-to-three services and linkages available to vulnerable families in the county.

**Partners:**

Children's Bureau of Southern California  
Priority Center  
Oranges County Health Care Agency  
Children's Home Society of Southern California

**Early Relational Health and Mental Health Systems**

A system to improve prevention, early identification and connection with treatment of perinatal mood and anxiety disorders and substance use disorder as well as identifying opportunities to promote early relational health. First 5 Orange County brings together project management experts, medical organizations, community and county organizations to focus efforts on mental well being for children and families.

**Partners:**

American Academy of Pediatrics, Orange Co. Chapter – Supports developmental and other related screening at primary care sites as a component of well child visits. Participate in the planning and development, implementation and evaluation of continuing medical education conferences for child

and family related health issues such as ACEs awareness and trauma-informed care. Assist with school readiness efforts to link school districts to pediatric primary care providers.

NP Strategies- 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 Hospital, and multiple county stakeholders.

Program Management Consultants – Expertise provided in Early Childhood Relational Health including coordinating First 5 Orange County’s work as a result of Backbone for Be Well Orange County, serving on Health Care Agency’s Mental Health Steering Committee and promoting increased integration and support services for young children and pregnant women. Also, prevention, early identification and connection with treatment of perinatal mood and anxiety disorders and substance use disorder

### **University of California, Irvine The Center for Autism and Neurodevelopmental Disorder**

The Center for Autism & Neurodevelopmental Disorders (CAND) is home to a team of experts in the field of autism and neurodevelopmental disorders. The Center provides support for diagnosis and treatment of autism spectrum disorders, ADHD, and other neurodevelopmental disorders through excellent and innovative clinical care, education and training, research, and engagement.

### **InterGovernmental Transaction (IGT)**

Matching program where a government entity provides non-federal matching funds that the state uses to obtain the highest Medicaid 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. This year’s IGT is focused on;

- 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 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. An estimated 1,229 children would be served annually when the program is fully operational.

### **Partner:**

CHOC Children’s



## SCHOOL READINESS

### School District Partnerships

A funding partnership with all twenty-five Orange County school districts with and elementary population and the County Department of Education. The goal of this partnership is to support the districts in promote the importance of early childhood within District leadership and within the communities they serve. Specifically, the districts may use the funding to supporting outreach efforts to improve access to early intervention services, health and education outcomes, and family resiliency.

Through this partnership First 5 supports the district's collection of the Early Developmental Index (EDI). Orange County is the only county in the nation with universal kindergarten readiness data. The EDI is a population based, whole child, kindergarten readiness measurement. It measures a child's readiness across five developmental domains including physical health, social competence, emotional maturity, language and cognitive skills, ad communication and general knowledge. The EDI has been found to be a reliable indicator of a child's wellbeing. Districts use the EDI to target engagement and outreach efforts to local collaborations, childcare providers, and families. Districts receive an allocation of funding based on their kindergarten enrollment.

#### Partners:

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

### First 5 Impact

First 5 IMPACT (Improve and Maximize Programs so All Children Thrive) is an innovative approach that forges partnerships between First 5 California and counties to achieve the goal of helping children ages 0 to 5 and their families thrive by increasing the number of high-quality early learning settings and supporting and engaging families in the early learning process. Our local model is delivered in partnership with the Orange County Department of Education and includes trainings and support to childcare providers to increase quality.

#### Partner:

Orange County Department of Education

**Early Learning and Math Programs**

In 2012, First 5 awarded Think Together with a catalytic investment to initially implement and sustain Early Literacy and Math programs including but not limited to Read for the Record, Reach out and Read, Center based early learning programs, and Raising a Reader. The Center based program is only possible because of the support from AmeriCorps Members, which is implemented in partnership with the First 5 Association and the Prevent Child Abuse California. Funding for this Initiative goes toward providing and

**Partners:**

First 5 Association and Prevent Child Abuse California - Match funding for the County's AmeriCorp members to provide services

Think Together – Provides county-wide literacy math programs

## Homeless Prevention

This funding ensures that there are dedicated shelters for families and that those shelters are equipped to meet the unique need of families with very young children. In addition to providing either temporary or transitional shelter providers also link to developmental screening, assessments and linkage to follow up services such as health, mental and educational services; connections to child care and early learning opportunities; and parent support and education. First 5 Orange County provides both annual operating support as well as one-time infrastructure to increase physical capacity of the shelters. Additionally, First 5 Orange County support improvements and expansions for the Family Solutions Collaborative, 22 shelters that work together on system of care for homeless families. These investments are not limited too but include evaluation and performance bench marking, universally agreed to operating guidelines, housing navigation, and diversion activities.

The Commission approved two new homeless funding program areas for the next contract cycle contracting with the Family Solutions Collaborative. The Housing Navigation program is funding for dedicated staff to help identify housing options for homeless families. Housing Navigators engage families and case managers and offer a combination of housing focused services, including working with prospective property owners and managers to promote permanent housing opportunities for homeless families. The Planning Diversion Grant is a six-month planning grant for concept development of a comprehensive Diversion Program to divert families from experiencing homelessness. The Planning Grant is due for Commission approval October 2020. Funding for Diversion Program is dependent on Commission of Planning Grant and allocation of additional funding.

### **Partner:**

Family Solutions Collaborative

Over the last 20 years, First Orange County, 5 in partnership with HomeAid Orange County and family shelter providers has increased the capacity of the Orange County shelter system by over 400 beds dedicated to serving families.

### **Partners:**

Casa Teresa  
 Family Assistance Ministries  
 Pathways of Hope  
 Illumination Foundation  
 Laura's House  
 Orange County Rescue Mission  
 Colette's Children's Home  
 Precious Life Shelter

## **Children's Dental**

First 5 Orange County contracts for a comprehensive array of children's dental services which includes state funding for the Dental Transformation Initiative to provide accessible dental care, by bringing together and coordinating community providers, and providing an innovative model for delivering services.

### **Children's Dental Transformation Initiative**

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

#### **Partners:**

- Healthy Smiles for Kids of Orange County
- Orange County Coalition of Health Centers
- Central City Health Center
- Serve the People
- VCC: Gary Center
- California Northstate University

### **Children's Dental Education, Outreach, and Prevention**

First 5 Orange County contracts for a comprehensive array of children's dental services to provide accessible dental care by bringing together and coordinating community providers and providing innovative models for delivering services.

#### **Partners:**

- Healthy Smiles for Kids of Orange County

## **Systems Building**

### **Engaged Neighborhoods**

The Early Development Index reveals neighborhoods with the children that are the most vulnerable. Using that data and in partnership with our philanthropic organizations, First 5 Orange County supports communities to use the EDI data to strengthen the focus on improving early childhood outcomes as measured by the EDI and third grade reading scores. Funds are used to provide technical assistance in understanding the EDI data, facilitation and support for strengthen community collaboratives to address service gaps, system alignment, and awareness about the importance of early childhood. Collaboratives typical include nonprofits, parents, school districts, childcare, city representation and local business. The goal of the Engaged Neighborhood Initiative is that the achievement gap in students is narrowed because of community engagement and strengthening of school readiness.

#### **Partners:**

Early Childhood OC  
 Santa Ana Early Learning Initiative  
 Anaheim Elementary School District  
 La Habra School District

### **Pretend City**

In 2012, First 5 Orange County approved an allocation of \$5.5 million to Pretend City as a catalytic investment to establish a permanent location and expand healthy child development resources, leverage the Early Development Index (EDI) and Kid Builders to enhance service outreach, expand social media campaigns to address the importance of Early Childhood, especially the need for developmental screenings and the importance of school readiness.

### **Memberships**

Membership in statewide and local organizations that support the vision that all children reach their full potential is critical to First 5 Orange County's strategic plan. 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.

### **First 5 Association**

The First 5 Association is a nonprofit membership organization for the 58 county First 5 commission, connecting First 5s to other public and nonprofit partners, foundations and child advocacy groups to ensure collaboration and a common statewide agenda to advance the best possible future for our children.

### **Health Funders Partnership**

A funder collaborative committed to creating a healthy Orange County by enhancing the impact and efficiency of health philanthropy and health service delivery. The Partnership identifies strategic issues for collaborative funding; First 5 Orange County ensures that issues related to young children and families are considered and included.

### **OC Grantmakers**

A collaborative comprised of local funders whose goal is to strengthen the county's nonprofit sector. It includes a range of funders from private, corporate, and public sectors working together to build nonprofit capacity – including those serving children and families – and to increase effective philanthropy.

**Orange County Business Council (OCBC)**

Through OCBC, hundreds of Orange County's leading businesses, cities and nonprofit organizations work to create a vibrant and prosperous economy. Because childcare and early childhood health and education is fundamental to a thriving future workforce, First 5 Orange County and OCBC work to align the early childhood and business leaders vision and advocacy efforts.

**Association of California Cities Orange County Chapter**

ACC-OC represents the interests of Orange County cities through advocacy and education effort aimed at protecting and restoring local control. Member include not only local jurisdictions, but also nonprofit, government and business organizations. First 5's voice on this collective promotes the importance of a strong early childhood system of care to an overall quality of life.

**STEM Initiative**

The STEM Initiative implements Orange County's STEM (Science, Technology, Engineering and Mathematics) initiative business plan. The focus is on a full continuum of learning from preschool through college, with the overarching goal that students are college and career ready in the STEM fields.

**Essentials for Young Lives**

An annual drive to collect donations of diapers, baby wipes, baby food, and other baby products for distribution to homeless families with young children. Includes funding for legislative support, strategic communications and the Essentials for Young Lives event activities.

## **Performance Evaluation**

### **Performance Management – Data Systems Platform**

In the spirit of collaboration with a sister First 5 commission, First 5 Alameda is allowing First 5 Orange County to leverage their development of HIGH5, a performance measurement system, and tailor it to our performance measurement and reporting needs.

#### **Partners:**

eightCloud – Program developer responsible for the development of First 5 Alameda’s High5 system on the Salesforce platform and can customize the existing structure for First 5 Orange County’s specific needs.

Salesforce – Enterprise platform-as-a-service (PaaS) solution allows developers to build and deploy cloud applications.

### **Evaluation and Performance Management Support**

First 5 Orange County relies heavily on data collection and reporting to inform thoughtful decision making. Funding includes research and evaluation consultants, as well as reports and projects.

#### **Partners:**

DataLink – Coordinates Early Development Index (EDI) evaluation projects and implementation at school districts, performance plans for funded partners that tracks First 5 Orange County’s new strategic plan, and develops annual report.

University of California Los Angeles – Assists 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.

University of Southern California, Children’s Data Network – Performs predictive analysis of Bridges program including data, Bridges Connect database and refinement of datasets. Assisting in developing new service area map for home visiting agencies.

**First 5 Orange County Children and Families Commission**  
**Fiscal Year 2019/2020 Final Amended Budget**

	<b>FY 19/20 Amended Budget</b>	<b>Carryover</b>	<b>Amendments</b>	<b>FY 19/20 Final Amended Budget</b>
<b><u>FINANCING</u></b>				
<b>Prop 10 Tax Allocations</b>	22,336,249	-	-	22,336,249
<b>Other Revenues</b>				
Investment Earnings	100,000	-	-	100,000
MAA Revenue	180,000	-	-	180,000
First 5 IMPACT	2,469,616	-	1,605,000	4,074,616
Dental Transformation Initiative	6,158,789	-	-	6,158,789
CalWORKS Home Visitation Program	1,499,436	-	-	1,499,436
Other Revenue	223,000	-	-	223,000
	<u>32,967,090</u>	<u>-</u>	<u>1,605,000</u>	<u>34,572,090</u>
<b><u>PROGRAM SERVICES</u></b>				
<b>Healthy Children</b>				
Bridges: Maternal Child Health Network	4,478,000	-	-	4,478,000
CalWORKS Home Visitation	1,474,649	-	-	1,474,649
Community Health	561,091	-	-	561,091
Children's Dental (Dental Transformation Initiative)	6,158,789	-	-	6,158,789
Pediatric Health Services	2,172,240	-	-	2,172,240
School Readiness Nursing	3,095,000	-	-	3,095,000
Healthy Children Catalytic Funding (one-time Systems Building)	3,607,323	-	-	3,607,323
Healthy Children Program Support	813,551	-	-	813,551
Healthy Children subtotal	<u>22,360,643</u>	<u>-</u>	<u>-</u>	<u>22,360,643</u>
<b>Strong Families</b>				
Family Support Services	1,093,000	-	-	1,093,000
Homeless Prevention	890,000	-	-	890,000
Strong Families Catalytic Funding (one-time Systems Building)	5,000,000	-	-	5,000,000
Strong Families Program Support	130,205	-	-	130,205
Strong Families subtotal	<u>7,113,205</u>	<u>-</u>	<u>-</u>	<u>7,113,205</u>
<b>Early Learning</b>				
Early Learning Specialists	2,451,400	-	-	2,451,400
First 5 IMPACT and IMPACT Hub	2,469,616	-	775,000	3,244,616
Community Based Early Learning Programs	1,305,260	-	-	1,305,260
Early Learning Catalytic Funding (one-time Systems Building)	750,000	-	-	750,000
Early Learning Program Support	338,053	-	-	338,053
Early Learning subtotal	<u>7,314,329</u>	<u>-</u>	<u>775,000</u>	<u>8,089,329</u>



