

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

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

*Wednesday, April 3, 2019*

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

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**RICHARD SANCHEZ**  
Commissioner

Executive Director  
Kimberly Goll

Commission Counsel  
James Donich

Clerk of the Commission  
Jamie Ross, Deputy

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

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

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

**9:00 A.M.**

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

## **PLEDGE OF ALLEGIANCE**

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

1. Receive School Readiness Initiatives Evaluation Presentation

### **CONSENT CALENDAR:** (Items 2 - 6)

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

2. Receive Orange County's Family Shelter Network and Family Response System evaluation report
3. Approve assignment with the University of the Pacific to California Northstate University
4. Receive the Fiscal Year 2018/19 Business Plan Third Quarter Report
5. Adopt resolution authorizing amendment to agreement with Burke Consulting
6. Adopt resolution acknowledging receipt of the Children and Families Commission of Orange County Investment Policy Statement and affirm delegation of authority to the Orange County Treasurer as the First 5 Orange County Treasurer for Fiscal Year 2019/2020

### **REGULAR ITEMS:** (Item 7 - 11)

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

7. Adopt resolution authorizing annual membership payment to the First 5 Association of California and authorize payments for professional association memberships
8. Appoint Ramin Baschshi, M.D. to First 5 Orange County's Pediatric Health Services Committee
9. Adopt resolution authorizing amendments to agreements for home visitation services under the CalWORKs Home Visitation Initiative
10. Approve the 2019-2020 Program Renewal Process
11. Adopt resolution authorizing agreements to produce the Annual Report on the Conditions of Children in Orange County

### **PUBLIC HEARING:** (Items 12 - 13)

12. Conduct Public Hearing, receive and adopt resolutions:
  - a. Strategic Plan for 2019-2024
  - b. Fiscal Year 2018/2019 Amended Operating Budget
  - c. Fiscal Year 2019/2020 Proposed Budget
13. Conduct Public Hearing, receive the First 5 California 2017/2018 Annual Report and the California State Controller's Results of Audit Oversight of County Commissions.

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

## **EXECUTIVE OFFICER REPORT:** (Item 14)

14. Receive the Executive Officers Report
  - A. Financial and Quarterly Investment Reports
  - B. Strategic Communications Second and Third Quarter Reports
  - C. Request for Consultant Qualifications Process
  - D. Early Development Index Presentation to the Association of Christian Schools International
  - E. Early Childhood Obesity Forum
  - F. First 5 Advocacy Day

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

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

## **PUBLIC COMMENTS:**

## **COMMISSION COMMENTS:**

## **ADJOURNED:**

## **NEXT MEETINGS:**

June 5, 2019	Regular Meeting, 9:00 A.M.
August 7, 2019	Regular Meeting, 9:00 A.M.

**PRESENTATION****Agenda Item 1****April 3, 2019****DATE:** March 11, 2019**TO:** First 5 Orange County Children and Families Commission**FROM:** Kimberly Goll, Executive Director**ACTION:** Receive School Readiness Initiatives Evaluation Presentation

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In December 2017, Harder+Company Community Research was approved to evaluate the School Readiness Initiatives implemented through partnerships with elementary school districts that have a kindergarten population. The final evaluation of the Early Learning Specialists and School Readiness Nurse programs, that comprise the School Readiness Initiatives, was completed in December 2018.

Harder+Company conducted the research and evaluation to document the impact of both programs, outline challenges related to the changing health care and educational landscape, and identify opportunities to more closely align with First 5 Orange County's goals and objectives. The evaluation included historical program document review, in-depth interviews with key stakeholders including school district representatives, and a comprehensive survey of the Early Learning Specialist and School Readiness Nurse staff. The evaluation recognized that the educational, social, and economic conditions that existed when the initiatives were created in the early 2000's have changed considerably. In addition, with tobacco tax revenues declining annually, First 5 Orange County's future investments must be strategic, intentional and sustainable.

Lisa Burke will present on the final evaluation report. The presentation includes a summary of the changing context in which the school readiness initiative operates, and poses several questions that will be explored over the next several months with stakeholders and the review panels in order to align the School Readiness Initiative with the new First 5 Strategic Plan, strengthen its impact, and ensure long-term sustainability of school readiness activities.

**ATTACHMENTS:**

1. Evaluation of School Readiness Initiatives Presentation Slides
2. Evaluation of School Readiness Initiatives: Milestones and Future Directions Report – December 2018





## Evaluation of School Readiness Initiatives



## Evaluation Context

- School Readiness Initiative (Early Learning Specialists and School Readiness Nurses) is long-standing “bookend” initiative, in place for more than 15 years
- Early Learning Specialists and School Readiness Nurses have had significant community impact for children/families
- The context and environments in which ELS/SRNs operate has changed and we need to consider the School Readiness Initiative in light of these changes

## Impactful Changes

- New First 5 Orange County Strategic Plan
- Availability of EDI data
- Statewide focus on quality early learning
- Movement toward serving younger children
- Low rate of uninsured children
- Increase in medically complex children attending preschool
- Declining First 5 Orange County revenue

# Imperatives/Opportunities

***Having a non-competitive, open access relationship with every school district is a First 5 Orange County priority.***

- To align with new Strategic Directions of Committed Leadership, Engaged Neighborhoods, and Connected Systems
- To have a conversation about what we are trying to sustain, and how the School Readiness Initiative can help us get there
- To think about what elements of the Initiative are critical to retain or expand, what could be done differently or better, and what we could let go
- To use EDI data to inform First 5 investment in School Readiness
- To allocate funds differently to incorporate systems change/system-building work

## Early Learning Specialist Outcomes

- Increased collaboration between ECE and K-12 systems
- Learning Link offerings
- Building/maintaining community connections
- Championing implementation and use of EDI
- Increased funding for state preschool

# Challenges for Early Learning Specialists

- Low levels of parent access
- Lack of connecting with district leaders following transition
- Minimal outreach beyond districts
- Little progress on sustainability objectives

# School Readiness Nurse Outcomes

- Access to health insurance/health homes
- Large scale provision of screenings
- Parent education and information
- Connecting children/families to health care resources

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## Challenges for School Readiness Nurses

- Slow progress on community connections/linkages
- Minimal integration with early education departments



## Harder + Co Ideas

- Advocate for creation of departments of early learning in every district/better understand their roles
- Provide consulting and technical assistance to access funding
- Continue to champion the use of EDI data across the county and use it to target services
- Better align school readiness nurses' roles and specific duties with their training
- Identify roles/people for health-focused systems-building work

## Questions for Stakeholders and the Renewal Process

- What are the school readiness gaps a School Readiness Initiative is or could be filling?
- What are opportunities for alignment with new Strategic Directions?
- What opportunities are there to bring the ELS/SRN programs together and create a unified School Readiness Initiative?
- Could the School Readiness Initiative look different for each district - maybe grouped by size – small, medium, large school districts?
- How can First 5 Orange County best engage with school districts and stakeholders?

## Renewal Process and Timeline

Activity	Schedule
Kick off of review panels	April 3, 2019 First 5 Orange County meeting
School Readiness Initiative evaluation	April 3, 2019 – presentation to First 5 Orange County Board
Stakeholder engagement (meetings with school districts, community partners)	May – November 2019
Four review panel meetings	May, July, October, December 2019
Recommendations from review panel presented	Feb 5, 2020 First 5 Orange County meeting
Contracting process begins	Feb 6, 2020
New contracts begin	July 1, 2020

# Evaluation of School Readiness Initiatives

Milestones and Future Directions

December 2018





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# Purpose and Approach

The Early Learning Specialist (ELS) and School Readiness Nursing (SRN) initiatives represent two of the Children and Families Commission of Orange County's (the Commission) longest standing and widest ranging investments. Since 2000, the Commission has invested approximately \$150 million in these signature initiatives. By 2002, the Commission was in partnership with all 24 Orange County elementary school districts and within nearly every city in the County. Over the past 18 years, this work has touched tens of thousands of children and families with services to ensure children are healthy, and arrive at the first day of kindergarten ready to learn.

ELS and SRN staff have served as critical champions of early childhood, building important and enduring connections within the K-12 education system and the community. SRNs have ensured that more than 60,000 children received developmental screenings. The work of these initiatives has fundamentally altered the relationship between early childhood education (ECE) and Orange County school districts in tangible ways: More than half of districts now have departments of early education, and districts now collectively leverage \$35 million annually in State Preschool dollars, expanding opportunities for more children to experience preschool and, in many cases, co-locating early education and primary school campuses.

As a direct result of the ELS initiative, information about the school readiness of incoming kindergarteners is now available in 100 percent of Orange County elementary schools. Early Development Index (EDI) data allows educators, leaders, parents and communities to benchmark school readiness locally and increasingly, to target resources and identify neighborhoods that could benefit from early support and intervention.

While the Commission remains strongly committed to children's health and school readiness, it recognizes that the social, economic and educational conditions that existed when the initiatives were created (in 2000 and 2004, respectively) have changed considerably. In addition, with Proposition 10 revenues declining annually, the Commission's future investments must be strategic, intentional and sustainable.

Recognizing that important work remains to be done to ensure the long term sustainability of school readiness efforts, the Commission undertook an evaluation to document system-wide impact to date and set a course for the evolution of these initiatives to reflect the dynamic nature of the early childhood education ecosystem of Orange County and California.

## Information Sources and Analytic Approach

A rich array of information sources and data informed this evaluation to ensure recommendations were based on findings that included diverse evidence and perspectives. This included sources very close to the day-to-day work, such as current and former ELS and SRN staff, district partners and program documents. Perspectives of systems and community partners, as well as current and former Commission staff, helped inform understanding of the historical and current context in which this work has occurred and evolved. Finally, a literature scan helped ensure that understanding of the work of these initiatives was grounded in current

field best practices. Exhibit 1 includes a brief description of all information and data sources.

## **Exhibit 1. Evaluation Sources and Methods\***

<b>Literature Scan</b>		A literature scan of existing studies, briefs, and reports was conducted to shed light on current trends in the field of school readiness initiatives, identify promising system-level ideas from leading thinkers, practitioners, and funders, and inform the overall evaluation.
<b>Initiative Document Review</b>		Scopes of work, contracts, evaluation and data reports, logic models, implementation plans, and other relevant program information were reviewed to understand similarities and meaningful variations within and across each initiative.
<b>Discovery conversations</b>		Conducted seven interviews with key staff closely tied to the initiatives and Commission. The purpose of these interviews was to gather additional context, and identify key milestones, in order to gain a deeper understanding of the history and evolution of each initiative. The findings of these interviews informed the evaluation design and subsequent data collection tools and helped refine the overall analytic approach to the evaluation.
<b>SRN/ELS Survey</b>		To understand the breadth of experience with each of the initiatives, current and former ELSs and SRNs across all districts were recruited to complete an online survey. The survey was comprised of questions related to best practices, challenges and barriers, collaboration with districts and preschools, and impact on children and families. A total of 119 ELSs and SRNs were recruited, through email, to participate in the online survey. In sum, 86 surveys were submitted by respondents.
<b>Key Informant Interviews</b>		Conducted phone based semi-structured interviews with individuals familiar with each initiative, including district staff and leaders, SRNs and ELSs, and early childhood education providers to gain insight on into broader context of the initiative work. The goal of these interviews was to examine common challenges and lessons learned and surface recommendations for the Commission to increase impact.
<b>Analysis of Child Impact Data</b>		Analyzed Early Development Index (EDI) data to track changes over time at the district level and across five key developmental domains: physical health, social competence, emotional maturity, language and cognitive skills, and communications skills and general knowledge. EDI domains are expected to be critical indicators of the system-level impact of the SRN and ELS initiatives.

## **Analytic Approach**

Information and data from each source was first considered independent of other sources to understand the unique perspective it provided on the initiatives. In order to identify key findings and themes for inclusion in the report, findings were subsequently compared across sources to determine points of convergence (agreement) and points of divergence (disagreement).<sup>1</sup> Throughout the report, findings that were confirmed across sources are asserted without reference to the

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<sup>1</sup> A process commonly called triangulation or synthesis, O'Cathian, A., Murphy, E., & Nicholl, J. (2010). *BMJ*, 341. doi: <https://doi.org/10.1136/bmj.c4587>.



source. Findings that were unique to one source, or that represent points of divergence across sources, are identified as such.

### About this Report

This report is organized into the following sections:

- **Looking Back: Purpose, Goals and Milestones.** The historical purpose and goals of SRN and ELS initiatives and notable accomplishments to date.
- **Looking Forward: Ways to Adapt, Align and Improve Practice.** The ways in which the initiatives can be best adapted to respond to changes and opportunities in the environmental context, become more intentionally and powerfully aligned with other systems players, and address areas of challenge.
- **Recommendations: Maximizing Impact and Sustainability.** This section contains actionable recommendations for the Commission to strengthen the impact of the initiatives and ensure their long-term sustainability. 



# Looking Back: Evolution, Milestones, and Areas to Strengthen

The ELS and SRN initiatives have worked in partnership with school districts to address children's needs and gaps in the early childhood system that existed at the time of each initiative's inception. The decision to partner with school districts, rather than developing a program independent of schools, was intentional. Schools, and specifically kindergarten teachers, were well aware of the unaddressed needs that children brought to the first day of school, which created a high level of investment. Partnering with school districts also ensured that the Commission's work would reach children from a diverse range of social and economic backgrounds. Work has evolved over time to meet emerging needs and in response to changing conditions in the early childhood sector in Orange County. This section offers a brief historical overview of each initiative, and identifies key accomplishments or "milestones," as well as areas of the work that can be strengthened.

## Early Learning Specialist (2000 to 2018)

In 2000, approximately 45 percent of Orange County 3- and 4-year-olds participated in formal early learning activities, according to Census data. Subsequently, in some communities, relatively few children achieved reading and math proficiency by third grade. According to discovery conversations with Commission staff and consultants, at its inception, the Commission began supporting initiatives and partners like the Bridges Maternal Child Health Network and Family Resource Centers. This funding reached young children and families from prenatal to age three, but the Commission and its first Executive Director were looking for opportunities to reach children up to Kindergarten. The addition of the ELS initiative completed the Commission's continuum of services by specifically addressing the needs of children ages 4-5 years and their families.

The Commission first funded ELS positions (originally called School Readiness Coordinators) in 2000, offering districts a two year planning period. By 2002, ELSs worked in each of Orange County's 24 districts. The Commission has maintained funding to all districts since, without interruption. Contracts are renewed via application every three years.

Initially, goals and activities reflected in the ELS scope of work were broad and focused on increasing school readiness, successful completion of first grade, and the ability to read by third grade. ELS staff were asked to disseminate information about school readiness to parents registering for kindergarten, conduct parent education classes on child development and family literacy, and develop a list of local ECE providers. ELSs were also tasked with attending meetings with district staff, community based organizations and key stakeholders to represent the interests of the early childhood community. Notably, the ELS initiative did not include specific objectives around sustainability in these early years, and indicators for assessing school readiness were not defined.