**First 5 Orange County Children and Families Commission**  
**Fiscal Year 2019/2020 Final Amended Budget**

	<b>FY 19/20 Amended Budget</b>	<b>Carryover</b>	<b>Amendments</b>	<b>FY 19/20 Final Amended Budget</b>
<b>Systems Building (Capacity Building)</b>				
Performance Management	325,491	-	-	325,491
Performance Management Support	618,663	-	-	618,663
Systems Building	250,000	-	-	250,000
Systems Building Support	158,761	-	-	158,761
Systems Building subtotal	1,352,915	-	-	1,352,915
<b>Total Program</b>	<b>38,141,092</b>	<b>-</b>	<b>775,000</b>	<b>38,916,092</b>
<b>Administrative Functions</b>				
Administrative Staff Salary and Benefits	607,534	-	-	607,534
Strategic Communications	255,000	-	-	255,000
Professional and Technical Services	484,000	-	-	484,000
Office, Training & Operating Costs	319,220	-	-	319,220
Administrative Functions Subtotal	1,665,754	-	-	1,665,754
<b>Total Annual Operating Budget</b>	<b>39,806,846</b>	<b>-</b>	<b>775,000</b>	<b>40,581,846</b>

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_20-C&FC**

**June 3, 2020**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF  
ORANGE COUNTY ADOPTING THE AMENDED FISCAL YEAR 2019-20  
OPERATING BUDGET**

**WHEREAS**, at its meeting of April 3, 2019, the Commission conducted a public hearing and reviewed and adopted the following documents prepared and recommended by staff and identified in the staff report for the April 3, 2019 Commission meeting: The Strategic Plan and the Annual Operating Budget for the Fiscal Year 2019-20, including the Administrative Budget; and

**WHEREAS**, at its meeting of December 4, 2019, the Commission reviewed and adopted an Amended Annual Operating Budget for the Fiscal Year 2019-20 prepared and recommended by staff and identified in the staff report for the December 4, 2019 Commission meeting as Attachment 3.

**WHEREAS**, at its meeting of June 3, 2020, the Commission reviewed and adopted an Amended Annual Operating Budget for the Fiscal Year 2019-20 prepared and recommended by staff and identified in the staff report for the June 3, 2020 Commission meeting as Attachment 4.

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 adopts the Amended Annual Operating Budget for Fiscal Year 2019-20.

**Section 3** Notwithstanding the approval of the amended budget, no expenditures from the line item categories for grant funding for Program Services (or any subcategory within such categories) is authorized or may be approved except by subsequent action of the Board of Commissioners; no category is required to be funded at any particular level; no grant funding decisions for individual applicants or types of applicant will be made except in connection with specific grant processes, and no ceiling or floor for such categories is established by this budget.

**Section 4** Approval by the Board of Commissioners is required to increase or decrease the existing total amount of budgeted appropriations, revenues, and/or reserves as adopted by the Board of Commissioners. The President/CEO, or designee, is authorized to transfer existing budgeted appropriations mid-fiscal year between existing budget categories and accounts in order to pay for required operating expenses. In accordance with the Commission's Budgetary Control policy, the Commission renews its delegation of authority to approve budgetary transfers to the Executive Director for Fiscal Year 2019-20.

**Section 5** The Clerk of the Commission shall append to this Resolution a copy of the Amended Annual Operating Budget for Fiscal Year 2019-20, identifying it as Exhibit A, which shall

correspond to Attachment 4 of the June 3, 2020 staff report. By this reference such exhibit is incorporated as though fully set forth herein.

**Section 6**      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 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 June 3, 2020 to wit:

AYES Commissioner(s): \_\_\_\_\_

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: June 3, 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**  
**AMENDED ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2019-20**  
**(attached)**

**Agenda Item 5**  
**June 3, 2020****DATE:** May 15, 2020**TO:** Children and Families Commission of Orange County**FROM:** Kimberly Goll, President/CEO**ACTION:** Approve Revised Term Sheet for Homeless Prevention Agreements

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**SUMMARY:**

At the February 5, 2020 First 5 Orange County Commission meeting, funding allocations for Homeless Prevention services were approved. This staff report provides an update on the negotiation and execution of those agreements and seeks approval of a revised term sheet.

**DISCUSSION:**

Immediately following First 5 Orange County's approval, staff began working on negotiating and executing these agreements with funded partners. As of the date of this report, one of the six approved new agreements is near execution and the remaining are in negotiations. Revisions are needed for the Homeless Prevention term sheet to correct the terms for three of the agreements previously approved. The term period for the agreement with Casa Teresa is reduced from three years, as originally approved, to one year, the agreement with Families Forward for the Diversion Program is starting on March 1, 2020 instead of July 1, 2020, as originally approved, and the Housing Navigator agreement with Families Forward is a three-years term instead of one, as originally approved. Staff recommends approval of the revised term sheet included here as an attachment.

**STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended actions have been reviewed in relation to the Strategic Plan and are consistent with all goal areas. This item does not include a funding request.

**PRIOR COMMISSION ACTIONS:**

February 2020 - Authorized funding and agreements for Homeless Prevention Agreements.

**RECOMMENDED ACTIONS:**

Approve revised Homeless Prevention RFP program term sheet.

**ATTACHMENT:**

1. Revised Homeless Prevention RFP Funding Term Sheet

**Contact:** Lucy Lin

## Homeless Prevention RFP Funding Term Sheet

### Emergency/Transitional Housing Services

Organization/Program	Contract Number	Term	FY 20/21	FY 21/22	FY 22/23	Maximum Payment Obligation	Scope of Work	Comments
Families Forward (for Family Shelter Collaborative -Murphy	FCI-FSC-01	7/1/20 - 6/30/23	\$90,000	\$90,000	\$90,000	\$270,000	Funding for direct services that supports the day to day operations of a shelter	
Colette's Children's Home	FCI-H4-18	7/1/20- 6/30/23	\$105,000	\$105,000	\$105,000	\$315,000		
Precious Life Shelter	FCI-H7-02	7/1/20 - 6/30/23	\$60,000	\$60,000	\$60,000	\$180,000		
Casa Teresa	FCI-H8-03	7/1/20 - 6/30/21	\$250,000	\$0	\$0	\$250,000		
<b>TOTAL</b>			<b>\$505,000</b>	<b>\$255,000</b>	<b>\$255,000</b>	<b>\$1,015,000</b>		

### Housing Navigator

Organization/Program	Contract Number	Term	FY 20/21	FY 21/22	FY 22/23	Maximum Payment Obligation	Scope of Work	Comments
Families Forward (for Family Shelter Colaborative)	FCI-FSC-02	7/1/20 - 6/30/23	\$200,000	\$200,000	\$200,000	\$600,000	Funding for dedicated staff to help identify housing options for homeless families	
<b>TOTAL</b>			<b>\$200,000</b>	<b>\$200,000</b>	<b>\$200,000</b>	<b>\$600,000</b>		


### Diversion Programs

Families Forward (for Family Shelter Colaborative)	FCI-FSC-03	3/1/20 - 2/28/21	\$100,000	TBD	TBD	TBD	Financial assistance and case management support to keep families in housing	Six-month planning grant for concept development. Anticipated date to bring planning grant before Commission is August or October 2020. Funding for years 2 and 3 is dependent on Commission approval of planning grant and allocation of additional funding.
<b>TOTAL</b>			<b>\$100,000</b>	<b>TBD</b>	<b>TBD</b>	<b>TBD</b>		

**Agenda Item 6**  
**June 3, 2020**

**DATE:** April 9, 2020

**TO:** First 5 Orange County Children and Families Commission

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

**ACTION:** Adopt resolution authorizing agreements for home visitation services for the CalWORKs Home Visitation Program

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**SUMMARY:**

The State of California's FY20/21 budget includes an allocation of funding to support home visiting within the California Work Opportunity & Responsibility for Kids (CalWORKs) program. Orange County Social Services Agency (SSA) will be drawing down available funding and will continue contracting with the First 5 Orange County for implementation of the CalWORKs Home Visitation Program (HVP). This item is to request an award of additional funding for the Commission's upcoming Prenatal-to-Three agreements with First 5 Orange County's Bridges Maternal Child Health Network (Bridges) HVP service providers.

**DISCUSSION:**

The CalWORKs Home Visiting Program (HVP) was created in FY18/19 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. In anticipation of the approval by the Orange County Board of Supervisors in May, First 5 Orange County recently approved a \$3.1 million amendment to its current contract with SSA for FY 20/21. The additional allocation is based on Orange County's total CalWORKs-eligible population.

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 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. With the additional funding, Bridges will serve 480 more families via a model that includes expanded early learning services, increased service coordination among providers, and a longer duration of services (up to 24 months).

To implement the CalWORKs-funded expansion, First 5 Orange County is requesting authority to add funding to agreements with Bridges providers scheduled to start on July 1, 2020 for prenatal to three services. These providers include Orange County Health Care Agency (HCA) for the Nurse Family Partnership program, Orange County Department of Education, and three community-based providers: MOMS Orange County, Children's Bureau, and The Priority Center (formerly Child Abuse Prevention Center). Network-wide training will be provided by Parents as Teachers National Center. This additional allocation of funding will expand the scope of work and update the referral



process to implement HVP. Attachment 1 includes a complete list of the providers and their HVP funding amounts.

#### **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:**

- February 2020 – Authorized agreements with designated organizations to provide Prenatal-to-Three services.
- October 2019 – Authorized receipt of funding from the Orange County Social Services Agency and adopted resolution authorizing agreements and amendments to agreements to provide CalWORKs home visitation services.
- April 2019 – Authorized amendments to agreements with contractors to provide services under the CalWORKs Home Visiting.
- December 2018 – Authorized amendments to agreements with contractors to provide services under the CalWORKs Home Visiting.
- October 2018 – Authorized receipt of approximately \$2,208,894 from, and enter into agreement with, the Orange County Social Services Agency to implement CalWORKs Home Visiting.
- Various prior actions authorizing agreements with contractors and consultants (whose scopes did not include CalWORKs Home Visitation).

#### **RECOMMENDED ACTION:**

Adopt resolution (Attachment 2) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate agreements with designated individuals and organizations to provide services for the terms, in the amounts, and on the conditions as specified in Attachment 1.

#### **ATTACHMENTS**

1. Updated Prenatal-to-Three Term sheet with CalWORKs HVP Funding
2. Resolution

**Contact:** Lisa Burke

# Prenatal-To-Three Term Sheet

Home Visiting Services									
Organization/Program	Contract Number	Term	FY 20/21	FY 21/22	FY 22/23	FY 20/21 HVP	Maximum Payment Obligation	Scope of Work	Comments
Children's Bureau of Southern California*	FCI-BN4-12	7/1/20 - 6/30/23	\$870,000	\$870,000	\$870,000	\$712,000	\$3,322,000	Provide family support and case management services for families with children aged birth through five years as part of the Bridges Network with a focus on the prenatal to three period. Scope includes voluntary services to families at risk for future substantiated child abuse reports.	Continue participation in TCM, Bridges continuous improvement and program evaluation activities. Integrates Neighborhood Resource Network program scope within Bridges Network. Work with First 5 program leads to develop and implement transition plan to an evidence-based home visiting model.
Priority Center (previously Orange County Child Abuse Prevention Center)*	FCI-BN4-13	7/1/20 - 6/30/23	\$908,000	\$908,000	\$908,000	\$712,000	\$3,436,000		
MOMS Orange County	FCI-HVP-01	7/1/20 - 6/30/21	\$0	\$0	\$0	\$329,000	\$329,000		
Orange County Department of Education	FCI-HVP-02	7/1/20 - 6/30/21	\$0	\$0	\$0	\$256,000	\$256,000		
Health Care Agency - Public Health Nursing	FCI-HCA-13	7/1/20 - 6/30/23	\$1,500,000	\$1,500,000	\$1,500,000	\$558,000	\$5,058,000	Provide public health nursing programs serving special populations including first time adolescent mothers and those with mental illness, Perinatal Mood and Anxiety Disorders, and high-risk medical conditions.	
Parents as Teachers National Center, Inc		6/4/20 - 06/30/21	\$0	\$0	\$0	\$125,000	\$125,000	Provide Foundation 1 and Foundation 2 Parents as Teachers network-wide training	
TOTAL			\$3,278,000	\$3,278,000	\$3,278,000	\$2,692,000	\$12,526,000		

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

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

**June 3, 2020**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENTS WITH ORGANIZATIONS TO PROVIDE CALWORKS HOME VISITING PROGRAM 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**, the Commission desires to prepare and negotiate an Agreement with each of the organizations, hereinafter referred to as the “Contractors,” identified in the staff report for the June 3, 2020 Commission meeting, to provide CalWORKs Home Visiting Program (HVP) services for the terms and in the amounts and on the conditions as specified in Attachment 1 therein; and

**WHEREAS**, each of the Contractors desires to enter into their respective Agreements in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the applicable Agreements; and

**WHEREAS**, Commission has reviewed the staff report for the June 3, 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 Agreement with each of the Contractors for the terms and in the amounts and on the conditions as specified in Attachment 1 to the June 3, 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 an Agreement with each of the Contractors to provide Prenatal to Three services for the terms, in the amounts, and on the conditions as specified in Attachment 1 to the June 3, 2020 staff report.