Over time, scopes of work for ELSs evolved and expanded to include activities that

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**"Children and Families Commission is for all children...And the best way to say we are serving all the children countywide is to have a program in each one of the school districts that reaches every area of the county of Orange."**

**—Commission Staff**

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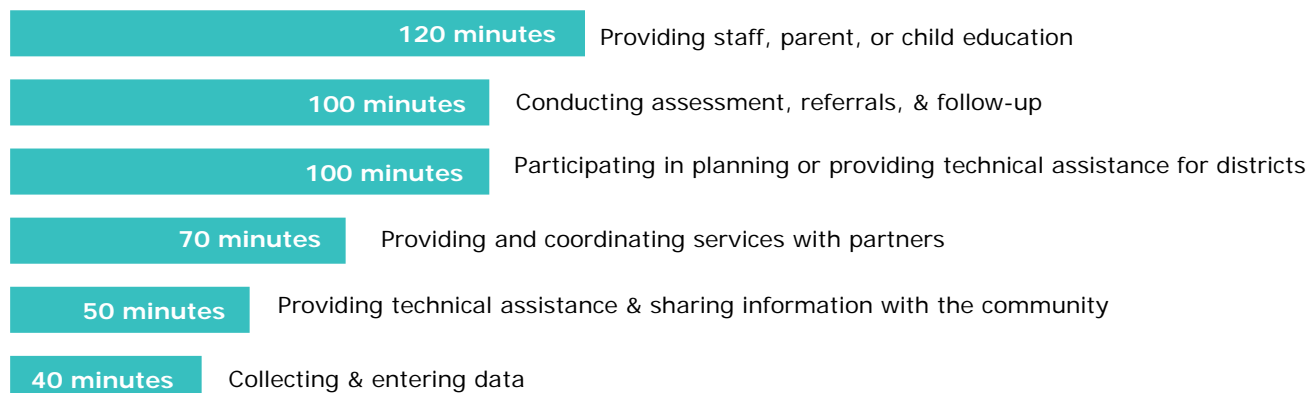
were more intentionally and clearly aligned to the Commission's strategic goals and priorities. For example, the 2017 scope includes activities such as building connections and relationships with external partners, advocating for early learning within districts, planning and preparing for initiative sustainability, providing early intervention services, and engaging parents in both regular early care and education and drop-in settings. Currently the ELS scope include clear objectives and strategies around school readiness and activities designed to create local sustainability. Exhibit 2 provides a comparison of key differences in ELS scopes of work from 2002 to 2017.

**Exhibit 2. Comparison of Early Learning Special Goals and Activities, 2002-03 to 2017-18**

	Then (2002)	Now (2017-18)
<b>Goals</b>	<ul style="list-style-type: none"> <li>• Increase school readiness</li> </ul>	<ul style="list-style-type: none"> <li>• School readiness remains central also includes increase quality of early care, parent ability to support early learning, and transitions from ECE to Kindergarten</li> </ul>
<b>Assessments</b>	<ul style="list-style-type: none"> <li>• No standard assessment across districts for entering Kindergartners</li> </ul>	<ul style="list-style-type: none"> <li>• Early Development Index implemented at 100% of schools in 24 districts as of 2017-18 school year</li> </ul>
<b>Key Services</b>	<ul style="list-style-type: none"> <li>• Develop and disseminate school readiness newsletter/brochure to parents of incoming Kindergartners</li> <li>• Present at meetings of district staff, community based organizations and other key stakeholders</li> <li>• Conduct annual parent needs assessment to document school readiness needs</li> <li>• Conduct parent education classes</li> <li>• Provide school readiness training for district staff and community providers</li> <li>• Support districts with grant applications to leverage funding</li> </ul>	<ul style="list-style-type: none"> <li>• Deliver and coordinate programs to support parents reading at home and children's early literacy</li> <li>• Provide drop-in family programs</li> <li>• Provide tools and resources to support parents on transition to school</li> <li>• Support EDI thorough implementation planning, implementing EDI, or incorporating EDI data into local planning efforts</li> <li>• Improve service delivery through collaboration with districts and community partners</li> </ul>

Survey data from ELS staff shows that most of their time is spent: directly providing staff, parent, or child education; conducting assessments and/or providing referrals to community organizations and follow-up support; and, participating in planning and providing technical assistance for districts (Exhibit 3). ELS staff generally feel these activities that take up most of their time also create the most impact for children and families. Over 40 percent of staff responding to the ELS survey reported providing staff or parent education as their most valuable activity, along with 30 percent who list district planning and technical assistance and 21 percent who select referral and follow-up as most impactful.

### Exhibit 3. In a typical 8 hour work day, the average ELS spends:



### ELS Milestones

Key accomplishments of the ELS program are outlined below.



#### Increased collaboration between ECE and K-12 systems

The decision to embed ELSs within school districts and make them district employees has deeply ingrained early learning in the district landscape and made early learning part of districts “core business.” Districts also look to their ELSs as subject matter experts and key players within the system. One district partner notes that their ELS is able to “help bring resources to the district, so that our teams can build capacity and learn more. So they’re great about bringing research; they’re great about bringing resources; they’re great about networking the individuals who are in these roles so that there is a whole team network of Early Learning Specialists.”

Since the start of the initiative, 18 of 24 districts have created early learning departments, either as standalone divisions or joined with expanded learning departments. Several of these departments have brought the ELS and SRN positions under their purview, while others have elevated the ELS to oversee this department. Both of these moves further integrate the work of the ELS into the regular functioning of the district and provide opportunities to advance early learning priorities.

ELSs participate in district planning meetings and provide technical assistance to their district in order to share the importance of early childhood education. On average, according to the ELS survey, ELSs spend about 21 percent of their time engaged with districts, either participating in district planning efforts (12 percent) or providing technical assistance and expertise to their district (9 percent).

In addition to bringing knowledge and resources, key players in the initiatives, districts, and county all highlight the role of ELSs in strengthening the voice of ECE in the K-12 system. One participant in an ELS interview relays the initiative’s “ultimate goal of making sure that there’s always somebody at the table in the public education system that represents early education.” Another adds that they are able to help district leaders “understand the value of early education and the

### District Departments of Early Learning

As of 2018, 18 of 24 Orange County districts have a department of early learning, either as a standalone division or embedded in expanded learning departments:

- Anaheim
- Brea-Olinda
- Capistrano
- Centralia
- Fountain Valley
- Fullerton
- Garden Grove
- Huntington Beach City
- Irvine
- Los Alamitos
- Magnolia
- Newport Mesa
- Ocean View
- Orange
- Saddleback
- Santa Ana
- Tustin
- Westminster

importance of that, and how that prepares children in a positive way for being more successful in later parts of their educational process.” ELSs report strong working relationships with partners in these systems, as, according to the ELS survey, about three-fourths of ELSs say they are able to collaborate effectively with district staff (74 percent) along with elementary school principals and administrative staff (77 percent). According to ELS interviews, collaboration includes sharing information and materials, coordinating services, and communicating Commission activities.



### Learning Links drop-in programs offer more avenues to engage children and families

The ELS scope of work includes an optional service of providing drop-in support for parents, and ELSs in many districts coordinate Learning Links programs to meet this milestone. Learning Links provide an important alternate engagement point for children not attending district-affiliated care centers. Learning Links offer opportunities for parent education and connections to peers and resources, as well as socialization for young children starting at birth.

Both ELS and district partners see Learning Links as a major accomplishment of the initiative. According to one participant in an ELS interview “I think the Learning Link concept is so valuable, and I believe that countywide and community-wide. So it would be great to see more of those programs, and maybe some specific model and standard to go with that so that we could get those out everywhere.”

In an interview one district partner shares “we would probably not have ever developed a Learning Link, if not for the Commission’s and the initiative’s advocacy to do that. And it is a hallmark program that we are so very proud of, and making such a positive difference in our communities, so we’re very grateful for that.” Learning Links allow an opportunity to connect with families from the very beginning of their children’s lives and start building positive relationships between them and their school district.



### Building and maintaining community connections

ELSs have created meaningful connections with their local communities. They partner to bring programs and services to their school-based sites, outreach to families with young children, and build their referral network. More recently, ELSs have participated in EDI collaboratives, which provide a valuable avenue for ELSs to engage with partners and organizations not involved in other aspects of the initiative’s work. Through engagement in these collaboratives, ELSs not only build their networks for the benefit of their district, they also represent the Commission and the EDI to diverse partners, helping them to understand the value and use of this data. ELSs have also played a critical role in connecting districts and families with other Commission-funded initiatives, including Help Me Grow, Healthy Smiles, and Family Resource Centers. ELSs report these other initiatives offer valuable resources on and off their sites, by, for example, providing trained family support specialists to work with families on-site in a familiar setting or providing alternative opportunities for screening and follow-up services. Other frequent partners include local libraries and community-based nonprofits, and hospitals and health clinics, with whom ELSs share information and materials to distribute to their respective clients and families and maximize their potential to access needed services.



## Championing implementation and use of Early Development Index

ELSS have played an integral role in implementing and promoting the EDI. ELS staff not only support schools to implement the EDI, they use EDI data to guide their work and support district and school leaders to use EDI data in planning. ELSS in several districts participate in EDI collaboratives; these groups include partners from other city departments and community-based organizations and work to inform parents, school and district staff, and community partners about the EDI and advocate for further uptake and integration. Sharing out EDI data and working with collaboratives connects ELSS to important district- and county-level stakeholders, and integrates their work with other efforts to track student progress through their entire school career. In interviews, ELSS share that involvement in these efforts provides an opportunity for “deeper collaboration” with district partners at many levels and report that ELS and Commission staff efforts to integrate the EDI broadly across the districts is having an impact. As one systems-level partner shares in an interview, “we tie in the EDI data in everything that we do.”



## Increased funding for state preschool

Data from 13 school districts shows that total funding from the Commission and First 5 California's State School Readiness pool grew from just over \$550,000 in 2000-2001 to \$12.5 million in 2009-2010. Over the same time, outside funding supporting school readiness in these districts increased from \$10.2 million to \$34.8 million, largely due to growth in State Preschool funding from \$6.3 million to \$25.5 million. And while Commission funding represented a high of 33 percent of school readiness funding in these districts in 2005-2006, that share fell to 26 percent by 2009-10, even while the number of children served in preschool continued to grow.

A Commission consultant supporting the ELS initiative, rather than individual ELS staff, was responsible for this effort. An important related milestone is that 20 out of 24 of Orange County school districts have State Preschool programs and Commission staff report State Preschool funding reached \$40 million in 2017-18.

## ELS Challenges

While the ELS initiative has achieved many important milestones, the evaluation also identified areas of challenge that potentially limit the impact of the work.



## Low levels of parent engagement

Parent education has been a centerpiece of the ELS scope of work from the very beginning of the initiative. Currently, ELS staff report spending about nine percent of their time engaged in activities related to parent education and staff clearly see the value in the activity, as over one quarter identify it as their most impactful activity. Despite the high value placed on parent engagement and education, structural issues within the initiative currently limit the number of parents who are participating in initiative related services and programs, especially parent education classes: 1. Lack of offerings outside the school day, 2. Lack of time to develop trusting relationships with parents, and 3. Linguistic and cultural mismatches

between ELS curriculum, staff and parents.

Parent education activities are typically offered during the school day, or immediately after school in most districts. This renders programs inaccessible to parents that work during the day. As one ELS described, parent education programs are “fading away, because parents work, obviously, and they’re not able to spend the time in the school that they did in the past.” ELS and district partners strongly believe that families would participate in parent education if it was offered evenings and/or weekends.

ELS staff recognize the importance of engagement and outreach to build trust with families prior to enrollment in parent education classes. As some ELS staff have taken on supervision of other staff—typically other ELS and sometimes SRN staff—this reduces the time they have available to build relationships with parents. In addition, ELS acknowledged that in cases where they themselves do not speak parents’ primary language, it can be challenging to conduct effective outreach.



#### Lack of connection with district leaders following transitions

District partners, ELS staff and Commission leaders in large part attribute the success of the ELS initiative to the strong connections that ELSs have forged with district leaders, key staff and other stakeholders. However, turnover at the district level significantly slows down progress of ELS work. Specifically, changes in district leadership can create a pause point in ELS work while new staff come on board and gain an understanding of the initiative’s goals, activities and purview. As one ELS shares, “...we’re spending a lot of our time and energy to help principals or directors or superintendents and people to understand more and more about early education. And then they go off to another district, and then it kind of feels like starting over.” According to the Orange County Department of Education, ten districts have experienced turnover in the superintendent role since 2015.

Staff turnover, even at the highest levels of leadership, poses less of a challenge in districts with dedicated departments of early learning. While the structure of early learning departments varies across district, the mere presence of such departments institutionalizes the place of early education in the broader educational system and ensures continuity in the value placed on the work of ELSs.



#### Minimal outreach beyond districts

While there is evidence that ELSs have become key players within their districts, opportunities exist to strengthen their role in developing and championing the network of early education services available for families outside of California State Preschool Program (CSPP) and district-based programs. Part of the initial intent of the ELS initiative was to work closely with center-based programs and Family Child Care Homes to strengthen quality. Over time, most of the ELS work has focused at the district level. As one longtime ELS described, in the early years of the initiative, ELSs “reached out to our community programs and brought them in and worked on lots of things, talking about funding, talking about program quality, talking about how to bring the families in and keep your families...People really valued it.” One participant in a systems-level interview put out a call for ELSs to refocus their work in the community: “we need people who are in the trenches... knocking on family childcare providers’ doors, going and building relationships.”

ELs are foundational to connecting families to services and resources, yet many, if not most, referrals are initiated within districts. There is still room to more fully develop service networks outside of district resources.



### Little progress on sustainability objectives

ELs scopes of work have always included activities intended to support their local districts with sustainability efforts. However, historically, Commission consultants have made the most meaningful contributions to these efforts. While these funds greatly increase access to early education for children and families, the extent to which these funds could likely not be used in and of themselves to sustain the EL position within districts. In addition, while individual ELs have had success securing small, time-limited grants for supplies or special events, this is not of the scale that would sustain EL positions in the absence of, or with significant reductions in, Commission funding. Some district partners anecdotally reported that their districts would likely find a way to sustain the EL position but there was not a systematic or clear fiscal strategy within or across districts to do so.

## School Readiness Nursing (2004 to 2018)

In 2003, 10.9 percent of Orange County children were not covered by health insurance and an estimated 10-20 percent of preschool children had an unrecognized, undiagnosed developmental delay, according to data from Orange County Community Indicators and a Commission-funded report from the UCLA Center for Healthier Children, Families and Communities. The Commission recognized the important link between health and school readiness and began funding SRN positions in 2004. This added a critical health-focused component to their early learning and school readiness work. As with the EL initiative, the Commission provided districts an initial planning period to determine how to best implement the SRN position. At the end of the first academic year of funding in 2004-2005, all 24 districts accepted funding for an SRN position.

The original goal of the SRN initiative was to support and improve young children's health to help prepare them for school. This goal, and the initial SRN scope of work, primarily focused on providing direct service via screening and assessments, referrals and linkages to external services, and parent and provider education. Both have remained relatively unchanged. In comparison to the EL initiative, the work of SRNs has been more focused on direct service provision to children and families, and that has remained constant over time. The SRN initiative has expanded the number and types of screening available to children and families through partnerships with Healthy Smiles and Pediatric Vision Services.

## SRN Milestones

The SRN initiative has supported school readiness by ensuring children's health needs are identified and treated as early as possible, that children are linked to the health care system and that parents have the knowledge and skills they need to support their child's optimal development. Key accomplishments of the SRN initiative from 2004 to 2018 are highlighted here.





### Access to health insurance and a health home

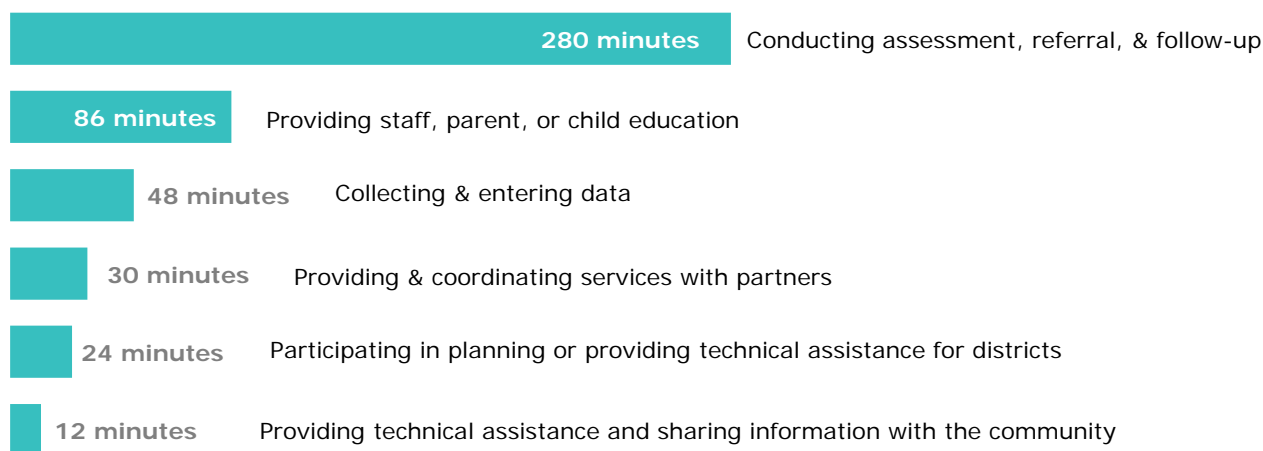
Before the creation of the SRN initiative, over one in ten children age birth to five years in Orange County lacked health insurance. Since 2004, the state and national health insurance landscapes have changed in dramatic and important ways. SRNs have helped families with young children navigate changes brought on by the Affordable Care Act and California's Medi-Cal for All Children legislation, and connecting children with health insurance enrollment and a health care home remain key elements of the SRN scope of work. Given the general upward trend in health insurance enrollment county- and state-wide since these legislative changes, and due in part to the SRNs' efforts over the years, almost all young children in Orange County now have health insurance. According to Commission data, over 99 percent of children served by an SRN had health insurance at the end of services in 2017-18. With the Commission's strategic goal of linking all children to health insurance enrollment nearly met, SRNs' work in this area reaches just a small number of families still needing this type of assistance. In 2017-18, SRNs assisted 23 families to access health insurance enrollment, and 38 families to link to a health care home



### Large-scale provision of screenings

A core activity of the SRN scope of work is screening young children for potential developmental, behavioral, vision, hearing, dental, health status, and body composition issues. In survey responses, SRNs report spending nearly 30 percent of their time conducting screenings, by far the most time they devote to any activity. Reflecting the scale of this effort, in 2017-18, SRNs provided over 60,000 such screenings, and screened another 13,000 children for up-to-date immunizations, according to Commission data. And, according to SRN survey responses, assessment, referral, and follow-up activities consumed the majority of the average SRN's workday (Exhibit 4).

#### **Exhibit 4. In a typical 8 hour work day, the average SRN spends:**







### Provision of parent information and education

SRNs help parents build awareness of healthy child development through a variety of mechanisms, including providing classes and one-on-one support to families. Since 2004, SRNs have provided parent education classes on nutrition, physical activity, and child development through a combination of direct service and coordination of outside instructors. While historic data was not available for this report, SRNs reached over 4,000 parents through healthy child development classes in 2017-2018. SRNs spend, on average, 86 minutes per day delivering or coordinating education services, second only to the time spent providing developmental screenings.



### Connecting children and families to health care resources

Linking children to health services external to school settings is another core element of the SRN scope of work. SRNs connect families with health insurance enrollment, health care homes, and service providers to address health and developmental concerns. According to responses to the SRN survey, SRNs currently spend 20 percent of their time referring families to services (11 percent) and following up on these referrals (9 percent). In 2017-2018 SRNs provided over 5,600 referrals for parents to follow up on their child's health and developmental concerns, and another 3,700 direct linkages to services.

There is ample evidence that early identification and referrals to these services significantly impact families; although all families do not follow through with referrals. One SRN estimated that about 50% of families follow up with referrals provided following vision screening. But of those who do follow up, "90% come back with glasses." Conducting screenings as early as possible is crucial, and as one SRN describes, "vision definitely has an impact on their academic performance, and if it's postponed until 'mandated vision screening' in kinder or first grade, that's two compromised years."

## SRN Challenges

The SRN initiative has been highly successful at providing direct services to children and families via screenings and referrals. However, the initiative has not made substantial progress in meeting objectives around creating linkages across districts, community resources and systems. While the ELS initiative has more organically found a district home within departments of early education, SRNs have not been as uniformly incorporated into district infrastructure and in many cases operate independent of school nursing staff.



### Slow progress on community connections and linkages

SRN scopes of work emphasize completion of screenings and referrals for follow-up care; subsequently, the initiative as a whole consistently meets and surpasses annual targets for screenings. However, activities such as building relationships and linkages with community partners is an equally important aspect of SRNs' work, but these activities have not been undertaken to the same degree. SRNs gravitate to the provision of direct services to children and families, rather than community

building work. In some cases, SRNs felt the need to support school nurses, who are sometimes overwhelmed with large caseloads or to provide intensive support to ensure children with medically complex needs can participate in early education. Some SRNs feel unequipped to participate in community building work in meaningful ways, which is not surprising given their training is in direct service delivery.

The SRN initiative has not made many inroads to help connect providers in school settings and practical settings (such as primary care practices, hospitals and community clinics). Health systems leaders acknowledge this is “a bilateral challenge” with communication lacking on both sides.



#### Minimal integration with early education departments

In comparison to the ELS initiative, which is tightly integrated with districts (especially where departments of early learning exist), the SRN initiative, and the work of SRNs, is largely seen as “outside” the system. Organizationally, this is reflected in the wide variety of supervisory structures for SRNs observable across districts. In some cases, SRNs report to the ELS, in other cases, to school administrators with no clinical background. In the most extreme case, an SRN reported to an IT director. While the support and technical assistance provided by the Commission consultant is highly valued by SRNs, it is not as visible to district early education directors. ✚

# Looking Forward: Opportunities to Adapt, Align, and Improve Practice

Over the last 15+ years, the ELS and SRN initiatives have undoubtedly contributed to increased school readiness of Orange County's kindergarteners. However, the social, economic and service context has changed considerably since the inception of these initiatives. This section identifies key contextual changes and ways in which the ELS and SRN initiatives may be impacted by these changes.

## Changing Context

Data from a landscape assessment, along with findings from Commission staff, consultants, systems experts and partners was used to identify important changes in the Commission, County, State and National context that have implications for the future of the ELS and SRN initiatives.

**Declining revenue.** The Commission, like all commissions statewide, has experienced a decline in revenues due to reductions in use of tobacco products. Over the last 18 years, statewide revenues have decreased from \$650 million to \$355 million—from \$261 to \$135 per child. By 2020, annual revenues are predicted to drop to \$337 million statewide.<sup>2</sup> Based on these projections, it is unlikely that the Commission can continue to fund ELS and SRN positions at their historic levels of funding. Therefore it is critical for the Commission to be strategic about its investments to support services and activities that create sustainable, systems-level change.

**Declining school enrollments.** Most Orange County schools are experiencing declining kindergarten enrollments. Decreases in birthrates and the high cost of housing means that families with young children are moving out of the county to find more affordable housing. The Commission may consider assessing full time equivalent (FTE) or ELS and SRN positions against current and projected kindergarten enrollments to right size positions in each district.

**Availability of comprehensive EDI data.** As of 2018, EDI data is now available for all schools in Orange County. This data can be used to identify the unique strengths and challenges of each community so that ELS and SRN scope of work can best meet these needs. EDI data can be used to track and assess the impact of early interventions at the local/school level. EDI data could also be used to strategically allocate ELS/SRN positions and modify scopes of work relative to community need.

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<sup>2</sup> First 5 California, combined First 5 County revenues for children's services.

**A focus on younger children.** At its inception, the ELS initiative was intended to serve 4- to 5-year olds. The expansion of State Preschool, and the creation of transitional kindergarten<sup>3</sup> (TK) in 2012, means that ELS-supported programs will likely be serving younger children (birth to 3) in the near future. Given that infants and toddlers have different developmental needs than 4- and 5-year-olds, the ELS program spaces, goals and activities will need to be adjusted to reflect this population of children.

**Statewide focus on and funding for quality early learning.** First 5 California and the State of California have coordinated funding to increase the quality of early learning environments. California State Preschool Program Block Grants target quality in CSPP programs, while First 5 California provided \$190 million of IMPACT grants to improve the quality of non-CSPP programs. In addition, the State of California recently released a strategic plan focused on quality early learning. Quality improvement systems utilize comprehensive classroom and center assessments to rate the quality of current practice and develop improvement plans. This includes teacher development and onsite coaching to strengthen classroom environments and instructional practice and parent engagement. Given their familiarity with staff, ELSs are uniquely positioned to support quality improvement efforts within the districts and the broader communities they serve. They could play roles in site assessment, training, parent engagement and coaching. The Commission should explore opportunities for ELS engagement within quality improvement systems.

**Low rate of uninsured children and families.** When the initiative began, SRNs devoted a significant amount of time to working with families to obtain and maintain health insurance coverage. With the passage of the Affordable Care Act and California's Medi-Cal for All Children legislation, more children and families are insured than ever before. According to data from the Annual Report on the Conditions of Children in Orange County, the proportion of OC children age zero to five without health insurance fell from 10.9 percent in 2003 to 8.9 percent in 2009, and to 1.9 percent in 2016. This means fewer families need support enrolling in health insurance and finding a health home. Therefore, this task is likely to be of decreasing importance in the SRN scope, barring changes to the Affordable Care Act at the Federal level.

**Increase in number of medically complex children attending preschool.** Preschools are serving larger numbers of children with complex medical needs. This includes diabetes, seizure disorders, allergies and anaphylaxis, and chronic conditions requiring in-school medication. SRNs play a key role in managing these children's participation in preschool settings. This requires intensive care coordination and support. In addition, although outside of their scope, SRNs are often called upon to provide training for teachers and other school staff to support and care for these children.

SRNs see value in this role, but acknowledge that it is not reflected well in their scope of work and can take away from their ability to complete other activities. As one SRN shares, "when you're talking about acute illnesses, or long-term illnesses of preschoolers, and you're trying to assist the family and programs with those needs, as well as going out and doing mass-screenings, sometimes those two things don't mesh." In addition, "nowhere on the work plan do we have a place to document what we're doing for the kids that come in with the medical needs, the complex medical needs...So we're not really getting credit, but we're spending a lot of time doing it." While SRNs are well-suited to this task given their training and

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<sup>3</sup> Transitional kindergarten (TK) is a publicly funded program for 4-year-olds who turn 5 between Sept. 2 and Dec. 2.

credentials, there is concern about role clarification among SRNs and School Nurses. SRNs are stepping in to support School Nurses but are not entirely sure if their engagement is appropriate.

## Partner Needs and Perceptions

Orange County school districts have been important partners in the ELS and SRN initiatives from the beginning. District partners, including superintendents, deputy and assistant superintendents, principals, current and former district directors, and representatives from community organizations with close ties to the Commission were interviewed as part of this evaluation. What do district stakeholders see as most valuable about these initiatives? What is most important for them going forward?

**ELS.** District-level leaders and stakeholders value the role of the ELS in building connections across early learning providers and settings. Partners see value in leveraging ELSs' existing community connections to improve outreach to and partnership with other early learning settings that currently have weaker ties to the Commission and district efforts. However, this will need to occur at a higher level of intensity than in the past to really effect change, more than holding meetings and convenings. As one partner described, "we need people who are in the trenches...knocking on family childcare providers' doors, going and building relationships." In addition partners see the need to more fully expand the ELS work into the community beyond the district, as was the intention for the position at its inception.

**SRN.** High-level stakeholders describe SRNs as more closely involved with children on district campuses than children in community settings and concur with the finding that the initiative seems to have become more district-focused over time as "initially [the SRN] role was to go out into the community and do all those screenings," but as districts have added more programs on their existing campuses, those children occupy most of the SRNs available time. Still, as with the ELS initiative, partners see an opportunity for the SRNs to build or rebuild more connections with non-district early learning settings. While recognizing the difficulty involved in this work, a high-level partner from the medical community shares "children who are not connected to formal schooling are hard to reach...and I think they're some of the most vulnerable. I think they're kids with the highest levels of needs." The partner adds for "a child who is in home care or in a private care environment, they are not likely to be enrolled in the electronic education record until they formally enter the district." By establishing stronger relationships with community and family care settings, SRNs would extend their valuable screening work to more children in need and engage these children and their families with district resources and systems earlier in life.


Partners are conflicted about the best positioning of the SRNs within the early learning and health system. With SRNs embedded within districts, they are able to be a voice for child health and take an important seat at the early childhood table. A high level partner within the medical community shares that if the initiative was restructured, SRNs would "be outside the education culture if they're not employed by the districts. Sometimes School Readiness Nurses, or school nurses, are employed by the healthcare system or the public health department, but then they struggle to have the internal relationships and to understand the initiatives, so where there are opportunities to match with the initiatives of the schools districts, that opportunity may be missed." However, the same partner adds that "their voice as an employee is relatively weak in terms of establishing where the district is going to go...It isn't clear that health-related areas of focus are always on the forefront of the minds of school districts."

Partners also see a tradeoff in information sharing and access in locating the SRNs within the districts. While SRNs have access to school records they do not have ready access to health records. Currently, there is very limited communication between children's health professionals in the community and those in school settings. At the same time, partners also identify a disconnect between SRNs and others in the district early learning system. Because of different reporting structures across districts, SRN supervisors include district early learning or child development directors with closer ties to other early learning staff and activities, as well as school and district nurses with fewer interactions with the broader early learning system. As a result, "a lot of district directors are probably the same way, where they don't interact with the SRN piece a lot."

Therefore, as the Commission considers the future structure of the SRN initiative, it will be important to determine how the SRN initiative can be used to more effectively strengthen systems-level connections between education and health. For example, locating one or several higher-level health professionals within district or county structures could maintain access to information, personal connections, and educational records and amplify voices for health within the early learning systems. These individuals may be better placed and trained than individual SRNs to work with district stakeholders, and could oversee *promotora* or other direct service providers to maintain the valuable work SRNs currently do, extend it to additional community settings, and forge closer ties with the broader medical community.

## Coordination and Collaboration with other Initiatives

ELS and SRN (to a lesser extent) work has achieved some coordination and collaboration within their districts and with service providers for referrals. However, the emergence of new Commission initiatives provide new opportunities to expand the referral network and reach of these initiatives. While some coordination and/or collaboration may be happening with these initiatives, there would be value in clearly articulating the relationship and defining a role for ELS and SRNs to play.

- Bridges Maternal Child Health Network is a service partnership among 10 high-birth hospitals, four county-based public health nursing programs, and three community-based home visitation programs. Bridges provides comprehensive health and psychosocial screenings, and referrals to home visitation programs and other supports based on need.
- Neighborhood Resources Network is a community collaborative that targets services to families at high risk for future substantiation of child maltreatment, and specifically families who have had an initial child abuse report.
- Developmental Screening Initiative is a quality improvement partnership with Children's Hospital of Orange County and Help Me Grow Orange County to increase the rate and quality of developmental screenings among pediatric and family medicine providers.
- Early Childhood Mental Health and Wellness Program is a diverse collaboration of agencies working together to help early care and education providers support children with challenging behaviors through early identification and intervention, connection to clinical care and mental health resources, and education of the child's family to increase understanding and access of services. 