**Section 3** The form of the Agreements with the Contractors shall be substantially similar to the standard form Agreements, subject to minor, non-substantive revisions as reviewed and approved by the President/CEO, or designee, and Commission Counsel. Agreements with other government agencies may be on templates required by such agencies and reviewed and approved by the President/CEO, or designee, or Commission Counsel. The approval by the President/CEO, or designee, of the Agreements 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 Agreements with each of the Contractors to provide HVP services for the terms and in the amounts and on the conditions as specified in Attachment 1 of the June 3, 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 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 Agreements 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 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 June 3, 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: June 3, 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

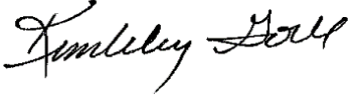
**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Agreements)

**Agenda Item 7  
June 3, 2020**

**DATE:** April 20, 2020

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

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

**ACTION:** Adopt resolution authorizing amendments to agreements with Pretend City Children's Museum and Fullerton Interfaith Emergency Services to include additional options to secure First 5 Orange County's investments

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**SUMMARY:**

First 5 Orange County has, on occasion, approved catalytic agreements which require funding investments to be secured by varying means. The security remains in place until the mutually-agreed-upon services are completed. This item requests authorization to amend existing agreements with Pretend City Children's Museum and Fullerton Interfaith Emergency Services to include additional security options.

**DISCUSSION:**

Over the years, a number of security options have been approved for agreements with service providers whose funding is paid back in services. Specific security options have been articulated in these agreements. Some of these agreements have included one or multiple options, including letters of credit, performance bonds, deeds of trust, and endowment funds.

Pretend City

In June of 2019, First 5 Orange County approved updated terms and condition as well as the allocation of \$5.5M of funding to Pretend City (Agreement No. FCI-PCD-02) requiring Pretend City to payback the Commission's investment through services during the ten-year agreement period. The updated terms and conditions require First 5 Orange County's investment to be secured through the letters of credit or performance bonds.

In the process of securing letters of credit, Pretend City informed First 5 Orange County that obtaining letters of credit of \$5.5M over the ten years of this agreement would cause Pretend City to incur more than \$750,000 in fees and costs. Performance bonds would be even more costly. Through discussions with its board of directors, Pretend City is requesting to add additional security options to the agreement to secure the First 5 Orange County investment by methods of security previously allowed by the Commission for other catalytic agreements. We anticipate that funding may be disbursed in incremental amounts to Pretend City, and different security methods may be used to secure First 5 Orange County's total \$5.5M investment.

In addition to the letter of credit and performance bond options, other previously permitted methods of security include an endowment fund or a deed of trust on a piece of property. An endowment fund is an account maintained by a financial institution with an agreement in place that funds can only be released upon approval by First 5 Orange County's designee. In the event of a default or breach of agreement, First 5 Orange County would have sole signature authority to

disburse funds from the account to recoup any outstanding repayments. Alternatively, the deed of trust security method requires First 5 Orange County to be placed in first position on title for property with comparable value to the investment amount and remain non-subordinate to the lien of any other loans, mortgages, or deeds of trust, unless otherwise agreed to by First 5 Orange County. Both methods have been used to secure First 5 Orange County investments.

While Pretend City does not have a land deed for the new building, it is exploring options to provide a deed of trust on a separate property for the value (or partial value) of the \$5.5 M investment. Pretend City may also seek to set up an endowment fund as a form of security. Approval of this agenda item would permit First 5 Orange County to secure funding for this investment in the form of a letter of credit, performance bond, deed of trust, endowment fund, or a combination thereof. Staff will work with Pretend City to ensure that the method of security used will properly secure First 5 Orange County's investment.

#### Fullerton Interfaith

In April of 2011, First 5 Orange County approved Agreement FCI-H2-09 with Fullerton Interfaith Emergency Services (FIES) for \$500,000 in support of its transitional shelter expansion. First 5 Orange County funding has been secured by a letter of credit. As permitted by the agreement, the value of the letter of credit has been incrementally reduced upon completion of services by FIES in housing families with children ages 0-5.

FIES has approximately \$131,000 to pay back in services and would like to secure the remainder of First 5 Orange County's investments by way of an endowment fund. Though an endowment fund was not originally contemplated in Agreement FCI-H2-09, it has been previously approved by First 5 Orange County as an acceptable method of security on other catalytic agreements, as discussed above. Approval of this item will allow the agreement to be amended to include an endowment fund as an additional security option.

Amending agreements with FIES and Pretend City to include additional security option(s) is recommended.

#### **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:**

- June 2019 – Adopted resolution authorizing agreement with Pretend City Children's Museum, receive building project update and approve revisions to the project terms and conditions
- April 2011– Adopted resolution authorizing Agreement FCI-H2-09 with Fullerton Interfaith Emergency Services.

#### **RECOMMENDED ACTIONS:**

1. Adopt resolution (Attachment 1) authorizing the Executive Director, or designee, and Commission Counsel to prepare and negotiate an amendment to Agreement No. FCI-PCD-02 at



Executive Director's sole discretion, with Pretend City Children's Museum to include a deed of trust and endowment fund as additional methods by which First 5 Orange County's investment may be secured.

2. Adopt resolution (Attachment 2) authorizing the Executive Director, or designee, and Commission Counsel to prepare and negotiate an amendment to Agreement FCI-H2-09 at Executive Director's sole discretion, with Fullerton Interfaith Emergency Services to include endowment fund as an additional method by which First 5 Orange County's investment may be secured.

**ATTACHMENT:**

1. Resolution (Pretend City)
2. Resolution (FIES)

**Contact:** Lucy Lin

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

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

**June 3, 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 FCI-PCD-02 WITH PRETEND CITY CHILDREN MUSEUM TO PROVIDE A PERMANENT AND EXPANDED HEALTHY CHILD DEVELOPMENT PLATFORM; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AMENDMENT ON BEHALF OF THE COMMISSION**

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

**WHEREAS**, On February 2, 2012, Commission authorized the President/CEO or designee to prepare and negotiate Agreement No. FCI-PCD-02 with the Pretend City Children’s Museum for a permanent and expanded Healthy Child Development platform;

**WHEREAS**, On June 5, 2019, Commission reauthorized the President/CEO or designee to prepare and negotiate Agreement No. FCI-PCD-02 (“Agreement”) with the Pretend City Children’s Museum with updated terms and conditions;

**WHEREAS**, The Commission desires to prepare and negotiate a First Amendment (“Amendment”) to Agreement with the Pretend City Children Museum (hereinafter referred to as “Contractor”) to provide a permanent and expanded Healthy Child Development platform for the terms and in the amount as described in June 3, 2020 staff report for this agenda item; and

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

**WHEREAS**, Commission has reviewed the staff report for the June 3, 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 conditions specified in the June 3, 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 Amendment with the Contractor for the terms and conditions consistent with the June 3, 2020 staff report and scope of services referenced therein.

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

**Section 4** Commission hereby approves the Amendment with Contractor as described for the terms and conditions specified in the June 3, 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 Amendment on behalf of the Commission.

**Section 6** A copy of the Amendment when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. 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 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 Amendment, (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

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

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on June 3, 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 Stielor

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

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

Agenda Date: June 3, 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. \_\_\_\_-20-C&FC**

**June 3, 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 FCI-H2-09 WITH FULLERTON INTERFAITH EMERGENCY SERVICES TO PROVIDE EMERGENCY HOUSING SERVICES; 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 April 6, 2011, Commission authorized the President/CEO, or Designee, to prepare and negotiate Agreement No. FCI-H2-09 (“Agreement”) with the Fullerton Interfaith Emergency Services for the emergency housing services;

**WHEREAS**, The Commission desires to prepare and negotiate a First Amendment (“Amendment”) to the Agreement with Fullerton Interfaith Emergency Services (hereinafter referred to as “Contractor”) to provide emergency housing services for the terms and conditions as described in June 3, 2020 staff report for this agenda item; and

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

**WHEREAS**, Commission has reviewed the staff report for the June 3, 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 conditions specified in the June 3, 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 as described in the June 3, 2020

for the terms and conditions consistent with the June 3, 2020 staff report and scope of services referenced therein.

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

**Section 4** Commission hereby approves the Amendment with Contractor as described in the June 3, 2020 staff report for this Agenda Item for the terms and conditions specified in the June 3, 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 Amendment on behalf of the Commission.

**Section 6** A copy of the Amendment when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. 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 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 Amendment, (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

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

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on June 3, 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: June 3, 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)

**Agenda Item 8**  
**June 3, 2020**

**DATE:** May 12, 2020

**TO:** First 5 Orange County Children and Families Commission

**FROM:** Kimberly Goll, Executive Director 

**ACTION:** Receive funding from First 5 California and adopt resolutions authorizing agreements with First 5 California and Orange County Superintendent of Schools for First 5 IMPACT 2020 (Improve and Maximize Programs so All Children Thrive) and Regional Coordination, Training and Technical Assistance Hub

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**SUMMARY:**

First 5 California provides funding to improve the quality of early learning programs throughout the state, including to First 5 Orange County. Working in partnership with the Orange County Department of Education (OCDE), First 5 Orange County uses this funding to increase the quality of early learning programs. This item requests authorization to receive funding from First 5 California to fund the OCDE Superintendent of Schools to implement the First 5 IMPACT 2020 and Regional Coordination, Training, and Technical Assistance Hub (Hub).

**DISCUSSION:****Background**

First 5 California is the primary funder for the IMPACT program, a statewide effort to support young children and their families by strengthening California's early learning and care system. Key outcomes include providing families with the education and tools to select high quality care environments for their children as well as increasing access for providers to coaches, trainers, and higher education faculty to improve quality.

First 5 Orange County received \$5,109,491 of IMPACT funds over the last four years to support building a local quality system for early learning. As First 5 Orange County does not provide direct services, we contract with OCDE to implement quality improvement efforts through the local initiative called Quality Start OC. First 5 Orange County meets regularly with OCDE to integrate Early Development Index data to inform quality early learning programming, engage vulnerable neighborhoods and leverage funding to build a system around quality. First 5 Orange County also provides guidance on "family, friend, and neighbor" and family childcare programs which we know serve the largest proportion of Orange County children, and ultimately impact children's readiness for kindergarten.

Since its inception, Quality Start OC has rated 505 early learning sites with regard to quality and provided 4,800 hours of instructional coaching to teachers and directors. A total of 536 early learning programs, including non-center-based settings such as libraries, mommy and me groups, and Learning Links, have received coaching, training, incentives and materials to build quality. This year, more than 42,741 children in Orange County ages birth to five attend an early learning program supported by Quality Start OC.

Orange County's progress towards building a quality early learning system is measured by California's Quality Rating and Improvement System (QRIS). Orange County exceeded its targets by 60% and has been awarded an additional \$843,000 of incentive funding. The additional incentive funding provided by First 5 California is expected to be received before June 30, 2020 and, as directed by the State of California, must be used for COVID-19 support for childcare providers and the early learning system of care. Staff will return to the Commission for specific approval and allocation for the use of this funding.

### **First 5 IMPACT 2020**

First 5 California approved an allocation of \$83 million to support the statewide IMPACT efforts from July 1, 2020 to June 30, 2022, of which \$3,263,424 is earmarked to support Orange County's work. This item requests authorization for receipt of those funds, and to enter into an agreement with the Orange County Superintendent of Schools to implement the First 5 IMPACT 2020 Action Plan.