# Recommendations: Maximizing Impact and Sustainability

The Commission's investment in the ELS and SRN initiatives has clearly made a positive impact on the school readiness of Orange County's children. However, the goals and central activities of the initiatives have changed slowly and only incrementally since their inception. In contrast, the ECE and healthcare landscape has changed dramatically since the start of these initiatives, in part due to the very work of these initiatives. The recommendations that follow are intended to maximize the impact of the Commission's investments in school readiness and to support the Commission's goals for long-term sustainability.

## **Advocate for the creation of departments of early learning in every district and better understand the role they play**

A department of early learning not only provides better support for the work of ELSs and SRNs, but also serves as a visible sign of organizational commitment to early learning. Departments of early learning weather the transitions of leaders and provide consistent, ongoing support to the work of ELS staff. These departments may also serve as the organizational home for fundraising, partnership development and parent engagement. The creation of such is an important milestone that indicates a high likelihood that the gains the Commission has made will be sustained long after Commission funding sunsets. While ELS staff should be at the table for these discussions, it will require the advocacy of Commission leadership to be successful. Although most districts (18 out of 24) have such departments, the function, scope, structure and mandate of each is not well documented. A comprehensive inventory of each department will provide information that can aid the Commission's planning for ELS, SRN and future initiatives.

## **Provide consulting and technical assistance to access funding**

Districts and providers are still learning to navigate the brave new world of funding in ECE and healthcare. The landscape has changed rapidly over the last five years with a wide variety of emerging funding opportunities that may be accessible to sustain ELS and SRN activities over the long-term. For ELS, this includes IMPACT and CSPP block grants to improve the quality of early learning, transitional kindergarten, LCAP funds, and Early Head Start to expand services to children three and under. For SRN, there may be opportunities to leverage Medi-Cal funds to offset costs of serving children with medically complex needs. Some models exist within K-12 education that may be applicable in early care and education settings. However, districts need support to find and access the right mix of funding commensurate with their community's needs and circumstances. The Commission has a history of providing leadership in this arena. District partners greatly appreciated the technical assistance that the Commission's consultant provided to leverage State Preschool dollars in the early years of ELS and suggested that similar technical assistance would be effective and appreciated. This type of technical assistance would require several individuals with highly specialized knowledge and experience.

## **Maximize the value of licensed nurses by better aligning their role and specific duties with their training**


Activities that are currently part of the SRN scope should be reconsidered to maximize the Commission's investment in licensed nurses. SRNs themselves, district partners and health system leaders all agree that while screening, referral and follow up are high value activities, they do not have to be conducted by a licensed registered nurse to be done effectively. Community health workers could be tasked with screenings and could be supervised by ELS staff in that work.

It is clear that the most important role for licensed nurses to play within school readiness efforts is support and care coordination for children with medically complex needs, training and supporting school staff to work with children with complex needs, and parent engagement and education. While screening remains important, it is not the best use of nurses' limited time.

## **Identify the right person/people to engage in health-focused systems-building work**

There is a need for strong linkages between early education and community health initiatives such as the Early Childhood Mental Health and Wellness Collaborative, the Developmental Screening Initiative, and CHOC's Transforming Clinical Practice Initiative. Connections with these collaboratives is a critical component of the Commission's sustainability goals. This role would best be filled by individuals with deep health and systems work experience who can dedicate their time to these efforts. Most SRNs cannot meet both the demand for their services and have the time to develop the skills needed to meaningfully engage in systems building work.

## **Continue to champion the use of EDI data across the county and use it target services**

The ELS initiative has played a key role in the uptake of the EDI and the use of data within districts to identify community needs and target services. However, there is less evidence that SRNs are systematically using and sharing EDI data in the same way. Both ELS and SRN staff would benefit from additional support and training on how to present findings to appropriate audiences and how to use findings to drive service planning and community action. Trainings should be conducted by individuals with experience translating findings into practice in community settings rather than academics. Such training can support ELS and SRN staff to engage neighborhoods around EDI, build community knowledge of available data, and work on the creation of and advancement towards measurable early childhood goals in all communities, especially those with the greatest need. 





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**Agenda Item 2****April 3, 2019**

**DATE:** March 25, 2019

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

**FROM:** Kimberly Goll, Executive Director 

**ACTION:** Receive Orange County's Family Shelter Network and Family Response System evaluation report

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**SUMMARY:**

First 5 Orange County Children and Families Commission entered a catalytic partnership agreement with HomeAid Orange County in 2012 to build emergency shelters to house homeless pregnant women and families with young children. This item provides a summary of the homeless prevention evaluation and the impact of First 5 Orange County funding.

**DISCUSSION:**

First 5 Orange County has been in partnership with HomeAid Orange County since 2002 to build out a shelter infrastructure specific to the needs of pregnant women and families with young children. This partnership has built over 400 beds within the county. In 2012, First 5 Orange County approved \$6.25 million in additional, onetime catalytic funding to build emergency shelter beds for families.

To date, HomeAid has spent \$4.55 million of First 5 funding and raised an additional \$9.4 million in matching contributions. They have built five projects (66 units) with the expectation that those units will serve approximately 264 families annually. A balance of \$1.7 million of the initial \$6.25 million remains unallocated. In addition to the catalytic funding allocation, First 5 Orange also allocates \$840,000 annually for the annual operating expenses at five shelters to ensure services to pregnant women and families with very young children.

In February 2018, the First 5 Orange County approved an addendum to the catalytic project term sheet with HomeAid to allow up to \$150,000 to be used for a comprehensive evaluation of Orange County's Family Shelter Network. The evaluation focused specifically on the 22 shelters that are part of the Family Solutions Collaborative, which includes both shelters that receive First 5 funding and those that do not. The evaluation focused on the current performance of the family shelter system. Specific recommendations include programmatic alignment among the family shelters to improve quality and consistency, increase formal governance and oversight of the collaborative, ongoing use of data and evaluation to inform performance management and system outcomes, and considerations for future investments in the family shelter system.

In response to the evaluation there are three work streams under way. Updates on each of these work plans are included below.

1. Family Solutions Collaborative is developing a set of standards and best practices that will be adopted by all providers within the collaborative, launching a coordinated entry system

specific to families in the summer of 2019, and focusing on sustaining and improving governance of the collaborative.

2. HomeAid has extended the agreement with Katherine Gale Consulting to continue the evaluation efforts to inform shelter practices. The second phase of the evaluation is funded with the original \$150,000 allocated by First 5 Orange County and will be completed by August 2019.
3. The information in this evaluation and the second phase of the evaluation will be used to inform the First 5 renewal process. HomeAid will present a complete report on the evaluation and recommendations for potential future investments into the Family Homeless Prevention System at the August 2019 First 5 meeting.

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

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

### **PRIOR COMMISSION ACTIONS:**

- February 7, 2018- Authorize funding for comprehensive evaluation of Family Shelter Outcomes
- October 5, 2016- Authorize funding for the Family Care Center
- April 2016 – Adopted resolution with Family Ministries and Shelter Providers of Orange County, Inc., dba HomeAid Orange County, Inc. for a term of 20 years and in an amount not to exceed \$1,045,000
- May 2015 – Catalytic Emergency Shelter funding approved
- May 2014 – Funding allocation for emergency shelters
- February 2012 – Approved implementing actions for Round 2 catalytic investments

### **RECOMMENDED ACTION:**

Receive Orange County's Family Shelter Network and Family Response System evaluation report.

### **ATTACHMENT**

1. Evaluation of Orange County's Family Shelter Network and Family Response System Executive Summary

**Contact:** Kim Goll

# Evaluation of Orange County's Family Shelter Network and Family Response System

## Executive Summary

Prepared by  
Katharine Gale Consulting



In collaboration with



November, 2018

## Executive Summary

### Introduction and Context

Over the past three years, significant changes have been made in the way that family homelessness is addressed in Orange County, including the creation of five new year-round shelters for families and the launch of a coordinated systems approach. This evaluation, commissioned by HomeAid Orange County and the Orange County Family Solutions Collaborative, with support from the Orange County Children and Families Commission, is intended to investigate and describe the process and impact of these changes.

This is a 'mixed methods' evaluation that relies on both quantitative and qualitative data to paint a picture of the system, its operators and users, as well as the changes that have occurred. Quantitative data include information from two specific extracts from the Homeless Management Information System (HMIS), data from the countywide Coordinated Entry System (CES), the annual Point-in-Time (PIT) Count and Housing Inventory Count (HIC) prepared for the U.S. Department of Housing & Urban Development, as well as additional contextual data from the U.S. Census Bureau and other sources. Qualitative data includes feedback gathered in sixteen provider and stakeholder interviews, eight focus groups with currently and formerly homeless families, and a review of relevant documents.

As in many communities, family homelessness is a persistent challenge in Orange County, although families are a minority of the homeless population. The number of families found to be homeless on a given night has declined by 24% since 2013. However there are indications that this may underestimate unsheltered families and that over the course of a year, the number is much higher. Work on ending family homelessness in Orange County is occurring in the context of a much larger set of issues that are affecting Orange County and the entire state of California, including a rise in unsheltered homelessness that is recognized to have reached crisis proportions. Efforts to address family homelessness are continuing but have not had the focus that chronic and individual homelessness has recently received.

### Shelter Analysis

One significant change in the family response system over the last three years was ending the use of a mixed-population seasonal shelter as the primary emergency response for families and instead, creating several new and smaller emergency shelters specifically intended for families. These shelters, funded by the Children and Families Commission through HomeAid, and collectively known as the Family Shelter Network, are intended to serve approximately 80 families each month. HomeAid issued several cycles of funding opportunities; and in the end, five projects with new or adapted facilities were considered feasible and supported. The five shelters (and their operating agencies) include<sup>1</sup>:

**Via Esperanza** (Pathways of Hope) – a 10-unit apartment building in Anaheim (north county)

**Therault House** (Illumination Foundation) – a new construction multi-bedroom home with capacity for nine families in Stanton (north county)

**Regina House** (operated by Mercy House) – two residential buildings capable of housing seven families in Santa Ana (mid-county)

**FAMily House** (Family Assistance Ministries) – a four-plex with capacity for approximately eight families in San Clemente (south county)

**Family Care Center** (owned and operated by HomeAid with services by Mercy House) – a renovated industrial building capable of serving sixteen families in Orange (north/mid county)

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<sup>1</sup> One other shelter, Casa Teresa, a shelter for pregnant women and their families was also funded by the CFC investment through HomeAid but was funded prior to the Network being established and is not included in the comparisons below as a Network shelter.

Network shelters have a high degree of alignment regarding the purpose and goal of emergency shelter but are more diverse in terms of structure, staffing, and intended lengths of stay. HMIS data for the first quarter of 2018 indicates that these shelters served approximately 52 families at a time, which is slightly lower than the 80 originally anticipated. The Network accounts for 61% of all families sheltered countywide in the time frame examined. Families that enroll at Network shelters are more likely to be headed by a single parent, have more children, and report higher rates of disabilities, but also report higher incomes than families at non-Network shelters.

A large number of families in Orange County enter shelter from staying, immediately before, in another shelter setting (38% of all), and this percentage is even higher for Network shelters (46%). Network shelters had significantly more stays that lasted between 31 and 90 days, while non-Network shelters had a wider range – showing both more shorter and more longer stays. Together, the shelters had a 42% rate of families leaving for permanent housing, with Network shelters having slightly lower rates than non-Network (39% compared with 46%). Network shelters also exited more families to another shelter setting (18% for Network vs. 4% of non-Network). We note that the overall numbers here are small and that some of the patterns observed may not continue if looked at over a longer period with greater numbers of families.

Families residing in the shelters reported that they most appreciated having a safe place to stay for themselves and their children, and stressed the importance of feeling respected or treated with kindness. They reported that their greatest frustrations were the requirements to be out of the building all day (true for three of the Network shelters), curfews and other rules, and, in some cases, interpersonal conflict with other residents. Families were divided about how useful they felt housing support services were, and many mentioned needing more assistance, especially to secure housing quickly and with flexible funds to take advantage of opportunities as they occur. There are currently no shelter standards in place in Orange County, nor are there shared definitions of the purpose of shelter and other models, such as transitional housing and interim/bridge housing.

### **Family Response System Analysis**

In addition to the creation of new year-round shelters, the family response system has changed in other ways. The Housing Inventory Count (HIC) shows a decrease in the availability of transitional housing, though it is still the most significant segment of the inventory. Availability of permanent housing such as a rapid rehousing (RRH) and permanent supportive housing (PSH) appears flat in the HIC and yet, families and providers interviewed, and our analysis, indicated some growth in the availability of RRH.

The Family Solutions Collaborative(FSC) formed in 2013 as a voluntary association of six providers working to bring additional attention to the plight of homeless families in Orange County. It has now grown from six to 22 family-serving organizations, has become formalized and hired dedicated staff, and has established a shared goal of ending family homelessness by 2020. The FSC has advocated for an improved and coordinated family response among its members and in the broader homeless system, including advocating for changes in the approach to coordinated entry for families. In January 2018, FSC took over responsibility for operating the Family Coordinated Entry System (CES) and during 2018 has been creating a system with dedicated access points for families within each geographic region.

FSC members and other stakeholder had nearly universally positive feedback about the FSC and say that getting everyone to the table is a significant accomplishment that has changed the conversation. Opinions are less aligned about the impact the FSC is having on how well the system functions. Members are comfortable working together on system additions such as coordinated entry and diversion, and less comfortable with changes that may impact their core programs or conflict with individual organizational goals. Though committed to being data-driven, and currently using data for specific projects, the FSC has not arrived at shared measurable goals or begun to use data in a consistent manner to evaluate its collective impact.

Data from CES show that a large number of families are being assessed but fewer are being assisted. Information about scores and family status indicate that the housing programs filled by CES are not consistently reaching the highest need families, as the average risk score for all families assessed and for those that are housed through CES is nearly the same. Shelter diversion practices have been implemented but are still in development, and have not yet improved the overall diversion rate reported, which is approximately 20%.

Comparing HMIS data from the first quarters of 2016 and 2018, we see some changes in the populations served by the family response system. A smaller overall number of households appear in the 2018 sample, though the number of children is the same, indicating that the system is serving larger families. There are also more children between the ages of 0-5 in the 2018 sample and fewer older children. Disability rates appear to have gone down, though this could reflect more stringent documentation requirements. Reported rates of domestic violence have also dropped, but this could be due to families fleeing domestic violence entering other programs that do not enter data into HMIS.

More families in 2018 have a history of being seen previously in the homeless system, though nearly two-thirds (65%) appear to be experiencing homelessness for the first time. Stays in shelter are getting longer, but more families are also being connected to rapid rehousing. It is too early to say whether outcomes overall have improved, as many records in 2018 were still open at the time of our download in August, 2018.

In focus groups with families, parents report that navigating the system is confusing and difficult, requiring a lot of effort on their part to get assistance. They do not understand how CES is working, and some are concerned or skeptical about the potential of rapid rehousing to help them. Families want easier access to the system, less program-to-program movement, less redundancy in paper work, and more access to housing, particularly permanent housing programs and subsidies.