First 5 Orange County worked with OCDE to develop and submit our local plan which will continue to support quality improvement of early learning and care settings in the community. To strengthen our plan, the Early Development Index data was used along with the Local Planning Council's (LPC) needs assessment to target providers in communities with the most vulnerable children. The Action Plan includes:

- providing outreach, engagement, and incentives to participating sites and providers with an emphasis on Learning Links, family friend and neighbor, family childcare homes and home visitations programs;
- supporting professional development for providers, including training, coaching, and access to resources;
- providing community outreach in four communities that First 5 Orange County has identified for focused "Engaged Neighborhoods" work including Anaheim, La Habra, Santa Ana, and Garden Grove; and
- integrating the statewide "Talk. Read. Sing." messaging with parents and families.

First 5 IMPACT 2020 funding will also support the use of QRIS as a guide to inform quality improvements for a broad range of early education programs. Orange County's Action Plan expands the Quality Start OC program to include informal and formal care and education programs to an additional 272 childcare providers in the county. As with previous efforts, we will work with community partners including OCDE, Children Home Society of Orange County, Community Care Licensing, and higher education to build the capacity of Orange County's early learning system. This item recommends that we pass the IMPACT 2020 funding through to OCDE to implement quality early learning programs and services. First 5 OC will continue to provide in kind support, and will work to prioritize outreach in those communities with vulnerable children and families, engage neighborhoods in this work, and expand the ability of providers in both formal and informal child care settings to provide quality care.

### **First 5 IMPACT Regional Coordination, Training and Technical Assistance Hub**

First 5 California provided additional funding for regional coordination of IMPACT work among the First 5's, including a focus on creating economies of scale while building a local early learning system. The California counties were divided into 10 "Hub" regions; Orange County is a member of

Region 9, which includes Imperial, Riverside and San Bernardino counties. The Region 9 Hub was awarded a one-year agreement (FY 2020-21) totaling \$841,028. First 5 Orange County and OCDE were selected as the Hub's fiscal lead agencies and have the responsibility to maintain accurate fiscal data, report actual expenditures, and provide annual progress on activities and accomplishments to First 5 California. This item requests receipt of the \$841,028 in Hub funding and authorization to contract with the Orange County Superintendent of Schools to provide regional coordination, training and technical assistance to the Region 9 Hub counties.

### **COVID-19 Related Response**

In addition to the work of quality improvement, this year, \$184,000 of First 5 IMPACT funding was used to provide COVID-19 emergency childcare stipends to support programs for children of essential workers. Also, \$150,000 in Hub funding was used to provide additional support to child care providers across our region such as materials for sites to distribute to parents to use with children while sheltering in place, incentives for sites to provide care for children of "essential workers," and training and technical assistance for providers to engage in distance learning, distance coaching, and participate on informational webinars.

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

The recommended action has been specifically reviewed in relation to the Commission's Strategic Plan and is consistent with the Quality Early Learning goal, and the Engaged Neighborhoods and Connected Systems Strategic Directions. Passthrough funding, revenue and expenses, for the IMPACT and Hub programs are included in the Fiscal Year 2020/2021 First 5 Orange County budget and will be amended to reflect the most recent First 5 California contractual amounts.

### **PRIOR COMMISSION ACTIONS:**

- December 2019 - Received funding from First 5 California and adopted resolutions authorizing agreements with Orange County Department of Education for the Quality Early Learning Program
- September 2016 - Adopted resolution authorizing agreement with the Orange County Superintendent of Schools for First 5 IMPACT (Improve and Maximize Programs so All Children Thrive) Regional Coordination, Training and Technical Assistance Hub
- August 2016 - Received First 5 California funding and adopted resolution authorizing agreement with the Orange County Superintendent of Schools for First 5 IMPACT (Improve and Maximize Programs so All Children Thrive) Regional Coordination, Training and Technical Assistance Hub
- April 2016 - Received First 5 IMPACT funding in the amount of \$5,109,491 from First 5 California and adopted resolution authorizing agreement with the Orange County Superintendent of Schools to implement the First 5 IMPACT Action Plan

### **RECOMMENDED ACTIONS:**

1. Receive incentive funding of \$843,500 from First 5 California.
2. Receive funding of \$3,263,424 from First 5 California and adopt resolution (Attachment 1) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate an agreement with First 5 California for a total maximum obligation of \$3,263,424 for the term

July 1, 2020 to June 30, 2023 to implement the First 5 IMPACT Action Plan as submitted to First 5 California.

3. Adopt resolution (Attachment 2) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate Agreement No. FCI-IMP-03 IMPACT with the Orange County Superintendent of Schools for a total maximum obligation of \$3,263,424 for the term July 1, 2020 to June 30, 2023 to implement the First 5 IMPACT Action Plan as submitted to First 5 California.
4. Receive funding of \$841,028 from First 5 California and adopt resolution (Attachment 3) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate an agreement with First 5 California for a total maximum obligation of \$841,028 for the term July 1, 2020 to June 30, 2021 to provide regional coordination, training and technical assistance to the Region 9 Hub counties: Imperial, Orange, Riverside and San Bernardino.
5. Adopt resolution (Attachment 4) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate Agreement No. FCI-IMP-04 HUB with the Orange County Superintendent of Schools for a total maximum obligation of \$841,028 for the term July 1, 2020 to June 30, 2021 to provide regional coordination, training and technical assistance to the Region 9 Hub counties: Imperial, Orange, Riverside and San Bernardino.

**ATTACHMENTS:**

1. Resolution- First 5 CA First 5 IMPACT
2. Resolution- OCDE First 5 IMPACT
3. Resolution- First 5 CA First 5 Hub
4. Resolution- OCDE First 5 Hub

**Contact:** Tiffany Alva

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

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

**June 3, 2020**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AN AGREEMENT WITH FIRST 5 CALIFORNIA FOR IMPLEMENTATION OF THE FIRST 5 IMPACT ACTION PLAN; 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 desires to prepare and negotiate an Agreement with First 5 California, hereinafter referred to as the “Contractor,” to implement the First 5 IMPACT Action Plan for the terms and in the amount and on the conditions as described in the staff report for the June 3, 2020 Commission Meeting; and

**WHEREAS**, Contractor desires to enter into agreement 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 June 3, 2020 Commission meeting relating to the scope 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 Contractor for the terms, in the amounts and on the conditions as specified in the June 3, 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 Contractor as described in the June 3, 2020 staff report for this Agenda Item.

**Section 3** The form of the Agreement with Contractor, for the terms and conditions specified in the June 3, 2020 staff report for this Agenda Item shall on a template be provided by Contractor and 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 Agreements by the Commission Chair and delivery thereof to the Commission Clerk.

**Section 4** Commission hereby approves the Agreement with the Contractor for the terms and conditions as specified in the June 3, 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 June 3, 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: June 3, 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 of final executed Agreement)

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

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

June 3, 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. FCI-IMP-03 WITH ORANGE COUNTY SUPERINTENDENT OF SCHOOLS TO SUPPORT THE IMPACT PROGRAM; 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**, the Commission desires to prepare and negotiate an Agreement with Orange County Superintendent of Schools, hereinafter referred to as the “Contractor,” identified in the staff report for the June 3, 2020 Commission meeting to provide services for the Improve and Maximize Programs so All Children Thrive (IMPACT) project for the terms and in the amount and on the conditions as described in therein; and

**WHEREAS**, Contractor desires to enter into Agreement No. FCI-IMP-03 (“Agreement”) 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 June 3, 2020 Commission meeting relating to the scope 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 Contractor for the terms, in the amounts and on the conditions as specified in the June 3, 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 Contractor as described in the June 3, 2020 staff report for this Agenda Item.

**Section 3** The form of the Agreement with the Contractor shall be substantially similar to the standard form Non-Profit Agreement, subject to minor, non-substantive revisions as reviewed and approved by the President/CEO, or designee, and Commission Counsel. The Agreement may contain additional requirements imposed by other government agencies providing funding for the Agreement as reviewed and approved by the President/CEO, or designee, or 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 Agreements with the Contractor for the terms and conditions as specified in the June 3, 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 June 3, 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: June 3, 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 of final executed Agreement)

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

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

**June 3, 2020**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AN AGREEMENT WITH FIRST 5 CALIFORNIA TO SUPPORT HUB COUNTIES; 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**, the Commission desires to prepare and negotiate an Agreement with First 5 California, hereinafter referred to as the “Contractor,” to provide regional coordination, training and technical assistance to the Region 9 Hub counties for the terms and in the amount and on the conditions as described in in staff report for the June 3, 2020 Commission meeting; and

**WHEREAS**, Contractor desires to enter into agreement 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 June 3, 2020 Commission meeting relating to the scope 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 Contractor for the terms, in the amounts and on the conditions as specified in the June 3, 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 Contractor as described in the June 3, 2020 staff report for this Agenda Item.

**Section 3** The form of the Agreement with Contractor, for the terms and conditions specified in the June 3, 2020 staff report for this Agenda Item shall be on a template provided by Contractor and 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 Agreements by the Commission Chair and delivery thereof to the Commission Clerk.

**Section 4** Commission hereby approves the Agreement with the Contractor for the terms and conditions as specified in the June 3, 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 June 3, 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: June 3, 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 of final executed Agreement)

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

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

June 3, 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. FCI-IMP-04 WITH ORANGE COUNTY SUPERINTENDENT OF SCHOOLS TO SUPPORT HUB COUNTIES; 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**, the Commission desires to prepare and negotiate an Agreement with Orange County Superintendent of Schools, hereinafter referred to as the “Contractor,” identified in the staff report for the June 3, 2020 Commission meeting to provide regional coordination, training and technical assistance to the Region 9 Hub counties for the terms and in the amount and on the conditions as described in therein; and

**WHEREAS**, Contractor desires to enter into Agreement No. FCI-IMP-04 (“Agreement”) 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 June 3, 2020 Commission meeting relating to the scope 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 Contractor for the terms, in the amounts and on the conditions as specified in the June 3, 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 Contractor as described in the June 3, 2020 staff report for this Agenda Item.

**Section 3** The form of the Agreement with the Contractor shall be substantially similar to the standard form Non-Profit Agreement, subject to minor, non-substantive revisions as reviewed and approved by the President/CEO, or designee, and Commission Counsel. The Agreement may contain additional requirements imposed by other government agencies providing funding for the Agreement as reviewed and approved by the President/CEO, or designee, or 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 Agreements with the Contractor for the terms and conditions as specified in the June 3, 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 June 3, 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: June 3, 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 of final executed Agreement)



**Agenda Item 9**  
**June 3, 2020**

**DATE:** May 20, 2020

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

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

**ACTION:** Election of Commission Chair and Vice-Chair for Fiscal Year 2020/21

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**SUMMARY:**

The Children and Families Commission of Orange County by-laws require the election of officers before the beginning of each fiscal year. This item requests the Commissioners to elect two officers to serve as the Chair and Vice-Chair for one-year terms beginning July 1, 2016 to June 30, 2017.

**DISCUSSION:**

Commissioner Maria Minon, M.D. and Commissioner Ramin Baschshi, M.D. were nominated and elected to one-year terms as Chair and Vice-Chair on June 5, 2019. Nominations for the Chair and Vice-Chair for the upcoming fiscal year will be considered at the June 3, 2020 meeting. It is recommended that the Commissioners elect the Chair and Vice-Chair for the term beginning June 4, 2020 through June 2, 2021.

**STRATEGIC PLAN & FISCAL SUMMARY:**

There are no funding actions proposed for this item.

**PRIOR COMMISSION ACTIONS:**

- June 5, 2019- Elected Commission Chair and Vice Chair for Fiscal Year 2019/20
- June 6, 2018- Elected Commission Chair and Vice Chair for Fiscal Year 2018/19

**RECOMMENDED ACTION:**

Elect the Commission Chair and Vice-Chair for Fiscal Year 2020/21.

**ATTACHMENTS:**

N/A

**CONTACT:** Kim Goll



## Agenda Item 10

June 3, 2020

**DATE:** May 14, 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 March (Attachment 1) and April (Attachment 2) are included. The reports summarize information regarding year-to-date revenue, expenses and encumbrances. Pursuant to First 5 Orange County's fiscal year 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 January 1 through March 31, 2020. The primary objective of the Treasurer is to invest the Commission's funds to provide safety of principal and liquidity, while providing a reasonable return on investments. Currently, the Treasurer has invested 100 percent of the Commission's funds in the Orange County Investment Pool (OCIP). A summary of key OCIP investment information is in Attachment 3.