## Recommendations

### A. Changes to Shelter Practices

- 1. Define and align core shelter practices; clarify and target program differences:** The purpose and practice of shelters should be aligned as much as possible so that families have a similar, high-quality experience regardless of where they stay. Differences, such as special programming or target populations, should be based on a specific identified need and supported by the system as a whole.
- 2. Align length-of-stay targets, caps, and extension policies:** Currently, targeted and maximum lengths of stay and extension policies vary from shelter to shelter. Intended averages and maximums should be aligned, though any family that has an identified housing exit underway should not be required to move to another shelter, even if they exceed the maximum stay.
- 3. Improve the consistency of the housing focus in shelters:** Shelter providers understand the importance of permanent housing and provide support to families to help them secure housing but the service provided is not consistent, and there may be a lack of resources to help families quickly secure housing that is available.
- 4. Track and address the number of shelter-to-shelter transitions:** The data, as well as reports from families, indicate that a large number of families are moving between shelters. The recommendations above are intended to address and improve this, but the rate of shelter-to-shelter movement must be tracked closely, which may require data in addition to what is currently collected.

We also suggest (recommendations 5-8) that the FSC and Network shelters address the lack of shelter access on weekends and evenings, make sure shelters remain open during the day or ensure that there are places for families to go, and consider changes in hours for curfews and 'lights out,' especially on weekends. Finally, we recommend that a complete data analysis for 2018 be conducted to see if trends identified in this study continue, and to gain a more complete understanding of the outcomes of the new system.

## B. Recommendations for Family System Design

- 1. Complete the design and launch of coordinated entry for shelters:** Family shelters are currently not included in CES. There is strong support for their inclusion from providers, and families want clearer, more streamlined access. Steps outlined above to align shelter functions and definitions will help with the design of shelter coordinated entry and how beds are accessed and prioritized.
- 2. Make shelter diversion practice consistent and define clearly when a family is considered diverted:** Ensure that training is consistent both in how diversion is implemented and how it is recorded in HMIS/CES data.
- 3. Assess coordinated entry functioning and align more closely to inventory:** The low rate of higher need families getting housing through CES reflects an inventory gap, but also a practice problem. The FSC should focus energy on ensuring higher need families are served within the system's resources and are not skipped over in the CES process.
- 4. Address concerns about rapid rehousing design and implementation:** Families expressed concerns about rapid rehousing, and providers report that rapid rehousing is, in some cases, too short or cookiecutter-like to assist the families well. Create rapid rehousing standards and longer-term flexible subsidies that improve practice and increase providers' ability to serve higher need families.
- 5. Ensure common messaging regarding system access:** Currently, information on organizations' websites, and elsewhere varies widely as to how families should get access to assistance. Common messaging is needed, and the FSC should consider some self-auditing to ensure that every provider adopts and promotes certain key messages.

## C. Recommendations for System Governance and Oversight

- 1. Make the goals of the FSC clear and what members commit to:** Reach stronger agreement on the commitment that members make as part of joining the FSC to undertake organizational change in support of system goals and to improve the experience for families who are homeless.
- 2. Expand families' voices in decision-making:** Use regular feedback mechanisms such as a family advisory council or frequent focus groups to ensure families' voices and experiences are heard and reflected in the FSC's decision making.
- 3. Evaluate the appropriate sponsoring agency for the FSC:** The FSC has been well-supported by a member agency up to this point, but may be better served by being hosted by a more neutral party that can serve as the Collective Impact "backbone" organization.

## D. Recommendations for Ongoing Evaluation/Data Utilization

- 1. Improve the quality of data collected:** This evaluation was limited by the high level of incomplete data, particularly related to program outcomes. Efforts to improve the completeness and consistency of data collected are needed to improve its usefulness for ongoing system purposes as well as for more in-depth evaluations such as this one.
- 2. Use currently available data objectively and consistently:** The FSC should establish reports on system and program performance that it reviews regularly. Even if the data is not perfect, it is important to build a consistent data practice. This will also likely improve data quality.
- 3. Set performance targets:** Once data is being reviewed regularly, it will be important to set targets for system performance and track regularly how the system as a whole and its component parts perform against the targets.



**4. Change how CES data is collected and tracked:** CES data has been collected outside of HMIS and is moving into HMIS at the time of this report. A close assessment of both what will be tracked and how it will be used is needed, especially ensuring that information needed to track the impact of the CES, as well as key time frames, is included and easily extractable.

## **E. Considerations for Future Investments**

**1. Improve the system before investing in any additional new shelters:** It is possible that additional family shelter capacity would be beneficial, but the current system is too inefficient to make this determination. Postpone any decision about investing in new shelter until:

- The rate of movement from shelter to shelter is reduced by at least half and the reasons for any remaining shelter transfers are well understood.
- All efforts have been made to lower shelter entrance barriers and align practices so that families get in quickly, and all family types are welcome in most, if not all, shelters.
- Shelter diversion has been brought to scale and is well implemented (diverting 30% to 50% of families).
- Coordinated entry for shelters is fully implemented and operating for several months, and specific data is collected and analyzed during this time to evaluate its effectiveness.
- Exploration of other potential existing facilities has been conducted with an eye to expanding or replacing shelter capacity with existing facilities.

We note one exception to this recommendation: Two of the current Network shelters may consider converting to a more permanent form of housing. Pathways of Hope's Via Esperanza, in particular, is well suited to such a conversion; Mercy House's Regina House is less well designed for traditional permanent housing but might work well as a form of non-time-limited, shared housing. If one or both of these are converted, replacement shelter at a larger scale (more similar to the Family Care Center) should be explored.

**2. Consider investments for system improvement and housing resource expansion:** Stakeholders, families, and our analysis all point to other priorities for system improvement. Areas where the family system would benefit from additional investment include the expansion of a high quality diversion/ problem solving practice, including flexible resources to help families resolve their housing crises quickly; expansion of rapid rehousing and especially the creation of more flexible subsidies that can serve higher need families; and the expansion of affordable housing, including permanent supportive housing for higher need families and general affordable housing with light or no services.


**3. Invest in critical coordination infrastructure:** The FSC is well-staffed and supported for its direct service role in CES and for performing overall coordination functions. However, to build the infrastructure for improved system coordination and ongoing improvement of outcomes, it could use additional one-time or short-term investments, particularly to improve capacity to produce and use data and to increase training and capacity-building work to support greater alignment and incorporation of best practices and messaging among members.

As this evaluation concluded, additional changes to the family system are anticipated. New funding for emergency services from the State of California and focused efforts around landlord engagement from United Way's United to End Homelessness campaign, as well as anticipated increases in CoC funding for rapid rehousing are likely to fill significant gaps in several of these categories of need identified. New City-specific shelters as a result of the court order will also result in an increase to the family shelter inventory. The Children and Families Commission & HomeAid's investment priorities should be established when there is sufficient information about these anticipated resources to determine where gaps remain.

**Agenda Item 3**  
**April 3, 2019**

**DATE:** March 13, 2019

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

**FROM:** Kimberly Goll, Executive Director 

**ACTION:** Approve assignment with the University of the Pacific to California Northstate University

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**SUMMARY:**

First 5 Orange County Children and Families Commission subcontracts with various clinics and consultants to implement the Local Dental Pilot Program (LDPP). This item requests the approval of assignment of Agreement PS-144 from the University of the Pacific to California Northstate University.

**DISCUSSION**

In 2017, the California Department of Health Care Services (DHCS) awarded over \$11 million in total funds over a five-year period to First 5 Orange County as a selected LDPP to promote the goals of increasing the percentage of children who receive preventive dental services, including a caries risk assessment by the age of six, and improving the continuity and consistency of the care they receive.

The Commission subcontracts with the University of the Pacific for Dr. Paul Glassman's consultant services. As part of Orange County's LDPP, Dr. Glassman provides consultation and technical assistance and training to dentists and dental hygienists at four participating health centers that implement the Dental Transformation Initiative (DTI) Virtual Dental Home model. As of May 1, 2019, Dr. Glassman will become staff with California Northstate University and no longer affiliated with the University of the Pacific. Approval of assignment of PS-144 with the University of the Pacific to California Northstate University is requested. Both universities have formally expressed their agreement to such assignment and DHCS has consented to the assignment.

**STRATEGIC PLAN & FISCAL SUMMARY:**

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

**PRIOR COMMISSION ACTIONS:**

- October 2016- Adopted resolution authorizing agreement for the Dental Transformation Initiative Local Dental Pilot Programs.

**RECOMMENDED ACTION:**

Approve assignment of all rights and responsibilities under Agreement PS-144 from the University of the Pacific to California Northstate University.

**ATTACHMENTS:**

None

**Contact:** Lucy Lin

**Agenda Item 4****April 3, 2019****DATE:** March 4, 2019**TO:** First 5 Orange County Children and Families Commission**FROM:** Kimberly Goll, Executive Director**ACTION:** Receive the Fiscal Year 2018/2019 Business Plan Third Quarter Report

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**SUMMARY:**

First 5 Orange County Children and Families Commission approved an annual business plan to govern the organization's operations. The business plan identifies planned work for the fiscal year including activities stipulated in the Proposition 10 legislation that established First 5 commissions in 1998, and subsequent statutory requirements. This report provides the third quarter report on the Fiscal Year 2018/2019 Business Plan accomplishments covering the period of January 1, 2019 through March 31, 2019.

**DISCUSSION:**

The Fiscal Year 2018/2019 Business Plan was approved at the June 2018 meeting and defines operational objectives for the fiscal year concluding June 30, 2019. The Business Plan was developed by setting priorities in five strategic areas that focus on the changing environment of children and young families and the decline in tobacco tax revenue. Status reports are provided at the end of each quarter.

1. Organizational Efficiency
2. Strengthening Systems Outcomes
3. Leverage and Expand Strategic Data Partnerships
4. Advancement of Knowledge
5. Develop a Communications Platform

**Third Quarter Report (January 1, 2019 – March 31, 2019)**

Specific objectives were developed for each of the strategic intent focus areas. Strategic intent teams were established to accomplish the tasks. All staff members and selected consultants participate on one or more strategic intent teams and meet periodically to continue the forward momentum. The teams are accountable for the progress on the tasks. The following are highlights of accomplishments in the third quarter for the period of January 1, 2019 through March 31, 2019.

**1. Organizational Efficiency**

The Long-Term Financial Plan that was updated last December 2018 included a strategic review of several different staffing level scenarios to “stress test” staffing expenses against the revenue and expense assumptions in the Long-Term Financial Plan. This work was initiated to address the strategic intent to improve organizational efficiency by investing in resources to improve the internal administrative process. The scenario with 13 staff positions across programs, evaluation, and administration meets the budgetary criteria and was used theoretically in looking forward with the new strategic plan. The current work load is balanced between 10 staff positions and a

bench of consultants that provide technical support and subject matter expertise. Increasing the staffing level is in compliance with the 10 percent administrative cap throughout the entire 10-year planning period. The current budget also includes funding to support the expanded communications and community engagement efforts.

## **2. Strengthening Systems Outcomes**

First 5 Orange County participated in the development of the 2018-2022 Orange County Oral Health Strategic Plan that was completed in October 2018. The plan aligns with the strategic intent to strengthen systems outcomes to increase Denti-Cal providers who accept and provide care for new patients age six and younger. The Orange County Health Care Agency received funding from the California Department of Public Health to establish an oral health program. The new funding was made possible by the passage of Proposition 56, the California Healthcare, Research and Prevention Tobacco Tax of 2016 that levied an additional two-dollar tax on tobacco products. With guidance from State Oral Health Program, the Orange County Local Oral Health Program conducts activities to improve the oral health of all Californians, including young children. The Oral Health Strategic plan includes the following six goals with corresponding strategies: Improving access to and use of dental services; oral health education and public awareness, integration of dental and medical care; dental workforce, data and evaluation, coordination of countywide efforts. Representatives from First 5 Orange County are members of the Oral Health Collaborative and Advisory Committee to inform, advise, assist, support and advocate for the mission and vision of the oral health plan.

## **3. Leverage and Expand Strategic Data Partnerships**

Meetings continue to be held with Anaheim Elementary School District and Help Me Grow Orange County representatives to explore linking young children's developmental screening results with the Orange County Children's Screening Registry and Help Me Grow's STAR data system. The potential to build a technology "bridge" between Anaheim Elementary School District's Ages and States Questionnaire (ASQ) Online Subscription is being explored for developmental screenings and the Children's Screening Registry, wherein screening results would automatically populate the registry. Approximately 900 young children are screened annually at Anaheim elementary schools. A technology solution is also being sought to allow an immediate, convenient referral to Help Me Grow for care coordination, if appropriate. If this data linkage proves successful, similar technology bridges could be put in place for other school districts in Orange County furthering the strategic intent to develop and expand strategic partnerships to share and receive data in order to promote collaboration and build capacity for young children.

## **4. Advancement of Knowledge**

The date and location for the *Learners Today, Leaders Tomorrow* Early Development Index Conference is confirmed for September 18, 2019 at the Long Beach Marriott. First 5 Orange County and First 5 LA are co-hosting, and co-funding the southern California one-day convening that will feature a morning key note speaker and afternoon breakout sessions. The Early Development Index evaluates the readiness of children when they enter kindergarten. The assessment tool provides valuable information that guides planning efforts and funding allocations for early learning programs to improve outcomes for young children. In 2016, the Commission presented the first countywide EDI data results at the inaugural summit. The second wave of EDI data is available and will be presented at the Conference, as well as First 5 LA's progress with EDI within their participating school districts. The partnership with First 5 LA is expected to increase attendance, sponsorships and exposure of the EDI data to broader

audiences. This event achieves the strategic intent to serve as a catalyst for development, exchange, and the strategic dissemination of data, findings policies and best practices that promote positive outcomes for children.

#### **5. Develop a Communications Platform**

The tactics approved in the 2018/2019 Communications Plan continue to be implemented on schedule. The tactic to cultivate early childhood development champions using the LinkedIn professional networking website and mobile app as a resource began this quarter. A First 5 Orange County profile was created with a focus on business and government leaders, foundations and donors, community based organizations and academic institutions. The content showcases foundational programs and funded partners; financial news and information; highlights success stories and partner announcements; shares thought leadership columns and op-eds from First 5 Orange County representatives; and engages with followers in comments to create an active and responsive LinkedIn community. Additional accomplishments this quarter are the successful placement of the Commission Chair's column on the negative impacts of marijuana usage for pregnant women and nursing mothers in the Los Angeles Times local paper, The Daily Pilot; and the sixth in the Success Story series on the countywide Learning Link centers that provide an interactive place for parents and caregivers to bond with their children and engage in early childhood development activities.

#### **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:**

- February 2019 - Received the Fiscal Year 2018/2019 Business Plan Second Quarter Report
- October 2018 - Received the Fiscal Year 2018/2019 Business Plan First Quarter Report
- June 2018 - Approved Fiscal Year 2018/2019 Business Plan

#### **RECOMMENDED ACTION:**

Receive the Fiscal Year 2018/2019 Business Plan Third Quarter Report

#### **ATTACHMENTS:**

None

**Contact:** Kelly Pijl

**Agenda Item 5****April 3, 2019****DATE:** March 20, 2019**TO:** First 5 Orange County Children and Families Commission**FROM:** Kimberly Goll, Executive Director**ACTION:** Adopt resolution authorizing amendment to agreement with Burke Consulting

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**SUMMARY:**

The First 5 Orange County Children and Families Commission business model relies on a bench of qualified consultants to provide subject-matter expertise to Commission staff. This item requests approval to amend the current agreement with Burke Consulting to add funds to support the increased demand for specific consultant services.

**DISCUSSION:**

Lisa Burke is the sole proprietor for Burke Consulting and currently provides a wide variety of services and expertise to the Commission. Due to Lisa's specialized expertise, the demand for her services continues to increase. She is currently providing services for the strategic planning process, which has increased to include the development of an implementation plan. She is directing the evaluation of the school readiness initiatives, which has escalated into targeted outreach to the 24 school districts that contract with First 5 Orange County. She provides her expertise to staff with the implementation of the statewide First 5 Network projects and recently provided her expertise to secure state funding for the Census 2020 implementation to reach the hard-to-count families with young children. To accommodate for these additional specialized services, amending the agreement with Burke Consulting is recommended.

First 5 Orange County currently employs 10 permanent full-time employees but have budgeted up to 13 positions. Staff levels are strategically low due to tobacco tax as a declining revenue source and the ability to remain nimble and hire consultants that provide specialized services and expertise. However, the need for services continues to increase and has become increasingly reliant on the specialized skills and expertise offered by consultants, such as Burke Consulting.

The proposed 2019-2024 Strategic Plan will require additional full-time staff to implement the new strategic directions that focus on committed leadership, engaged neighborhoods, connected systems, aligned investments, and sustained funding. The First 5 Orange County Commission will consider the 2019-2024 Strategic Plan at the April 3, 2019 meeting. The adoption of the new strategic plan will initiate a hiring process to align human resources with the skills and expertise required to successfully implement the new strategic directions.

**STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended action has been reviewed in relation to the Strategic Plan and is consistent with all goal areas. The funding request to add \$23,000 for a total, two-year contract maximum obligation of \$210,000 through the term of the agreement ending on June 30, 2019, will be added to the Fiscal Year 2018/2019 Amended Budget in the Strategic Communications and Family Support Services categories.

**PRIOR COMMISSION ACTIONS:**

- April 2018 - Adopted resolution authorizing agreements with designated individuals and organizations to provide specified services.
- April 2017 - Adopted resolution authorizing agreements with designated individuals and organizations to provide specified services.

**RECOMMENDED ACTION:**

Adopt resolution (Attachment 1) authorizing the Executive Director, or designee, and Commission Counsel to prepare and negotiate an amendment to agreement C-360 with Lisa Burke dba Burke Consulting to add \$23,000 for a total, two-year maximum obligation of \$210,000 for the term July 1, 2017 to June 30, 2019.

**ATTACHMENT:**

1. Resolution

**Contact:** Kelly Pijl



**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

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

**April 3, 2019**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE EXECUTIVE DIRECTOR AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE THE THIRD AMENDMENT TO AGREEMENT C-360 WITH LISA BURKE DBA BURKE CONSULTING 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 5, 2017, Commission authorized the Executive Director or designee to prepare and negotiate Agreement C-360 with the Lisa Burke dba Burke Consulting for consultant services;

**WHEREAS**, The Commission desires to enter into a Third Amendment (“Amendment”) to Agreement C-360 (“Agreement”) with Lisa Burke dba Burke Consulting (hereinafter referred to as “Contractor”) to provide consultant services for the terms and in the amount as described in April 3, 2019 staff report for this agenda item; and

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

**WHEREAS**, Commission has reviewed the staff report for the April 3, 2019 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Amendment is in furtherance of and consistent with the Commission’s Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Amendment with Contractor for the terms and in the amount specified in the April 3, 2019 staff report for this Agenda Item.

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

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

**Section 2** Commission authorizes the Executive Director, or designee, and Commission Counsel to prepare and negotiate the Amendment with the Contractor to provide consultant services

for the terms and in the amount consistent with the April 3, 2019 staff report and scope of services referenced therein.

**Section 3** The form of the Amendment with the Contractor shall be substantially similar to the form of the standard Amendment to a Consultant Agreement, subject to minor, non-substantive revisions as reviewed and approved by the Executive Director, or designee, and Commission Counsel. The approval by the Executive Director 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 to provide consultant services for the terms and in the amount specified in the April 3, 2019 staff report for this Agenda Item.

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

**Section 6** A copy of the Amendment to Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. Each final executed 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 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 April 3, 2019 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: \_\_-19-C&FC

Agenda Date: April 3, 2019

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 6****April 3, 2019****DATE:** March 20, 2019**TO:** First 5 Orange County Children and Families Commission**FROM:** Kimberly Goll, Executive Director**ACTION:** Adopt resolution acknowledging receipt of the Children and Families Commission of Orange County Investment Policy Statement and affirm delegation of authority to the Orange County Treasurer as the First 5 Orange County Treasurer for Fiscal Year 2019/2020**SUMMARY:**

First 5 Orange County Children and Families Commission annually reviews the Investment Policy Statement and the delegation of the investment authority to the County Treasurer. This item reconfirms the delegated investment authority to the Orange County Treasurer and presents the Children and Families Commission of Orange County Investment Policy Statement for Fiscal Year 2019/2020.

**DISCUSSION:**

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

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

Pursuant to Government Code Section 53607, First 5 Orange County may delegate the investment authority to a designated Treasurer for a one-year period and must renew the delegation of authority each year. In May 2012, the Orange County Treasurer was first designated to serve as the Commission's Treasurer for the balance of Fiscal Year 2011/2012, and investment authority was delegated to the Orange County Treasurer. The delegation included the authority to manage, deposit and invest First 5 funds not required for the immediate needs. Formally reappointing the Orange County Treasurer as the First 5 Orange County Treasurer and delegating authority to manage, deposit and invest First 5 funds for Fiscal Year 2019/2020 in accordance with Government Code Section 53607 is recommended.

**Investment Policy Statement**

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

By statute, consideration of the Children and Families Commission of Orange County Investment Policy Statement is annually required. The Orange County Treasurer's office prepared the Children and Families Commission of Orange County Investment Policy Statement Fiscal Year 2018/2019 that was adopted in April 2018. The policy statement is designed to be in compliance with State law

and provides the flexibility to explore specific investments when directed by First 5 Orange County. Minor revisions are recommended for the Children and Families Commission of Orange County Investment Policy Statement Fiscal Year 2019/2020 (Attachment 2).

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

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

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

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

#### **RECOMMENDED ACTIONS:**

1. Receive and review the Children and Families Commission of Orange County Investment Policy Statement for Fiscal Year 2019/2020.
2. Adopt resolution (Attachment 3) to acknowledge receipt and consideration of the Children and Families Commission of Orange County Investment Policy Statement and affirm delegation of authority to the Orange County Treasurer as the First 5 Orange County Treasurer to manage, deposit, and invest First 5 funds for Fiscal Year 2019/2020 that are not required for the immediate needs of the Commission.
3. Direct the First 5 Orange County Children and Families Commission/Orange County Treasurer to continue to report First 5 investment transactions and activities in the Quarterly Investment Reports.

#### **ATTACHMENTS:**

1. Orange County Treasurer-Tax Collector Memorandum: Consideration of Commission Investment Policy and Delegation of Investment Authority
2. Children and Families Commission of Orange County Investment Policy Statement Fiscal Year 2019/2020
3. Resolution

**Contact:** Michael Garcell



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

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




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**INTERDEPARTMENTAL COMMUNICATION**

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Date: March 8, 2019  
 To: Children and Families Commission of Orange County  
 From: Shari Freidenrich, CPA, Treasurer *SHF*  
 Subject: Meeting of April 3, 2019  
 Consideration of Commission Investment Policy and Delegation of Investment Authority

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

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

Compliance with CFCOC IPS: In accordance with the Fiscal Year 2018/2019 CFCOC IPS adopted last year, the Section entitled Policy Review states that an Investment Policy will be rendered annually, at the beginning of each fiscal year, to the Commission. The CFCOC IPS provides for investing in the Orange County Investment Pool, but also includes other investment types as allowed by California Government Code (CGC) including U.S. Treasuries and U.S. Government Sponsored Agencies.

The Treasurer has reviewed the CFCOC IPS and is not proposing any substantive changes based on a review of the County's Investment Policy Statement (IPS) for 2019 approved by the Board of Supervisors in 2018. The only changes were to refine the Money Market Mutual Fund rating from "AAA" to "AAAm", remove the issuer limit for U.S. Government Securities, and add the new SOFR rate that is expected to replace LIBOR.

Pursuant to CGC 27130-27137, the Board has established a Treasury Oversight Committee (TOC) that monitors and reviews the Investment Policy Statement annually and causes an annual audit to be conducted to determine if the Treasurer is in compliance with CGC 27130-17137, which includes limited tests of compliance with laws and regulations. In addition, the Auditor-Controller Internal Audit Division and the Internal Audit Department performed regular audits as required by CGC 26920(a) and (b) and as required by a TOC Directive. We have also attached a copy (on Board of Supervisors Agenda 3-12-19) of the Treasury Oversight Committee 2018 Annual Report that includes the pooled funds that the CFCOC currently invests in.

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

Sincerely,

Shari L. Freidenrich, CPA  
 Treasurer-Tax Collector

Attachment: Children & Families Commission of Orange County Investment Policy Statement  
 Children & Families Commission of Orange County Investment Policy Statement (redlined)  
 Treasury Oversight Committee 2018 Annual Report

*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, 2018 to December 31, 2018**

**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, 2018 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 Cutchen	Public Member
Frank Kim	County Executive Officer
Al Mijares	County Superintendent of Schools
Eric Woolery	Auditor-Controller

**Committee Objectives/Activities**

During 2018, 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 24	April 18	July 18	November 19
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As required under Article 6 and Sections V and VI of the TOC Bylaws and Rules of Procedures (Bylaws), in 2018 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 of 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 2017 annual report to the BOS
- Rule 32: Reviewed and discussed the Irregularity Policy and made no changes
- Rule 33: Received and filed the Bylaws after approval by the BOS
- Rule 34: Reviewed and discussed the Bylaws and made no changes
- Rule 35: Ensured 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 2017 Annual Report to the BOS. The approved changes to the 2019 IPS are primarily from the benchmarking study and are intended to position the IPS with similar restrictiveness when compared to the peer counties. The major changes to the IPS are as follows:

- updated and clarified mark-to-market language
- removed the maximum limitation per U.S. Government Agency Issuer
- reduced the maximum limitation for Negotiable Certificate of Deposits, Medium-Term Notes, Municipal Debt and exposure to any one Money Market Mutual Fund
- updated the minimum credit ratings required for certain investments



- reduced the maximum maturity for Municipal Debt, Medium-Term Notes, Negotiable Certificates of Deposit and Repurchase Agreements
- updated the language of the State of California Local Agency Investment Fund to match the State Pool limit as set by the State Treasurer

The County's Auditor-Controller Internal Audit Division (A-C IAD) and the Internal Audit Department regularly audit compliance with the IPS as required by Government Code 27134 and a TOC directive, respectively. The BOS, as recommended by the TOC, approved on January 23, 2018 for Macias Gini & O'Connell LLP (MGO) to conduct an annual compliance audit for the calendar year 2016 and for the six-month period ended June 30, 2017. The Auditor-Controller selected Vavrinek, Trine, Day & Co., LLP (VTD) to do the County's Annual Financial Audit, and they will also do the annual compliance audit. They started fieldwork in 2018. In 2018, there were eight reports issued, one audit report, three review reports, three compliance monitoring reports, and one management follow-up report (originally issued in conjunction with the one audit report). In all of the reports, the auditors identified no compliance exceptions. In addition, the Treasurer self-reported four compliance exceptions in 2018. All of these reports were provided to the TOC and discussed at the quarterly TOC meetings and to the BOS as part of the Treasurer's Monthly Investment Report except for one management follow-up report, which will be provided in the January 2019 Monthly Investment Report. The Treasurer reported to the TOC that in the management follow-up report two control deficiencies remained open out of three total, and are related to documentation of software changes and software upgrades. Both of these are in progress and should be implemented when the investment accounting software upgrade is completed in 2019. 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.

AC-IAD completed the audit of the Statement of Assets Held by the County Treasurer as of June 30, 2017, the review of the Statement of Assets Held by the County Treasury as of September 30, 2017, December 31, 2017 and March 31, 2018 and the report on Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended December 31, 2017, March 31, 2018 and June 30, 2018 stating that they were not aware of any material modifications or instances of noncompliance.

The Treasurer self-reported four compliance incidents in 2018.

- In January 2018, there was one Investment Policy Statement (IPS) compliance exception. The total holdings of the County of Orange Municipal Debt exceeded the 10% limit in the Extended Fund, but was corrected and back in compliance with the IPS limit as of January 31, 2018.
- On April 19, 2018 there was one IPS compliance exception. The County Treasurer sold an investment for the Orange County Money Market Mutual Fund specifically to prevent the WAM from exceeding the 60 day Investment Policy Statement (IPS) limit. However, the trade failed to be delivered causing the WAM to exceed the limit. The trade settled the next day, putting the portfolio back in compliance with the IPS.
- On July 30, 2018, there were two IPS compliance incidents. The OCIP (in its short-term pool OCMMF) had 21.42% in the Money Market Mutual Funds investment category exceeding the limit of 20% and the OCIP (in its short-term pool OCMMF) had a weighted average maturity (WAM) of 65.11, exceeding the 60 day limit for short-term pools. On the next business day, these violations were cured, and OCIP was back in compliance on July 31st.

### **Committee Opinion**

It is the opinion of the TOC that during the calendar year 2018 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

**CHILDREN & FAMILIES COMMISSION OF ORANGE COUNTY  
INVESTMENT POLICY STATEMENT  
FISCAL YEAR 2019/2020**

**POLICY**

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

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

**SCOPE**

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

**PRUDENCE**

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

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

**OBJECTIVE**

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

A. Safety of Principal

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

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

B. Liquidity

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

C. Return on Investment

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

**DELEGATION OF AUTHORITY:**

The Commission delegates to the Treasurer the authority to invest and reinvest the funds of the Commission as specified in California Government Code Sections 53607 and 53608. The Treasurer may further delegate investment authority to such persons within the Treasurer's Department as deemed appropriate. The Commission hereby authorizes the Treasurer and/or authorized designees, to invest the Commission's funds in accordance with California Government Code Sections 53600 and 53684, et seq. as further limited by this Investment Policy and such investment authority must be renewed annually. Adoption of this policy constitutes delegation of

investment authority to the Treasurer for the following year unless revoked in writing. Within the Treasurer's office, the responsibility for the day-to-day investment of the Commission funds will be the Treasurer and/or authorized designees. The Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

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

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

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

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

### **AUTHORIZED INVESTMENTS**

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

Authorized investment instruments include:

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

All Money Market Mutual Funds must be AAAM rated by two NRSROs, invest only in direct obligations in US Treasury bills, notes, bonds, U.S. Government Agencies, Municipal debt and

repurchase agreements with a weighted average maturity of 60 days or less, and have a minimum of \$500 million in assets under management. Money Market Mutual Funds that do not maintain a constant NAV (Net Asset Value) will be prohibited.

### **INVESTMENT POOLS:**

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

### **SAFEKEEPING**

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

### **PERFORMANCE STANDARDS:**

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

### **DIVERSIFICATION**

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

- Certificates of Deposit (insured or collateralized) (30%)
- Orange County Investment Pool (100%)
- “AAAm” rated Money Market Mutual Funds (20%)
- U.S. Treasury securities (100%)
- U.S. Government Agency securities (100%),

### **MAXIMUM MATURITIES**

To the extent possible, the Commission will attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow need or in a laddered portfolio structure, the Commission will not invest directly in securities maturing more than three years from the date

of purchase. If matched to a specific cash flow need, or in a laddered portfolio structure consisting only of U.S. Treasury or U.S. Government Agency securities, the maximum maturity will be five years or less.