**B. HomeAid Orange County Essentials Diaper Drive**

First 5 Orange County is a lead sponsor for the 13th Annual HomeAid Orange County Essentials Diaper Drive, which kicked-off on Mother's Day, May 10 and ends on June 5. This annual event typically collects over 1.2 million diapers, wipes and other essential baby items for families with babies who reside in Orange County's homeless shelters. Due to COVID-19, this year's drive is primarily digital with limited "socially distant" in-person options. Donations may be made through the HomeAid Essentials website and packages of diapers may be purchased online through a partnership with Abby & Finn, an online diaper distributor. Items collected will be distributed to 16 of HomeAid's non-profit service provider partners who operate housing and shelters developed by HomeAid Orange County. The annual "Builders for Babies" collection event to culminate the drive in June has been postponed until further notice.

**C. Advocacy Day**

On April 30th, we held our first-ever online legislative briefing, referred to as Advocacy Day. This is typically an annual day of legislative briefings held in Sacramento by First 5s from throughout the state. Orange County's Zoom call (required due to the pandemic) was well-attended with participants from several federal, state and local legislative offices. On the call, I shared how First 5 Orange County is responding to COVID-19, as well as the work we are doing in the policy areas of childcare and home visiting. We closed the meeting by asking for legislators' future active engagement in our policy issues and sent out a short survey after the call to understand their areas of interest. We received responses from Assemblywoman Petri-Norris' office about protecting or expanding First 5 funding sources, and from Congressman Rouda's office about expanding capacity and reducing barriers to infant and toddler childcare. We are following up with one-on-one briefings for legislative offices that were unable to participate on the call. Additionally, we anticipate holding legislative briefings more frequently to further educate policy makers and engage them in legislative solutions to our issues.

#### **D. COVID-19 Response**

First 5 Orange County continues to support childcare facilities, frontline nonprofits, and homeless providers to bolster their ability to provide necessary support to families in need and essential workers. Our efforts include ensuring cleaning supplies, diapers, and personal protective gear are available, being flexible in expenses charged to First 5 agreements, and providing technical assistance in implementing services during this time.

Over the last month, we received four separate shipments of supplies and with the assistance of the Boys and Girls Club of Garden Grove, we were able to quickly distribute them. In partnership with the Orange County Emergency Childcare Task Force, a webinar for over 400 child care providers was held so they could receive information on Orange County's emergency plans, available resources for Early Care and Education providers, and the new COVID-19 health and safety protocols to support programs re-opening. In the coming weeks, the Task Force will share parent information on how to prepare and safely return children to childcare when parents return to worksites.

First 5 staff continue to investigate ways to help families in critical need to access economic supports. We are partnering with Community Health Initiative of Orange County, providing \$50,000 to expand our outreach efforts with a comprehensive approach to enrolling families into economic benefit programs during this time. Many families effected by COVID-19 have not been previously in need of financial assistance.

#### **E. Census Update**

The Census Bureau has extended the time for people to complete the Census questionnaire to October 31st. As noted in previous updates, our Census partners have focused their efforts on digital outreach to encourage participation during the pandemic, including phone banking, texting campaigns, using virtual telehealth and in-home visitations to share Census information, as well as placing signage at food distribution centers and grocery stores.

I recently authored an op-ed on the Census and young children, which was published in The Chronicle of Social Change (April 16: Young Children Are The Hardest to Count, And Have The Most at Stake, in 2020 Census) through the efforts of the First 5 Association. With the help of our communications consultant, my opinion piece was also published in the Voice of OC on April 29.

We are able to track the response rates by Census tract and have identified 17 neighborhoods where we know that children 0 – 5 are currently undercounted (see attached map). We are doubling down on our outreach to these neighborhoods, asking all our consultants and partners to help us think innovatively about how to reach those families that have not responded to the Census. If any Commissioners have ideas for outreach or know key influencers in these neighborhoods, I welcome your input. Heather Stratman is the consultant leading our effort to reach the 0-5 Hard-to-Count population. She and her team are available to provide technical assistance, resources, and support.

#### **F. Vaping Tax**

The proposed state budget includes a new vaping tax that is nicotine based (an additional \$2 dollars for every 40 milligrams of nicotine) and is estimated to raise \$32 million in additional tobacco tax revenue. The proposed tax does not include equivalency or a backfill for First 5s. At



a recent state budget subcommittee hearing, the First 5 Association made public comments referencing that moving forward with the vaping tax as proposed will negatively affect First 5s and circumvents voter will. First 5s are supportive of an additional tax on vaping products and are only seeking to have the new tax comply with the taxing structure that was approved by voters. First 5 Orange County staff continue to reach out to our local delegation and partners about this potential tax and its negative effect on First 5 revenues. Several partners, such as Pretend City, University of California, Irvine School of Education, Orange County Business Council, and St. Joseph's Providence submitted letters to the chairs of the Budget Subcommittee.

**ATTACHMENTS:**

1. Financial Highlights-March
2. Financial Highlights-April
3. Quarterly Investment Report
4. Hard to Count Census Tracts

# Financial Highlights As of March 31, 2020

## Comparison of Budget vs. Actual Fiscal Year 2019-20 Unaudited Period Ending 03/31/20

	<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	\$22,184,156	99.3%
Interest Earnings	100,000	417,397	417.4%
Other Revenue	<u>10,530,841</u>	<u>3,345,604</u>	31.8%
<b>Revenue Total</b>	<b>\$32,967,090</b>	<b>\$25,947,157</b>	
<b><u>Expenses*</u></b>			
Healthy Children	\$18,753,320	\$9,015,191	48.1%
Strong Families	2,113,205	1,418,181	67.1%
Early Learning	6,564,329	1,085,571	16.5%
Capacity Building**	<u>1,352,915</u>	<u>482,817</u>	35.7%
<b>Program Services</b>	<b>\$28,783,769</b>	<b>\$12,001,760</b>	
Admin. Functions***	<u>1,665,754</u>	<u>1,054,555</u>	63.3%
<b>Total Operating Exp.</b>	<b>\$30,449,523</b>	<b>\$13,056,315</b>	

\*Not including One-Time Systems Expenses

\*\*Includes Evaluation costs of \$325,780

\*\*\*Administrative costs and functions are defined by State Commission guidelines (Fiscal Memo No. 05-01, dated April 14, 2006) pursuant to Chapter 284, Statutes of 2005 (AB 109). Actual Administrative expenses of \$1,054,555 and encumbrances of \$469,920 were 5% 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 March 31, 2020 including some multi-year contracts**

Healthy Children	\$17,478,654
Strong Families	\$557,136
Early Learning	\$8,521,389
Capacity Building	\$731,496
Admin. Functions	\$469,920

## Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue recognized through March 2020 is \$22.2 million including delayed May and June revenue from the prior year. Current year revenue (July 2019 – January 2020) as reported by First 5 California is \$17.3 million including the annual backfill amount of \$5.78.

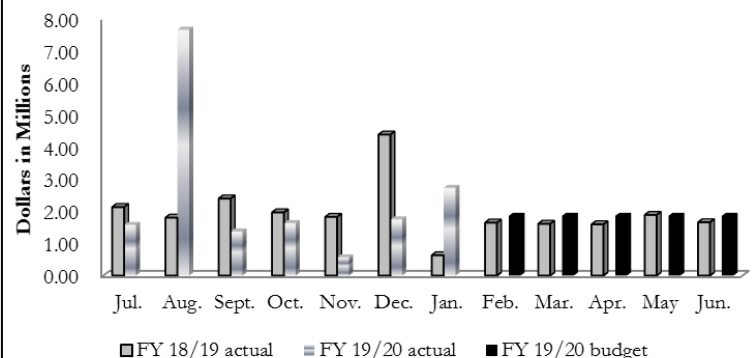
Interest earnings for July 2019 through March 2020 are \$417,397.

## 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 \$2,084,966, as of March 31, 2020.

As of March 31, 2020, \$5,148,955 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.

# Financial Highlights

## As of April 30, 2020

### Comparison of Budget vs. Actual Fiscal Year 2019-20 Unaudited Period Ending 04/30/20

	<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	\$22,184,156	99.3%
Interest Earnings	100,000	486,680	486.7%
Other Revenue	<u>10,530,841</u>	<u>3,717,489</u>	35.3%
<b>Revenue Total</b>	<b>\$32,967,090</b>	<b>\$26,388,325</b>	
<b><u>Expenses*</u></b>			
Healthy Children	\$18,753,320	\$10,061,013	53.6%
Strong Families	2,113,205	1,702,940	80.6%
Early Learning	6,564,329	1,227,881	18.7%
Capacity Building**	<u>1,352,915</u>	<u>554,916</u>	41.0%
<b>Program Services</b>	<b>\$28,783,769</b>	<b>\$13,546,750</b>	
Admin. Functions***	<u>1,665,754</u>	<u>1,172,701</u>	70.4%
<b>Total Operating Exp.</b>	<b>\$30,449,523</b>	<b>\$14,719,451</b>	

\*Not including One-Time Systems Expenses

\*\*Includes Evaluation costs of \$390,070

\*\*\*Administrative costs and functions are defined by State Commission guidelines (Fiscal Memo No. 05-01, dated April 14, 2006) pursuant to Chapter 284, Statutes of 2005 (AB 109). Actual Administrative expenses of \$1,172,701 and encumbrances of \$493,053 were 7.4% 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 April 30, 2020 including some multi-year contracts**

Healthy Children	\$16,574,443
Strong Families	\$299,195
Early Learning	\$8,818,886
Capacity Building	\$746,867
Admin. Functions	\$426,634

### Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue received through April 2020 is \$22.2 million including delayed May and June revenue from the prior year. Current year revenue (July 2019 – March 2020) as reported by First 5 California is \$19.98 million including the annual backfill amount of \$5.78.

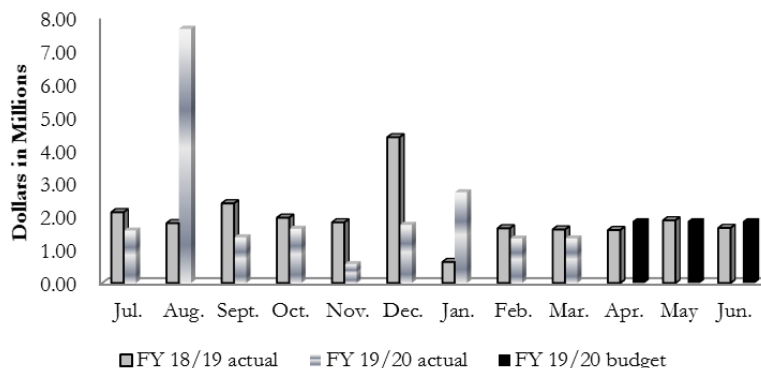
Interest earnings for July 2019 through March 2020 are \$486,680.

### 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 \$2,084,966, as of April 30, 2020.

As of April 30, 2020, \$5,148,955 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**  
**January 1, 2020 through March 31, 2020**

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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 January 1 through March 31, 2020.

#### **COMMISSION INVESTMENTS**

The primary objective of the Treasurer is to invest the Commission's funds to provide safety of principal and liquidity, while providing a reasonable return on investments. Currently, the Treasurer has invested 100% of the Commission's funds in the Orange County Investment Pool (OCIP). As of March 31, 2020, these totaled \$45,695,377. All funds are managed by the Office of the Orange County Treasurer.

#### **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. Based on the conservative strategy, the pooled funds have performed extremely well during this significant market dislocation and related flight to quality. The pooled funds have over 90% invested in U.S. Treasuries and GSE's. Due to higher expected liquidity needs, the Treasurer is adding liquidity options to the pooled funds that will be available to all participants during these challenging times. We have attached a summary of key OCIP investment information (Attachment A).

#### **PORTFOLIO PERFORMANCE SUMMARY – QUARTERLY**

The following table presents an overview of the Commission's investments for the months of January, February and March 2020. The net year-to-date yield for fiscal year 2019/2020 is 2.026%, net of the estimated investment administrative fee of 5.9 basis points. The current 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. Due to the significant drop in short-term interest rates that occurred when the Federal Open Markets Committee (FOMC) lowered these rates due to COVID-19, we will be revising the gross and net yield forecasts for FY 19-20 and expect the net interest yield forecasts to fall below 1.45%. The OCIP has a net asset value of 1.01 and there is sufficient liquidity to meet the forecasted expenditures for the next six months. As noted above, the Treasurer has been adding liquidity options and the pooled fund portfolio is well positioned to provide the Commission the safety and liquidity needed in these uncertain times.