### **INTERNAL CONTROL:**

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

### **DISASTER RECOVERY PROGRAM**

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

### **PROHIBITED TRANSACTIONS**

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

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

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

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

## **REPORTING**

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

The report will contain the following information:

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

## **POLICY REVIEW**

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

## **GLOSSARY**

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

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

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

**BOOK ENTRY:** The system, maintained by the Federal Reserve, by which most money market securities are "delivered" to an investor's custodian bank. The Federal Reserve maintains a computerized record of the ownership of these securities, and records any changes in ownership

corresponding to payments made over the Federal Reserve wire (delivery versus payment). The owners of these securities do not receive physical certificates.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**CHILDREN AND FAMILIES COMMISSION ORANGE COUNTY**

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

**April 3, 2019**

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

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

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

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

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

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

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

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

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

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

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

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

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

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2019 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: \_\_-19-C&FC

Agenda Date: April 3, 2019

Item No. \_\_\_\_



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

ROBIN STEILER, Clerk of the Commission

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



Agenda Item 7

April 3 2019

**DATE:** March 19, 2019**TO:** First 5 Orange County Children and Families Commission**FROM:** Kimberly Goll, Executive Director**ACTION:** Adopt resolution authorizing annual membership payment to the First 5 Association of California and authorize payments for professional association memberships

---

**SUMMARY:**

First 5 Orange County Children and Families Commission is a member of statewide and local organizations that support the vision that all children are healthy and ready to learn. Continued memberships in professional associations through 2019 is requested.

**DISCUSSION:**

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

**First 5 Association of California**

The First 5 Association is a membership organization of the 58 First 5/Children and Families Commissions in California. The First 5 Association members meet quarterly each year, three times in Sacramento and once in southern California. Membership with the First 5 Association provides an important, collective and statewide voice on health and early education issues. The value of membership includes information sharing and communication among the county commissions, resources and assistance that promote the effective implementation of child development programs, and a hub for initiatives and collaboration. First 5 Orange County's Executive Director serves on the executive committee as vice-chair. Membership dues are based on the Department of Finance birth rate numbers. Payment of the membership dues, not to exceed \$61,000, is recommended to support the coordinated structure to align shared goals, advocate in the policy space, and implement an impactful communications approach.

**First 5 Southern California Regional Committee**

The First 5 Children and Families Commissions are divided into six regions throughout the state. Orange County is one of eight counties in the southern California region, which span from Imperial to Santa Barbara counties, and is home to the majority of young children in the state. Members of the southern California region meet regularly throughout the year to collaborate on common issues and programs, and to collectively communicate the regional and statewide impact of Proposition 10 investments. The counties in the southern California region may host one meeting each year. The meetings are held bi-monthly at the First 5 LA office due to its central location. Approval to

participate in the southern California regional meetings and to host one of the meetings is recommended.

### **Professional Associations**

Both in-kind and paid memberships result in a network of professional contacts that are instrumental for the exchange of information and ideas, professional training opportunities, and access to professional literature on issues of interest and education related to the Commission's mission and goals. A policy approved in May 2013 authorized the Executive Director to approve memberships within the funding authority of \$50,000, an amount previously established by the Commission. The following memberships and fees are consistent with prior years.

<b>Organization</b>	<b>Membership Fee</b>
First 5 Association of California	\$61,000
First 5 Association of California – Help Me Grow <i>*February 2017 action authorized a three -year term through 6/30/2020</i>	\$20,000
Orange County Health Funders Partnership	\$10,000
Orange County Grant Makers	\$5,000
Association of California Cities – Orange County	\$5,000
Orange County Business Council	\$5,000
Orange County Funders Roundtable	\$5,000
Orange County Forum	\$1,000
National Association for the Education of Young Children	\$260
Zero to Three	\$240
Government Financial Officers Association	\$160
California Society of Municipal Finance Officers	\$160

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

This item has been reviewed in relation to the Strategic Plan, and is consistent with all outcome goals. Funding for professional memberships and regional meeting expenses are included in the proposed Fiscal Year 2018/2019 Budget in the administration category or related program category if applicable.



**PRIOR COMMISSION ACTIONS:**

- February 2018 - Adopted resolution authorizing payment for annual membership dues and professional association memberships and regional meeting expenses
- February 2017 - Adopted resolution authorizing payment for annual membership dues and professional association memberships
- May 2016 - Authorized funding for the First 5 Association of California membership dues and approved funding contribution to support regional meeting expenses.
- May 2015 – Authorized funding for the First 5 Association of California membership dues and approved funding contribution to support regional meeting expenses.

**RECOMMENDED ACTIONS:**

1. Adopt resolution authorizing payment to the First 5 Association of California for annual membership dues in an amount not to exceed \$61,000.
2. Authorize funding for professional association memberships.
3. Approve the funding contribution as required to support regional meeting expenses and authorize payment by the Auditor-Controller upon approval by the Executive Director.

**ATTACHMENT:**

1. Resolution

**Contact:** Kelly Pijl

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

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

**April 3, 2019**

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

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

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

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

**WHEREAS**, Membership dues for First 5 Association exceed Executive Director’s funding authority to approve memberships; and

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

**WHEREAS**, Commission has reviewed the staff report for the April 3, 2019 Commission meeting relating to the benefits of First 5 Association membership and hereby finds and determines that the proposed membership is in furtherance of and consistent with the Commission’s Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Executive Director, or designee, to fund the First 5 Association membership dues as described in the April 3, 2019 staff report for this Agenda Item in the amounts and for the terms consistent with the April 3, 2019 staff report therein;

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

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

**Section 2** Commission authorizes the Executive Director, or designee, to fund First 5 Association membership dues as described in the April 3, 2019 staff report for this Agenda Item in the amounts and for the terms therein.

**Section 3** Commission hereby approves First 5 Association membership dues set forth in the April 3, 2019 staff report for this Agenda Item in the amounts and for the terms as specified therein.

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

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

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

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2019 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: \_\_-19-C&FC

Agenda Date: April 3, 2019

Item No. \_\_



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

ROBIN STIELER, Clerk of the Commission


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



**Agenda Item 8****April 3, 2019**

**DATE:** March 5, 2019

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

**FROM:** Kimberly Goll, Executive Director 

**ACTION:** Appoint Ramin Baschshi, M.D. to First 5 Orange County's Pediatric Health Services Committee

---

**SUMMARY:**

First 5 Orange County Children and Families Commission formed the Pediatric Health Services Committee to ensure comprehensive pediatric health service planning and to provide fiscal oversight to investments in pediatric health programs. This item requests the appointment of Dr. Ramin Baschshi as the Commission member representative to the Pediatric Health Services Committee.

**DISCUSSION:**

The Commission authorized the formation of the Pediatric Health Services (PHS) Committee in 2003 to oversee investments in pediatric health and to recommend funding for programs that improve children's health related to school readiness. In April 2014, the Pediatric Health Services Committee was formally recognized as First 5 Orange County's official advisory committee as required by the California Health and Safety Code.

The Pediatric Health Services Committee meets three times per year in April, August and December. The Committee is responsible for responding to community needs on specialized health programs and providing planning, fiscal and administrative oversight. The Committee meets on the first Wednesday of the designated month at 10:00 a.m. or immediately following the regular Commission meetings at the Orange County Transportation Authority Conference Center.

The PHS Committee is comprised of five voting members. Two First 5 Orange County Commission members, the Orange County Health Care Agency Family Health Medical Director, the First 5 Orange County's Superintendent Liaison, and a member of the public. The public member seat and one Commission member seat are currently vacant. At least three voting members are required to reach a quorum for any action item.

Pediatric Health Services Committee Members		
VACANT	Chair	Commissioner, First 5 OC
Sandra Barry	Vice-Chair	Commissioner, First 5 OC
Frank Donovan	Magnolia School District Superintendent	Superintendent Liaison
David Nunez	Family Health Medical Director	Orange County Health Care Agency
VACANT		Public Member
Kimberly Goll	Executive Director, First 5 OC	Non-Voting Member

Appointing Ramin Baschshi, MD to fill the First 5 Orange County Commissioner vacancy on the Pediatric Health Services Committee is recommended. Dr. Baschshi was appointed to the First 5 Orange County Commission in April 2018 by the Orange County Board of Supervisors. She is a medical doctor and the President and CEO of UCP (United Cerebral Palsy) of Orange County, an organization that helps children with disabilities reach their full potential and improve the quality of life for their families. Dr. Baschshi's qualifications and experience will be an asset to the PHS Committee.

A slate of 10 qualified candidates submitted applications for the 2019 First 5 Orange County Commission member recruitment process. The Orange County Board of Supervisors is scheduled to appoint three members to the First 5 Orange County Commission on March 26, 2019. The public member for the Pediatric Health Services Committee will be recommended from the seven remaining candidates and presented for the Commission's consideration at the June 2019 meeting.

**STRATEGIC PLAN & FISCAL SUMMARY:**

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

**PRIOR COMMISSION ACTIONS**

- December 2018 - Approved the 2019 Pediatric Health Services Committee meeting calendar
- December 2017 – Appointment of New Member
- April 2014 -- Recognized Pediatric Health Services Committee as the Commission's Advisory Committee

**RECOMMENDED ACTION:**

Appoint Ramin Baschshi, M.D. to First 5 Orange County's Pediatric Health Services Committee.

**ATTACHMENTS:**

None

**Contact:** Ilia Rolón




## Agenda Item 9

April 3, 2019

**DATE:** March 22, 2019

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

**FROM:** Kimberly Goll, Executive Director 

**ACTION:** Adopt resolution authorizing amendments to agreements for home visitation services under the CalWORKs Home Visitation Initiative

---

**SUMMARY:**

The State of California's 2018/19 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 contracting with the First 5 Orange County Children and Families Commission for implementation of the CalWORKs Home Visitation Initiative (HVI). This item is to request authorization for an amendment to the Commission's agreements with Bridges service providers to reflect increased state funding for HVI as well as an expanded implementation role for the Orange County Health Care Agency.

**DISCUSSION:**

In December 2018, the Orange County Social Services Agency (SSA) selected the Commission to serve as lead agency for the newly-created CalWORKs Home Visiting Initiative. This new program is funded from January 2019 through June 2022 by a \$158.5 million set-aside of CalWORKs funding, through the State's Temporary Assistance for Needy Families (TANF) program.

The Commission and SSA agreed to use the Commission-funded Bridges Maternal Child Health Network (Bridges) as the platform for the HVI in order to leverage and build on this existing programmatic infrastructure. With the additional funding, Bridges will serve 258 more families via a pilot model that includes expanded early learning services, increased service coordination among providers, and a longer duration of services (up to 24 months). The state is requiring that services must begin no later than April 1, 2019, and staff anticipates meeting this deadline successfully.

The Commission's agreement with SSA for the HVI program became effective in late March, and the amendments to existing agreements are being finalized now with all Bridges service providers to incorporate additional funding and scope, as authorized by the Commission in December 2018. Since the Commission's action in December, the state has provided additional information that impacts program implementation, including a revised funding allocation. In addition, discussions with SSA surfaced the need for modifications to the original program design to ensure timely transmission of referrals.

To address the higher-than-anticipated funding as well as the newly-identified needs, all providers have agreed to increase their service targets and the Orange County Health Care Agency (HCA) has additionally agreed to take on an expanded role. In this new role, HCA will receive referrals electronically from SSA, triage and route referrals to the appropriate Bridges home visiting provider



per a referral protocol, and provide nursing consultation to home visitors upon request and as needed to address special client health needs. To facilitate the increased targets and expanded scope, augmentation of the following Bridges providers' agreements is recommended, as described in Attachment 1.

#### **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 added to the Fiscal Year 2018/2019 and 2019/2020 Budget, contingent on the funding award from the State Department of Social Services.

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

- December 2018 – Authorized amendments to agreements with contractors to provide home visitations services under the CalWORKs Home Visitation Initiative.
- October 2018 – Authorized receipt of approximately \$2,208,894 and authority to enter into agreement with the Orange County Social Services Agency, upon approval by the Orange County Board of Supervisors, to implement the CalWORKs Home Visitation Initiative.
- Various prior actions authorizing agreements with contractors and consultants (whose scopes did not include CalWORKs Home Visitation Initiative).

#### **RECOMMENDED ACTION:**

Adopt resolution (Attachment 2) authorizing the Executive Director, or designee, and Commission Counsel to prepare and negotiate amendments to 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. CalWORKs Home Visiting Initiative (HVI) Funding Term Sheet
2. Resolution

**Contact:** Ilia Rolón

**CALWORKS HOME VISITING INITIATIVE (HVI) FUNDING  
TERM SHEET**

<b>Contractor</b>	<b>Agreement #</b>	<b>Additional Scope</b>	<b>Term</b>	<b>Bridges Original Maximum Payment Obligation</b>	<b>HVI Funding Authorized December 2018</b>	<b>Additional HVI Funding</b>	<b>Total HVI Funding</b>	<b>New Maximum Payment Obligation*</b>
Health Care Agency	FCI-HCA-12	Deliver HVI services, including outreach to target population, coordination with other HVI providers, referral triage, nurse consultation, and required reporting.	07/01/17- 06/30/20	4,500,000	\$250,000	\$349,312	\$599,312	<b>\$5,099,312*</b>
MOMS Orange County	FCI-BN2-01	Deliver HVI services, including outreach to target population, coordinate with other HVI providers, and required reporting.	07/01/14- 06/30/25	\$2,160,000	\$331,093	\$52,000	\$383,093	<b>\$2,543,093*</b>
Children's Bureau of Southern California	FCI-BN3-12	Deliver HVI services, including outreach to target population, coordination with other HVI providers, and required reporting.	07/1/17- 6/30/20	\$2,610,000	\$382,120	\$91,125	\$473, 245	<b>\$3,083,245*</b>
Orange County Child Abuse Prevention Center	FCI-BN3-13	Deliver HVI services, including outreach to target population, coordination with other HVI providers, and required reporting.	07/1/17- 06/30/20	\$2,724,000	\$382,120	\$91,125	\$473,245	<b>\$3,197,245*</b>

**\* The Maximum Payment Obligation amount is a “not-to-exceed” amount that is subject to ongoing budget modifications and contingent upon the additional funds awarded by Social Services Agency. Actual contracted Maximum Payment Obligation amounts may be lower.**

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

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

**April 3, 2019**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE EXECUTIVE DIRECTOR AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AMENDMENTS TO AGREEMENTS WITH DESIGNATED ORGANIZATIONS TO PROVIDE HOME VISITATION SERVICES UNDER THE CALWORKS HOME VISITATION INITIATIVE; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AMENDMENTS 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 enter into Amendments to Agreements (the “Amendments”) with each of the organizations, hereinafter referred to as the “Contractors”, identified in the staff report for the April 3, 2019 Commission meeting to provide home visitation services under the CalWORKs Home Visitation Initiative for the terms, in the amounts, and on the conditions as described in Attachment 1 therein; and

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

**WHEREAS**, Commission has reviewed the staff report for the April 3, 2019 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Amendments 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 Amendments with each of the Contractors for the terms, in the amounts, and on the conditions as specified in Attachment 1 to the April 3, 2019 staff report for this Agenda Item.

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

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

**Section 2** Commission authorizes the Executive Director, or designee, and Commission Counsel to prepare and negotiate an Amendment to the Agreement with each of the Contractors as described in Attachment 1 to the April 3, 2019 staff report for this Agenda Item to provide home

visitation services under the CalWORKs Home Visitation Initiative for the terms and in the amounts consistent with the April 3, 2019 staff report and scope of services referenced therein.