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
January	\$44,390,669	1.968%	\$4,593,820,282	\$4,574,760,602	280 days	1.00	0.75
February	\$44,731,670	2.003%	\$4,847,237,451	\$4,822,083,836	301 days	1.01	0.81
March	\$45,695,377	1.800%	\$5,061,152,253	\$5,017,857,275	294 days	1.01	0.79

#### **ECONOMIC UPDATE**

In March 2020, global economies and markets entered uncharted territory experiencing one of the most severe corrections in history as the COVID-19 disrupted the global economy and markets. On March 3, 2020, the FOMC reduced the benchmark Federal Funds rate by 0.50 percent resulting in a new target range of 1.00 percent to 1.25 percent. On March 15, 2020, the FOMC reduced the benchmark Federal Funds rate by 1.00 percent resulting in a new target range of 0 percent to 0.25 percent. We have provided a few of the normal economic statistics reported during the months of January, February and March, but they are no longer represent the current economic conditions and

are provided for historical information only. The job market added 184,000 (revised) new jobs in January, 275,000 (revised) jobs in February and lost 701,000 jobs in March. The unemployment rate increased to 3.6% in January from the prior month, decreased to 3.5% in February and increased to 4.4% in March. U.S. Gross Domestic Product remained unchanged at 2.1% annualized revised rate in the fourth quarter of 2019.

**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 March, 2020.

	Quarter Ended December 31, 2019	Quarter Ended March 31, 2020
3 - Month	1.55%	0.11%
2 - Year	1.58%	0.23%
5 - Year	1.69%	0.37%
10 - Year	1.92%	0.70%
30 - Year	2.39%	1.35%

SOURCE: U.S. DEPARTMENT OF THE TREASURY

## COMPLIANCE MONITORING

As of March 31, 2020, 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 March 31, 2020. The County Treasurer's investments are audited regularly by the County Auditor-Controller Internal Audit Division (ACIAD). The ACIAD issued three reports, and the Treasury Oversight Committee (TOC) approved their annual report during the quarter ended March 31, 2020 as follows:

- Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended September 30, 2019  
The ACIAD report dated January 9, 2020 stated that based on procedures performed, no instances of noncompliance were identified.
- Review of the Schedule of Assets Held by the County Treasury as of September 30, 2019  
The ACIAD report dated February 25, 2020 stated that they were not aware of any material modifications that should be made to the Schedule prepared on a modified cash-basis of accounting except for the omission of all disclosures. The County Treasurer's current practice is to prepare all required disclosures only in the Schedule for each fiscal year-end and not for the quarterly reviews. The Report noted one internal control matter that will be reported in a separate management letter.
- Management Letter on Review of Assets held by County Treasury as of September 30, 2019  
The report identified a control deficiency relating the accounting treatment of several County bank accounts.
- TOC Annual Report for the Period of January 1, 2019 to December 31, 2019  
The TOC opined that the Treasurer maintained an acceptable level of compliance with the statutory requirements contained in Article 6 and as further required by County Resolution No. 95-946, clause 4(c).

We have attached the Investment Policy and Treasury Oversight Committee Compliance Summary as reported in the Treasurer's Monthly Report for the months of January, February and March 2020 (Attachment B). This summary tracks compliance in a variety of areas.

## PORTFOLIO HOLDINGS OF DEBT ISSUED BY POOL PARTICIPANTS

Under guidelines outlined in the County's current IPS, the County Treasurer may invest in A or above rated securities issued by municipalities. Municipal debt issued by the County of Orange is exempt from this credit rating requirement. OCIP may invest no more than 5% of pool assets in any one issuer, with the exception of the County of

Orange which has a 10% limit. As of March 31, 2020, OCIP has a total market value of \$253 million in County of Orange debt, which represents approximately 5% of total OCIP assets.

#### **STATEMENT OF ACTIVITY**

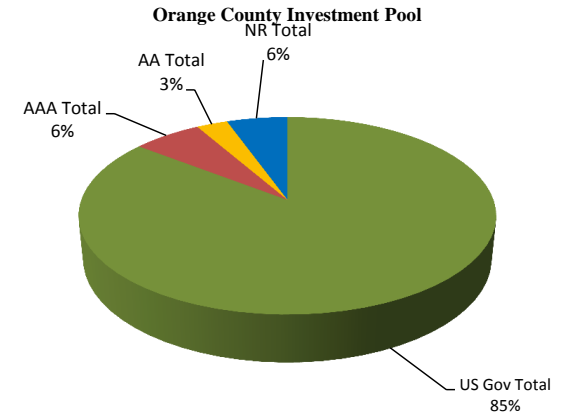
We have attached the Statement of Activity for the months of January, February and March 2020. (Attachment C). These Statements report the beginning and ending balances of the Commission's funds invested in the OCIP.

#### **Attachments:**

- A. Orange County Investment Pool Summary
- B. Investment Policy and Treasury Oversight Committee Compliance Summary for January, February and March 2020
- C. Statement of Activity for the months of January, February and March 2020
- D. Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended September 30, 2019
- E. Review of the Schedule of Assets Held by the County Treasury as of September 30, 2019
- F. Management Letter on Review of Schedule of Assets Held by the County Treasury as of September 30, 2019
- G. TOC Annual Report for the Period of January 1, 2019 to December 31, 2019

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

Security Type	OCIP PORTFOLIO COMPOSITION			
	Market Value	% of Market Value	Book Value	Unrealized Gain (Loss)
U.S. GOVERNMENT AGENCIES	\$ 3,048,106,918	60.23%	\$ 3,017,042,593	\$ 31,064,325
U.S. TREASURIES	1,277,921,202	25.24%	1,266,490,711	11,430,491
MEDIUM-TERM NOTES	175,113,484	3.46%	174,313,323	800,161
MUNICIPAL DEBT	252,987,009	5.00%	252,987,009	-
MONEY MARKET MUTUAL FUNDS	281,672,051	5.57%	281,672,051	-
LOCAL AGENCY INVESTMENT FUND	25,351,589	0.50%	25,351,589	-
CERTIFICATES OF DEPOSIT	-	0.00%	-	-
<b>TOTAL</b>	<b>\$ 5,061,152,253</b>	<b>100.00%</b>	<b>\$ 5,017,857,276</b>	<b>\$ 43,294,977</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**

	MARCH 2020	FEBRUARY 2020	INCREASE (DECREASE)	NET CHANGE %	MARCH 2019	INCREASE (DECREASE)	NET CHANGE %
<b>Orange County Investment Pool (OCIP)</b>							
End Of Month Market Value <sup>1</sup>	\$ 5,061,152,253	\$ 4,847,237,451	\$ 213,914,802	4.41%	\$ 4,625,822,303	\$ 435,329,950	9.41%
End Of Month Book Value	\$ 5,017,857,275	\$ 4,822,083,836	\$ 195,773,439	4.06%	\$ 4,622,198,029	\$ 395,659,246	8.56%
Monthly Average Balance	\$ 4,770,518,871	\$ 4,642,103,960	\$ 128,414,911	2.77%	\$ 4,488,298,221	\$ 282,220,650	6.29%
Year-To-Date Average Balance	\$ 4,435,074,175	\$ 4,393,143,588	\$ 41,930,587	0.95%	\$ 4,312,547,189	\$ 122,526,986	2.84%
Monthly Accrued Earnings <sup>2</sup>	\$ 7,413,690	\$ 7,466,471	\$ (52,781)	-0.71%	\$ 8,556,826	\$ (1,143,136)	-13.36%
Monthly Net Yield <sup>2,3</sup>	1.74%	1.94%	-0.20%	-10.44%	2.18%	-0.44%	-20.17%
Year-To-Date Net Yield <sup>2</sup>	2.03%	2.06%	-0.04%	-1.88%	1.95%	0.07%	3.72%
Annual Estimated Gross Yield	2.15%	2.15%	0.00%	0.00%	2.11%	0.04%	1.90%
Weighted Average Maturity (WAM)	294	301	(7)	-2.33%	283	11	3.89%

<sup>1</sup> Market values provided by Bloomberg and Northern Trust.

<sup>2</sup> The OCIP March 2019 Monthly Accrued Earnings, 2019 Monthly and 2019 Year-to-Date Net Yields are higher than the reported yields in the Monthly Investment March 2019 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. In March 2020, OCIP Monthly Accrued Earnings and Monthly Net Yields were lower than the prior year primarily due to the five Federal Reserve short-term rate decreases totaling 2.25% since June 2019.

<sup>3</sup> In March 2020, OCIP Monthly Net Yield was lower than the prior month primarily due to the two Federal Reserve short-term rate decreases totaling 1.50% in March, 2020.

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

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2018 in progress and June 30, 2019 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	December 31, 2019 in progress.
Annual Statement of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2018 in progress and June 30, 2019 in progress.
Quarterly Statement of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	September 30, 2019 in progress and December 31, 2019 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 17/18 and FY 18/19 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar years 2018 and 2019 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 January 31, 2020.
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**  
**February 29, 2020**

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2018 in progress and June 30, 2019 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	December 31, 2019 in progress.
Annual Statement of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2018 in progress and June 30, 2019 in progress.
Quarterly Statement of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	September 30, 2019 completed and December 31, 2019 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 17/18 and FY 18/19 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar years 2018 and 2019 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 February 29, 2020.
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  
March 31, 2020**

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	June 30, 2018 in progress and June 30, 2019 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	December 31, 2019 completed and March 31, 2020 in progress.
Annual Statement of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2018 in progress and June 30, 2019 in progress.
Quarterly Statement of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	December 31, 2019 in progress and March 31, 2020 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 17/18 and FY 18/19 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar years 2018 and 2019 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	Receipt of 2019 IPS Certifications for active approved brokers completed and 2020 IPS certifications for active approved brokers in progress.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions	FY 19/20 identified zero compliance incidents as of March 31, 2020.
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. The TOC 2019 Annual Report was approved by TOC on January 29, 2020, and is scheduled for BOS approval on April 28, 2020.
Broker/Financial Institution List	TTC	OC Gift Ban Ordinance and Form 700	The TOC members were provided a list of active TTC Broker/Dealers and Financial Institutions at the TOC meeting on October 30, 2019.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	The TOC members are in compliance for calendar year 2019 and for calendar year 2020 is in progress.
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. Calendar year 2019 deadline to file extended to June 1, 2020.

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



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



[ocgov.com/ocinvestments](http://ocgov.com/ocinvestments)

January 31, 2020

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

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

Monthly Apportionment Gross Yield: 1.968%  
Estimated Investment Administration Fee Rate: -0.059%  
Monthly Apportionment Net Yield: 1.909%

**Fund Number : 225**

**JANUARY 2020 STATEMENT**

**INVESTMENT BALANCE IN OCIP**

**Transactions**

<b><u>Transaction Date</u></b>	<b><u>Transaction Description</u></b>	<b><u>Amount</u></b>
01/01/2020	December 2019 Investment Admin Fee	\$ (1,865.71)
01/30/2020	October 2019 Interest Paid	\$ 74,660.88

**Summary**

Total Deposit:	\$ 9,058,553.40	Beginning Balance:	\$ 37,163,366.06
Total Withdrawal:	\$ (1,831,250.29)	Ending Balance:	\$ 44,390,669.17

**ACCRUED INVESTMENT INCOME**

**Description**

**Amount**

November 2019 Interest Accrued	\$ 66,381.90
December 2019 Interest Accrued	\$ 61,528.98
January 31, 2020 Total	<u>\$ 127,910.88</u>
January 2020 Interest to be accrued in February 2020	\$ 69,845.48



COUNTY OF ORANGE  
**OFFICE OF THE TREASURER-TAX COLLECTOR**  
Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM  
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[ocgov.com/ocinvestments](http://ocgov.com/ocinvestments)

February 29, 2020

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

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

Monthly Apportionment Gross Yield: 2.003%  
Estimated Investment Administration Fee Rate: -0.059%  
Monthly Apportionment Net Yield: 1.944%

**Fund Number : 225**

**FEBRUARY 2020 STATEMENT**

**INVESTMENT BALANCE IN OCIP**

**Transactions**

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
02/03/2020	January 2020 Investment Admin Fee	\$ (2,088.11)
02/27/2020	November 2019 Interest Paid	\$ 66,381.90

**Summary**

Total Deposit:	\$ 3,661,191.50	Beginning Balance:	\$ 44,390,669.17
Total Withdrawal:	\$ (3,320,190.18)	Ending Balance:	\$ 44,731,670.49

**ACCRUED INVESTMENT INCOME**

<u>Description</u>	<u>Amount</u>
December 2019 Interest Accrued	\$ 61,528.98
January 2020 Interest Accrued	\$ 69,845.48
February 29, 2020 Total	<u>\$ 131,374.46</u>
February 2020 Interest to be accrued in March 2020	\$ 75,746.86



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



[ocgov.com/ocinvestments](http://ocgov.com/ocinvestments)

March 31, 2020

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

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

Monthly Apportionment Gross Yield: 1.800%  
Estimated Investment Administration Fee Rate: -0.059%  
Monthly Apportionment Net Yield: 1.741%

**Fund Number : 225**

**MARCH 2020 STATEMENT**

**INVESTMENT BALANCE IN OCIP**

**Transactions**

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
03/02/2020	February 2020 Investment Admin Fee	\$ (2,225.34)
03/30/2020	December 2019 Interest Paid	\$ 61,528.98

**Summary**

Total Deposit:	\$ 5,974,609.23	Beginning Balance:	\$ 44,731,670.49
Total Withdrawal:	\$ (5,010,902.99)	Ending Balance:	\$ 45,695,376.73

**ACCRUED INVESTMENT INCOME**

**Description**

<u>Description</u>	<u>Amount</u>
January 2020 Interest Accrued	\$ 69,845.48
February 2020 Interest Accrued	\$ 75,746.86
Total	<u>\$ 145,592.34</u>
March 2020 Interest to be accrued in April 2020	\$ 69,189.92



Frank Davies, CPA  
Orange County Auditor-Controller

# Internal Audit

Compliance Monitoring of the  
Treasurer's Investment Portfolio for the  
Quarter Ended September 30, 2019

Audit Manager: Michael Steinhaus, CPA, CGMA  
Auditor II: JC Lim

Audit Number 1902  
Report Date: January 9, 2020



OFFICE OF THE  
**ORANGE COUNTY AUDITOR-CONTROLLER**

**FRANK DAVIES, CPA**  
AUDITOR-CONTROLLER

Transmittal Letter

Audit No. 1902

January 9, 2020

TO: Members, Treasury Oversight Committee

SUBJECT: Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter  
Ended September 30, 2019

At the request of the Treasury Oversight Committee, we have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended September 30, 2019. Our final report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Treasurer-Tax Collector during this engagement. If you have any questions please contact me at 714-834-2450 or Michael Steinhaus, Audit Manager, at 714-834-6106.

Frank Davies, CPA  
Auditor-Controller

Other recipients of this report:

Members, Board of Supervisors  
Members, Audit Oversight Committee  
Shari Freidenrich, Treasurer-Tax Collector  
Frank Kim, County Executive Officer  
Larry Walker, Assistant Treasurer-Tax Collector  
Gary Nguyen, Director of Investments, Treasurer-Tax Collector – Treasury  
Salvador Lopez, Chief Deputy Auditor-Controller  
Foreperson, Grand Jury  
Robin Stieler, Clerk of the Board of Supervisors  
Eide Bailly LLP, County External Auditors





# Internal Auditor's Report

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Richard Rohm, CPA, Chair, Public Member  
Treasury Oversight Committee

We have completed our compliance monitoring of the Treasurer's investment portfolio for the quarter ended September 30, 2019. The purpose of our engagement was to determine whether the pooled and non-pooled funds complied with the Treasurer's Investment Policy Statement (IPS) and instances of noncompliance, including technical incidents, were reported in the Treasurer's Monthly Investment Report. The funds covered by this engagement include those of the Orange County Investment Pool (OCIP), Orange County Educational Investment Pool (OCEIP), and John Wayne Airport (JWA) Investment Fund. The Treasurer invests pooled funds from the OCIP and OCEIP into three funds: the Orange County Money Market Fund and the Orange County Educational Money Market Fund (collectively referred to as Money Market Funds), and the Extended Fund.

We performed our compliance monitoring of the Treasury's investment portfolio at the request of the Treasury Oversight Committee. It is designed to provide limited assurance to the Treasury Oversight Committee and the Office of the Treasurer-Tax Collector that the Treasurer's investment portfolio complies with the IPS and the Treasurer reports all instances of noncompliance.

Our procedures included judgmentally selecting five business days for testing from each month and importing the selected electronic downloads from the Treasurer's Quantum system into TeamMate Analytics, an Excel-based data analytics software, to perform calculations and determine whether investment purchases complied with the IPS.

Based on the procedures performed, no instances of noncompliance were identified.

The following lists the procedures performed and the results achieved:

1. Authorized Investments (IPS Sections VI, VII, VIII, IX, and XI): We judgmentally selected a sample of 15 investments purchased during the quarter (one investment for each of the 15 business days selected for testing). We confirmed that the investments conformed to the investment requirements at the time of purchase and were purchased from issuers or brokers on the Treasurer's authorized lists per the IPS.

Results: We found no exceptions.

2. Diversification Limits (IPS Section VIII.1): We confirmed that the investments did not exceed the diversification limits for investment types per the IPS.

Results: We found no exceptions.

3. Weighted Average Maturity (WAM) Limits (IPS Section VIII.2): We confirmed that WAM did not exceed 60 days for the Money Market Funds per the IPS, and that WAM did not exceed 90 days for the JWA Investment Fund.

Results: We found no exceptions.





# Internal Auditor's Report

4. Maximum Maturity Limits (IPS Section VIII.2): We confirmed that the maximum maturity of any investment purchased did not exceed 397 days for the Money Market Funds and five years for the Extended Fund per the IPS, and that the maximum maturity did not exceed 15 months for the JWA Investment Fund.

Results: We found no exceptions.

5. Investment Type Maximum Maturity Limits (IPS Section VIII.1): We confirmed that the maximum maturity of investment types purchased that have lower limits than those covered by IPS Section VIII.2 did not exceed 180 days for repurchase agreements in the Extended Fund and bankers' acceptances, 270 days for commercial paper, 18 months for negotiable certificates of deposit, and two years for medium-term notes in accordance with the IPS.

Results: We found no exceptions.

6. Issuer Concentration Limits (IPS Section VIII.1): We confirmed that the investments did not exceed the issuer concentration limits per the IPS.

Results: We found no exceptions.

7. Financial Reporting (IPS Section XXI): We confirmed that any instances of noncompliance were reported in the Treasurer's Monthly Investment Report per the IPS.

Results: We found no exceptions.

This report is intended solely for the information and use of the Treasury Oversight Committee and the Office of the Treasurer-Tax Collector; however, this report is a matter of public record and its distribution is not limited.

A handwritten signature in blue ink, appearing to read "Frank Davies", is located below the distribution statement.

Frank Davies, CPA  
Auditor-Controller  
January 9, 2020



# Frank Davies, CPA

Orange County Auditor-Controller



## Review of the Schedule of Assets Held by the County Treasury as of September 30, 2019

Audit Manager: Michael Steinhaus, CPA, CGMA  
Auditor II: JC Lim

# Internal Audit

<sup>16</sup> Audit Number 1906  
Report Date: February 25, 2020



OFFICE OF THE  
**ORANGE COUNTY AUDITOR-CONTROLLER**

**FRANK DAVIES, CPA**  
AUDITOR-CONTROLLER

Transmittal Letter

Audit No. 1906

February 25, 2020

TO: Members, Board of Supervisors  
Chair Michelle Steel, Second District  
Vice Chairman Andrew Do, First District  
Donald P. Wagner, Third District  
Doug Chaffee, Fourth District  
Lisa A. Bartlett, Fifth District

SUBJECT: Review of the Schedule of Assets Held by the County Treasury as of September 30, 2019

We have completed our Review of the Schedule of Assets Held by the County Treasury as of September 30, 2019. Our final report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Treasurer-Tax Collector during this engagement. If you have any questions please contact me at 714-834-2450 or Michael Steinhaus, Audit Manager, at 714-834-6106.

Frank Davies, CPA  
Auditor-Controller

Other recipients of this report:

Members, Audit Oversight Committee  
Shari Freidenrich, Treasurer-Tax Collector  
Frank Kim, County Executive Officer  
Larry Walker, Assistant Treasurer-Tax Collector  
Gary Nguyen, Director of Investments, Treasurer-Tax Collector – Treasury  
Salvador Lopez, Chief Deputy Auditor-Controller  
Foreperson, Grand Jury  
Robin Stieler, Clerk of the Board of Supervisors  
Eide Bailly LLP, County External Auditor





# 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 September 30, 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.

While performing this review, we noted one internal control matter that we will report to the Board of Supervisors in a separate management letter.

A handwritten signature in blue ink, appearing to read "Frank Davies", is positioned above the printed name.

Frank Davies, CPA  
Auditor-Controller  
February 25, 2020



# Schedule of Assets Held by the County Treasury

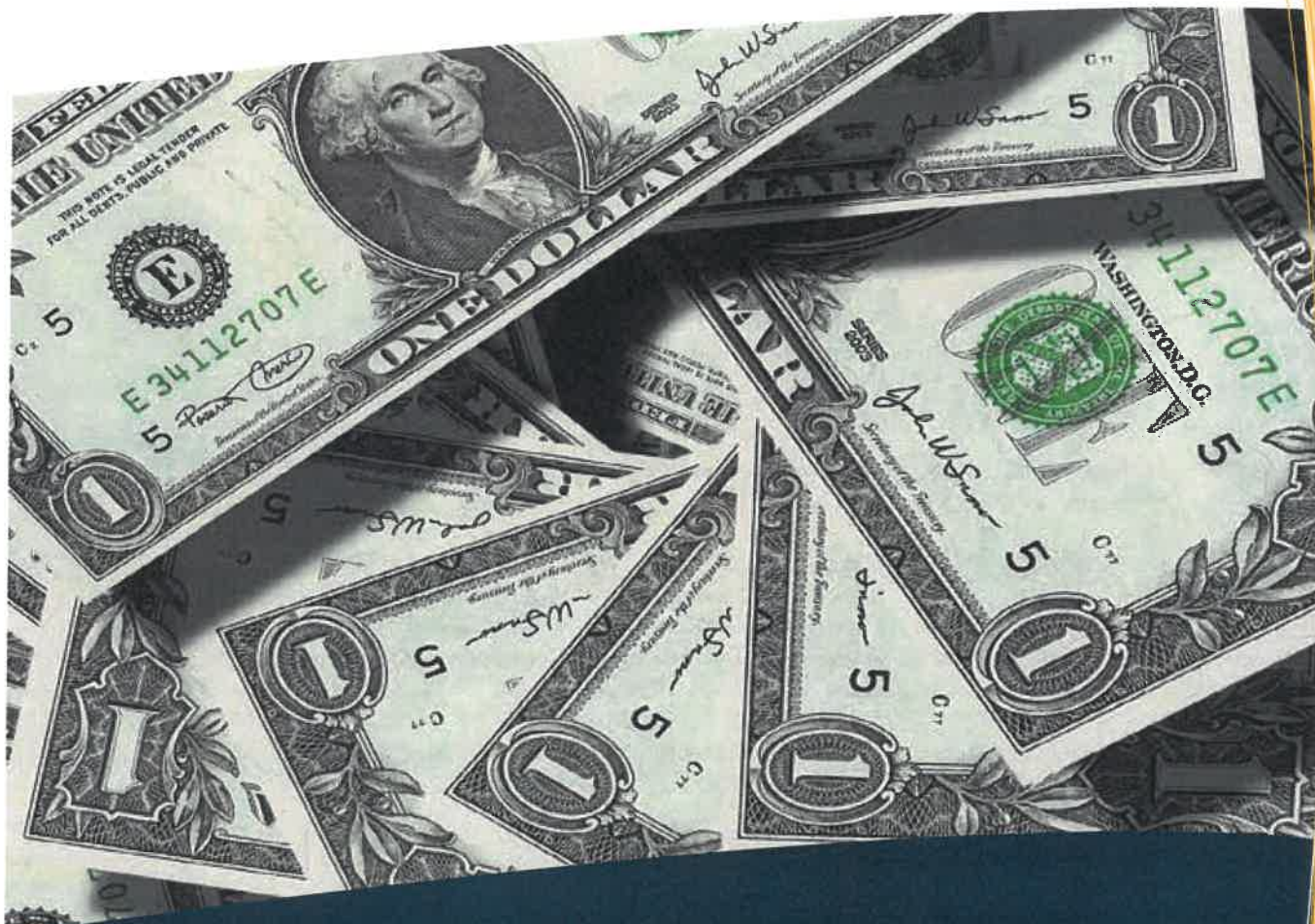
**ORANGE COUNTY TREASURY**  
**Schedule of Assets Held by the County Treasury**  
**As of September 30, 2019**

**ASSETS**

	<b>OCIP</b>	<b>OCEIP</b>	<b>Non-Pooled</b>	<b>Total</b>
<b>CASH</b>				
Cash On Hand	\$ 29,505	\$ -	\$ -	\$ 29,505
Bank Demand Accounts	25,605,448	15,230,624	13,115,888	53,951,960
<b>Total Cash</b>	<b>25,634,953</b>	<b>15,230,624</b>	<b>13,115,888</b>	<b>53,981,465</b>
<b>INVESTMENTS, stated at fair value</b>				
<i><b>Orange County Investment Pool (OCIP):</b></i>				
Money Market Fund	832,718,514	-	-	832,718,514
Extended Fund	3,074,841,893	-	-	3,074,841,893
<i><b>Orange County Educational Investment Pool (OCEIP):</b></i>				
Money Market Fund	-	1,079,713,278	-	1,079,713,278
Extended Fund	-	3,755,836,175	-	3,755,836,175
<i><b>Non-Pooled</b></i>	<i>-</i>	<i>-</i>	<i>110,048,893</i>	<i>110,048,893</i>
<b>Total Investments</b>	<b>3,907,560,407</b>	<b>4,835,549,453</b>	<b>110,048,893</b>	<b>8,853,158,753</b>
<b>TOTAL ASSETS</b>	<b>\$ 3,933,195,360</b>	<b>\$ 4,850,780,077</b>	<b>\$ 123,164,781</b>	<b>\$ 8,907,140,218</b>



Frank Davies, CPA  
Orange County Auditor-Controller



# Internal Audit

## Management Letter on Review of the Schedule of Assets Held by the County Treasury as of September 30, 2019

Audit Manager: Michael Steinhaus, CPA, CGMA  
Auditor II: JC Lim

Audit Number 1906  
Report Date: March 16, 2020





OFFICE OF THE  
**ORANGE COUNTY AUDITOR-CONTROLLER**

**FRANK DAVIES, CPA**  
AUDITOR-CONTROLLER

**Transmittal Letter**

**Audit No. 1906**

**March 16, 2020**

**TO: Members, Board of Supervisors**  
Chair Michelle Steel, Second District  
Vice Chairman Andrew Do, First District  
Donald P. Wagner, Third District  
Doug Chaffee, Fourth District  
Lisa A. Bartlett, Fifth District

**SUBJECT: Management Letter on Review of the Schedule of Assets Held by the County Treasury as of September 30, 2019**

We have completed our Review of the Schedule of Assets Held by the County Treasury as of September 30, 2019, and have issued our report thereon dated February 25, 2020. We identified one control issue during our review, which we have documented in the attached Management Letter on Review of the Schedule of Assets held by the County Treasury as of September 30, 2019. Our letter is attached for your review.

The management letter contains one recommendation. Management's response has been included in the management letter and the complete text of the response is included in Attachment B.

**Frank Davies, CPA**  
Auditor-Controller

**Other recipients of this report:**

Members, Audit Oversight Committee  
Shari Freidenrich, Treasurer-Tax Collector  
Frank Kim, County Executive Officer  
Larry Walker, Assistant Treasurer-Tax Collector  
Gary Nguyen, Director of Investments, Treasurer-Tax Collector – Treasury  
Salvador Lopez, Chief Deputy Auditor-Controller  
Foreperson, Grand Jury  
Robin Stieler, Clerk of the Board of Supervisors  
Eide Bailly LLP, County External Auditor





# Management Letter

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The Honorable Board of Supervisors  
County of Orange, California

We have reviewed, in accordance with the Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA, the Schedule of Assets Held by the County Treasury—Modified Cash-Basis (financial schedule) of the County of Orange, California, as of September 30, 2019, pursuant to Government Code Section 26920(a) and have issued our report thereon dated February 25, 2020.

In performing our review, we identified one issue that we determined to be a reportable condition. Reportable conditions involve matters coming to our attention relating to deficiencies in the design or implementation of the internal controls or qualitative aspects of the entity's accounting practices. This includes accounting policies that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial schedule. This letter does not affect our report on the financial schedule dated February 25, 2020.

For reporting our observations and recommendations, we classify report items into three categories: control deficiencies, significant deficiencies, and material weaknesses. See Attachment A for a description of report item classifications.

This letter was discussed with the representatives of the Treasury management and their response has been incorporated into this letter. The Treasury's response was not subject to the review procedures applied in the review of the financial schedule and, accordingly, we express no conclusion on the response. We will follow-up on the status of the response in accordance with our follow-up procedures.

This communication is intended solely for the information and use of the Board of Supervisors, the management of the Treasury, and the management of the Auditor-Controller and is not intended to be, and should not be, used by anyone other than these specified parties. However, this letter is a matter of public record and its distribution is not limited.

A handwritten signature in blue ink, appearing to read "Frank Davies", is located above the printed name.

Frank Davies, CPA  
Auditor-Controller  
March 16, 2020



# Management Letter

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## Finding #1: Bank Demand Accounts Not Recorded in Quantum Control Deficiency

### Criteria

Government Code Section 26920 states that "At least once in each quarter, the county auditor shall perform, or cause to be performed, a review of the treasurer's statement of assets in the county treasury... The review shall include... verifying that the records of the county treasurer and auditor are reconciled pursuant to Section 26905." Government Code Section 26905 states that "...the auditor shall reconcile the cash and investment accounts as stated on the auditor's books with the cash and investment accounts as stated on the treasurer's books... to determine that the amounts in those accounts as stated on the books of the treasurer [Quantum] are in agreement with the amounts in those accounts as stated on the books of the auditor [CAPS+]." Established internal controls require that the financial records of the Treasury accurately reflect the cash and investment accounts.

### Condition

During our review of the Treasurer-Tax Collector (T-TC) bank reconciliation as of September 30, 2019, we noted three Sheriff accounts totaling \$10,110,788 and two John Wayne Airport accounts totaling \$3,005,100 that were reported on the Schedule of Assets as of September 30, 2019. However, these accounts were not stated on the books of the treasurer (Quantum).

### Cause

In July 2016, T-TC transferred certain monies from the pooled investment funds to separate and individual bank accounts because of a Federal audit recommendation received by the Sheriff's Department that required those monies to be kept separate from other County monies. This event triggered a review by T-TC of other similar accounts held independently by John Wayne Airport in a separate bank account. Therefore, beginning with the month ended July 31, 2016, T-TC has included these accounts in their Schedule of Assets. According to T-TC management, these accounts are not recorded in Quantum due to a system limitation.

These accounts have not been added to Quantum because T-TC planned to add these accounts during their Quantum upgrade. T-TC originally expected that the upgrade would be completed in 2017, but as of January 28, 2020, it is in the final stages of getting an updated scope and quotes to take to the Board.

### Effect

These accounts totaling \$13,115,888 are included in the Schedule of Assets as of September 30, 2019, but cannot be reconciled pursuant to Government Code Section 26905 because they are not stated on the books of the treasurer (Quantum).

### Recommendation

We recommend that T-TC management ensure that all accounts included in its Schedule of Assets are recorded in Quantum.

### Treasurer-Tax Collector Management's Response

The Treasurer-Tax Collector concurs with the recommendation. The Board of Supervisors is expected to approve an amendment to the current contract to upgrade the investment accounting software, Quantum, which will be completed during FY 2020-21. The Treasurer-Tax Collector will add these accounts into our investment accounting software during the upgrade.



## Attachment A: Report Classifications

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For purposes of reporting our findings and recommendations, we will classify report items into three categories:

### Control Deficiency

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis.

### Significant Deficiency

A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepting accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

### Material Weakness

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material misstatement of the financial statements will not be prevented or detected by the entity's internal control.



## Attachment B: Treasurer-Tax Collector Management Response



**OFFICE OF THE TREASURER-TAX COLLECTOR**  
**SHARI L. FREIDENRICH, CPA, CCMT, CPFA, ACPFIM**

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



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### INTERDEPARTMENTAL COMMUNICATION

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**Date:** March 12, 2020  
**To:** Frank Davies, Auditor-Controller, CPA  
**From:** Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM *SLF*  
**Subject:** Response to Management Letter on Review of the Schedule of Assets Held by the County Treasury as of September 30, 2019

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We have provided our response to the single finding in the report as requested by March 12, 2020.

**Finding #1 – Bank Demand Accounts Not Recorded in Quantum**

One control deficiency issue was identified relating to the Treasurer-Tax Collector's (T-TC) demand bank account reconciliation. Three Sheriff bank accounts totaling \$10,110,788 and two John Wayne Airport accounts totaling \$3,005,100 were reported on the Schedule of Assets at September 30, 2019, but were not recorded in the T-TC's financial record of cash and investment accounts in the Treasury (Quantum).

**Recommendation No. 1**

We recommend that T-TC management ensure that all accounts included in its Schedule of Assets are recorded in Quantum.

**Treasurer-Tax Collector Management's Response**

The Treasurer-Tax Collector concurs with the recommendation. The Board of Supervisors is expected to approve an amendment to the current contract to upgrade the investment accounting software, Quantum, which will be completed during FY 2020-21. The Treasurer-Tax Collector will add these accounts into our investment accounting software during the upgrade.

Please contact myself or Larry Walker if you have any questions.

Cc: Larry Walker, Assistant Treasurer-Tax Collector  
Michael Steinhaus, CPA, Audit Manager

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

**County of Orange Treasury Oversight Committee**  
**Annual Report to the Board of Supervisors**  
**For the Period January 1, 2019 to December 31, 2019**

**Establishment/Composition of Committee**

The Treasury Oversight Committee (TOC) was established by the Board of Supervisors (BOS) on December 19, 1995 by Resolution No. 95-946 in accordance with the California Government Code Article 6 of Division 2 of Title 3, Sections 27130-27137 (Article 6). The TOC structure approved by the BOS consists of seven members: the County Auditor-Controller or designee, the County Executive Officer or designee, the County Superintendent of Schools or designee, and four members of the public. The members of the TOC as of December 31, 2019 are as follows:

<u>Name</u>	<u>Member Type</u>
Richard Rohm (Chair)	Public Member
Laura Parisi (Vice Chair)	Public Member
Gary Capata	Public Member
Alisa Backstrom	Public Member
Frank Kim	County Executive Officer
Al Mijares	County Superintendent of Schools
Frank Davies	Auditor-Controller

**Committee Objectives/Activities**

During 2019, four TOC meetings were held. All meetings were open to the public as required by Government Code 54950 and held on the following dates:

January 30	April 24	July 31	October 30
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As required under Article 6 and Sections V and VI of the TOC Bylaws and Rules of Procedures (Bylaws), in 2019 the TOC has performed the following:

- Rule 28:** Reviewed and monitored the annual Investment Policy Statement (IPS) ensuring that it included all items under Rule 28 (a) to (h) in the Bylaws
- Rule 29:** Caused an annual audit to determine the Treasurer's compliance with Article 6
- Rule 30:** Not directed individual investment decisions, selected advisors, brokers, dealers, or impinged on the day-to-day operations of the Treasurer
- Rule 31:** Presented the oral and written calendar year 2018 annual report to the BOS
- Rule 32:** Reviewed, discussed and made no changes to the Irregularity Policy and had no irregularities to investigate
- Rule 34:** Reviewed, discussed and no changes to the Bylaws made by the Board of Supervisors
- Rule 35:** Received a report from the Treasurer that each member has completed the state mandated conflict of interest form (Form 700), signed a Certificate of Compliance, and completed state mandated ethics training every two years

The major activities during the year consisted of presenting the oral and written calendar year 2018 Annual Report to the BOS. They also included reviewing the 2019 IPS drafted by the Treasurer, which had no substantive changes, and the TOC did not recommend any additional changes. Other significant activities included reviewing and monitoring the 2019 Quarterly TOC Compliance Summary, which identifies each audit or review and its report status.

The County's Auditor-Controller Internal Audit Division (A-C IAD) regularly audits compliance with the IPS as required by Government Code 27134 and a TOC directive, respectively. In 2019, there were eleven reports issued, one audit report, three review reports, four compliance monitoring reports, and three management follow-up compliance related reports (originally issued in conjunction with report). In all of the reports, the auditors identified no compliance exceptions. In the follow-up management reports, there are three remaining recommendations still in process, all related to the upgrade of the Treasurer's investment accounting system, which is expected to be completed in 2020. All of these reports were provided to the TOC and the BOS as part of the Treasurer's Monthly Investment Report and discussed at the quarterly TOC meetings.

AC-IAD completed the annual compliance report for the twelve-month period ended December 31, 2016 and the six-month period ended June 30, 2017 (performed by Macias Gini & O'Connell) and the reports on the Review of the Statement of Assets Held by the County Treasurer for the periods ended September 30, 2018, December 31, 2018 and March 31, 2019. They also completed the reports on Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended September 30, 2018, December 31, 2018, March 31, 2019 and June 30, 2019.

#### **Committee Opinion**

It is the opinion of the TOC that during the calendar year 2019 the Treasurer maintained an acceptable level of compliance with the statutory requirements contained in Article 6 and as further required by County Resolution No. 95-946, clause 4(c).

Respectively submitted,



Richard Rohm, CPA

Chair – Treasury Oversight Committee

cc: Shari L. Freidenrich, Treasurer-Tax Collector



Hard to Count (HTC) Census Tracts: Children Ages 0-5 Years  
Orange County, CA