**Section 3** The form of any Amendment with the Contractors shall be substantially similar to an amendment to the standard form agreements, subject to minor, non-substantive revisions as reviewed and approved by the Executive Director, or designee, and Commission Counsel. The approval by the Executive Director, or designee, of the Amendments 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 Amendments with each of the Contractors to provide home visitation services under the CalWORKs Home Visitation Initiative for the terms and in the amounts as specified in the April 3, 2019 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 Amendments on behalf of the Commission.

**Section 6** A copy of each 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 and 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 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 Amendments(s), (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

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

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2019 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: \_\_\_\_-18-C&FC

Agenda Date: April 3, 2019

Item No. \_\_\_\_



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

ROBIN STIELER, Clerk of the Commission

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

**EXHIBIT A TO RESOLUTION OF COMMISSION**

(Attach copy(ies) of final executed Amendments)

**Agenda Item 10****April 3, 2019****DATE:** March 19, 2019 – Second Draft**TO:** First 5 Orange County Children and Families Commission**FROM:** Kimberly Goll, Executive Director**ACTION:** Approve the 2019-2020 Program Renewal Process

---

**SUMMARY:**

July 1, 2019 begins the last year of First 5 Orange County Children and Families Commission's three-year funding cycle with its funded partners that provide health, early education and family support programs for young children and their families. This item provides an update on the renewal process, which includes Commissioner review panels and a timeline outlining key milestones dates.

**DISCUSSION:**

First 5 Orange County has traditionally launched its funded partner renewal process approximately one year prior to the conclusion of the final contract year. This provides ample time to assess program outcomes, engage in community dialogue, accommodate any significant changes in proposed funding, and allow funded partners to get new contracts in place by the start of the new agreement. The lead time is particularly important for the 2020 renewal process, given continued declining tobacco tax revenues and the anticipated adoption of a new Strategic Plan with a heightened focus on systems building work.

The First 5 Orange County Chair has assigned Commission members, or their designees, and members of the Pediatric Health Services Committee to one of three review panels. Attachment 1 outlines the initiatives to be reviewed by each panel. The panels will explore how funded programs align with First 5 Orange County's new Strategic Directions, the potential application of Early Development Index findings to program delivery, and opportunities for system-building investment. They will also discuss key initiative design questions and program performance, as well as recommending any conditions for renewal, the length of future funding, and the funding amount.

A series of up to four meetings of each review panel is proposed over the next 10 months to allow the time to discuss programs and funding renewals in light of these topics, and to gather stakeholder input. Final recommendations from the panels will be presented at the February 2020 Commission meeting. New program agreements will be developed throughout the spring and begin on July 1, 2020. Attachment 2 provides a calendar of activities and key milestones in the renewal process.

**STRATEGIC PLAN & FISCAL SUMMARY:**

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

**PRIOR COMMISSION ACTION:**

- February 2019 – Conducted Annual Planning Meeting

**RECOMMENDED ACTION:**

Approve the 2019-2020 Program Renewal Process

**ATTACHMENTS:**

1. Program Renewal Process Review Panels
2. Renewal Process Timeline

**Contact:** Kim Goll



## PROGRAM RENEWAL PROCESS REVIEW PANELS

	<u>Panel 1</u>	<u>Panel 2</u>	<u>Panel 3</u>
<b>PROGRAMS TO REVIEW</b>	<ul style="list-style-type: none"> <li>• School Readiness Initiative</li> <li>• THINK Together/AmeriCorps</li> <li>• Community Based Early Learning Programs</li> </ul>	<ul style="list-style-type: none"> <li>• Homeless Prevention Initiative</li> <li>• Community Health Services</li> </ul>	<ul style="list-style-type: none"> <li>• Bridges Maternal Child Health Network</li> <li>• Center for Autism</li> <li>• Pediatric Subspecialty Loan Repayment</li> </ul>

*Review panels are First 5 Orange County ad-hoc subcommittees*

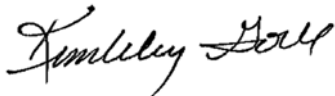
## RENEWAL PROCESS TIMELINE

April 2019	Kick-off of renewal process
May 2019	First meeting of review panels
July 2019	Second meeting of review panels
October 2019	Third meeting of review panels
May through November 2019	Stakeholder engagement in renewal process; return with feedback to inform review panels
December 2019	Final meeting of review panels
February 2020	First 5 Orange County annual planning meeting; recommendations from review panels on programming and system building investment; contracting process begins
April/June 2020	Proposed new agreements brought to First 5 Orange County Commission
July 2020	New contracts begin

**Agenda Item 11****April 3, 2019**

**DATE:** March 19, 2019

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

**FROM:** Kimberly Goll, Executive Director 

**ACTION:** Adopt resolution authorizing agreements to produce the Annual Report on the Conditions of Children in Orange County

---

**SUMMARY:**

The First 5 Children and Families Commission of Orange County is the lead agency for the production of the Annual Report on the Conditions of Children in Orange County. This item requests approval to enter into agreements with specified consultants for the development of both the 2019 and 2020 reports.

**DISCUSSION:**

The Annual Report on the Conditions of Children in Orange County has been produced annually for more than 20 years and provides a report on the status of children through the lenses of healthcare, the economy, education, and public safety. The report is funded by the County of Orange, with oversight by the Orange County Children's Partnership, a 22-member appointed advisory group co-chaired by Andrew Do, Orange County First District Supervisor and Debra Baetz, Commissioner and Director of the Orange County Social Services Agency (SSA). The Partnership also provides a forum to disseminate, discuss and coordinate the delivery of services to children and families in Orange County

In 2017, First 5 Orange County was selected through a Request for Proposals to produce the Annual Report on the Conditions of Children in Orange County for a three-year term beginning in 2018. First 5 Orange County's proposal included the contribution of an in-kind project manager and subcontracting the data analysis and report content development to a production team with subject matter expertise. In December 2017, First 5 Orange County authorized the receipt of \$113,000, annually, for three years, and entered into an agreement with SSA for the annual production of the Report on the Conditions of Children in Orange County. First 5 Orange County also entered into agreements with a production team for the 2018 Report.

Authorization to enter into agreements with the production team for the 2019 and 2020 reports is recommended. The team includes a project manager, evaluation firm to develop the content, and a graphic designer. The project costs also include printing, community forums, and mailing. The total cost of the reports will not exceed \$143,000 per year, and they are scheduled for release in the fall of 2019 and 2020.

**STRATEGIC PLAN & FISCAL SUMMARY:**

The recommended actions have been reviewed in relation to the Strategic Plan and are consistent with all goal areas. The funding to support the 2019 and 2020 Annual Report on the Conditions of Children in Orange County is included in the Fiscal Year 2018/2019 and 2019/2020 budgets within the evaluation funding category.

**PRIOR COMMISSION ACTIONS:**

- December 2017 – Adopted resolutions authorizing agreements with designated organizations and SSA for the annual production of the Report on the Conditions of Children in Orange County and to receive a maximum of \$113,000, annually, for the term of March 1, 2018 through February 28, 2021
- December 2016 – Adopted resolution authorizing agreements for the 23<sup>rd</sup> Annual Report on the Conditions of Children

**RECOMMENDED ACTIONS:**

Adopt resolution (Attachment 2) authorizing the Executive Director, or designee, to enter into agreements with designated organizations to provide evaluation, project management, and graphic design services for the 2019 and 2020 Annual Reports on the Conditions of Children in Orange County for the terms and in the amounts as specified in Attachment 1.

**ATTACHMENTS:**

1. 2019 and 2020 Reports on the Conditions of Children in Orange County Term Sheet
2. Resolution

**Contact:** Lucy Lin

**2019 AND 2020 REPORTS ON THE CONDITIONS OF CHILDREN IN ORANGE COUNTY**  
**Term Sheet**

<b>Agreement Number</b>	<b>Organization</b>	<b>Term</b>	<b>Maximum Funding Obligation</b>	<b>Description</b>	<b>Funding Source</b>
C-389	Burke Consulting	4/1/2019-3/30/2021	\$60,000	Project Management, report development, and liaison with OCCP steering committee	First 5 Orange County Children and Families Commission
PS-189	Health Management Associates	4/1/2019-3/30/2021	\$166,000	Content development, data collection and analysis	Orange County Social Services Agency
PS-190	Luis Alvarado Design	4/1/2019-3/30/2021	\$38,000	Graphic design	Orange County Social Services Agency
N/A	County Vendor	N/A	\$15,000	Printing 2,250 copies of report annually or 4,500 copies for both 2019 and 2020 reports	Orange County Social Services Agency
N/A	Children and Families Commission (First 5 Orange County)	N/A	\$7,000	Community forums and report production management for both 2019 and 2020 reports	Orange County Social Services Agency

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

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

**April 3, 2019**

**A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE EXECUTIVE DIRECTOR AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENTS WITH DESIGNATED INDIVIDUALS AND ORGANIZATIONS TO PROVIDE EVALUATION, PROJECT MANAGEMENT, AND GRAPHIC DESIGN SERVICES FOR THE 2019 AND 2020 ANNUAL REPORTS ON THE CONDITIONS OF CHILDREN IN ORANGE COUNTY; 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 enter into an Agreement with each of the organizations, hereinafter referred to as the “Contractors,” identified in the staff report for the April 3, 2019 Commission meeting to provide evaluation, project management, and graphic design services for the 2019 and 2020 Annual Reports on the Conditions of Children in Orange County for the terms and in the amounts and on the conditions as described in Attachment 1 therein (hereinafter referred to as “Agreements”); and

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

**WHEREAS**, Commission has reviewed the staff report for the April 3, 2019 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 an Agreement with each of the Contractors for the terms and in the amounts and on the conditions as specified in Attachment 1 to the April 3, 2019 staff report for this Agenda Item.

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

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

**Section 2** Commission authorizes the Executive Director, or designee, and Commission Counsel to prepare and negotiate an Agreement with each of the Contractors as described in Attachment 1 to provide evaluation, project management, and graphic design services for the 2019 and 2020 Annual Reports on the Conditions of Children in Orange County for the terms and in the amounts consistent with the April 3, 2019 staff report and scope of services referenced therein.

**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 Executive Director or designee and Commission Counsel. The approval by the Executive Director, or designee, of the Agreements shall be conclusively evidenced by the execution of such Agreements by the Commission Chair and delivery thereof to the Commission Clerk.

**Section 4** Commission hereby approves the Agreements with each of the Contractors as described in Attachment 1 to provide evaluation, project management and graphic design services for the 2019 and 2020 Reports on the Conditions of Children in Orange County for the terms and in the amounts as specified in the April 3, 2019 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 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 Agreements(s), (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

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

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2019 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: \_\_-19-C&FC

Agenda Date: April 3, 2019

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 12****April 3, 2019**

**DATE:** March 14, 2019

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

**FROM:** Kimberly Goll, Executive Director 

**ACTION:** Conduct Public Hearing, adopt resolutions and receive the Strategic Plan, Fiscal Year 2018/2019 Amended Operating Budget and Fiscal Year 2019/2020 Proposed Budget

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**SUMMARY:**

First 5 Orange County Children and Families Commission annually conducts a public hearing to adopt the Strategic Plan and approve the annual budget for the upcoming fiscal year. This item recommends approval of the Strategic Plan and Budget, as described below, for Fiscal Year 2019/2020.

**DISCUSSION:****First 5 Orange County Strategic Plan**

Each First 5 Commission is required to comply with the Proposition 10 Strategic Plan Guidelines and review its strategic plan annually and revise the plan as necessary and appropriate. Orange County's Strategic Plan was initially adopted in the year 2000 and has been reviewed annually and moderately updated. In August 2018, the process to develop a new, updated five-year strategic plan commenced. The strategic planning process took into account the early childhood infrastructure that has been developed over the past 20 years since Proposition 10 was passed by the voters in California. It also acknowledged the shift of priorities from the creation of new services to better integration and coordination of agencies that support young children and families in the climate of declining revenue.

The steps in the strategic planning process began with targeted community outreach and public study sessions that included one-on-one meetings with key stakeholders and Commission members to develop measurable objectives in the three goal areas: Resilient Families, Quality Early Learning, and Comprehensive Health and Development. The new Strategic Plan concepts were presented in an open house format in November at the Delhi Center in Santa Ana. More than 150 people attended representing community organizations, elected leaders, school districts, businesses, non-profit organizations, universities and philanthropic foundations. Updates on the Strategic Planning Process and opportunities for public comment were provided at the Commission meetings in August, October, and December. The February 2019 planning meeting was dedicated as a comprehensive review of the draft Strategic Plan. The final Strategic Plan (Attachment 1) is recommended for adoption as part of the public hearing. Following adoption of the new Strategic Plan, an Implementation Plan detailing the specific tasks to be accomplished in support of the new priorities will be presented to the Commission at the June meeting.

### **Final Amended Fiscal Year 2018/2019 Budget**

The Fiscal Year 2018/2019 Budget was approved by the Commission in April 2018 and amended in October 2018. Current program allocations and encumbrances were analyzed and a proposed amended operating budget for Fiscal Year 2018/2019 (Attachment 3) has been developed. The amended operating budget includes both previously approved contracts and pass-through program funding amounts.

- *Revenue* – No change is requested for tobacco tax revenue budgeted for Fiscal Year 2018/2019. As of December 2018, current year revenue is \$14.53 million compared to \$11.44 million over the same period in the prior year. This increase was expected to follow the large decline in Fiscal Year 2017/2018 from the implementation the \$2.00 tax increase and the legal smoking age increase from 18 to 21. The Fiscal Year 2018/2019 does reflect an entire one-year allocation of the Proposition 56 backfill. The backfill amount received in the current year was \$2.32 million. The strategy endorsed by the Commission in November 2013 will be followed, and any additional revenue above forecasted budget amounts will be made available for catalytic investments subject to Commission approval.
- *Program and Administrative Funding* – The most up-to-date estimated revenue and expenses for the First 5 California IMPACT and IMPACT Hub, Dental Transformation Initiative, and CalWORKS Home Visiting Initiative are incorporated into the Amended Budget. The Commission acts as a pass-through for funding purposes, and all costs are first expensed by the Commission followed by reimbursement from the appropriate funding agency. The amounts presented in the amended budget are the most current estimate of current year revenue and expense estimates. The most significant amendment is for the additional funding from the California Department of Healthcare Services for the Dental Transformation Initiative in the amount of \$1.5 million. A vacant staff position will result in unspent funds that would be available for use in 2019/2020 if additional programmatic or evaluation needs arise. A budget rollover request would be presented to the Commission as part of the Amended Budget at the October meeting detailing how the funds are allocated.

### **Fiscal Year 2019/2020 Proposed Budget**

The Fiscal Year 2019/2020 budget proposal represents the third of the three-year funding actions approved in February 2017. The proposed base program budget for Fiscal Year 2019/2020 is approximately \$17 million and is consistent with the Long-Term Financial Plan assumptions provided at the December 2018 Commission meeting.

#### *Budget Highlights:*

- *Revenue*
  - Tobacco tax revenue, after two volatile years due to Proposition 56, is projected to settle back into the annual 3.5% decline that has been 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. The strategy endorsed by the Commission in November 2013 will be followed, and any additional revenue above forecasted budget amounts will be made available for catalytic investments subject to Commission approval.

- Estimated revenue has been budgeted for Commission's pass-through programs: First 5 California IMPACT and IMPACT Hubs (\$2,469,616), Dental Transformation Initiative (\$6,158,789), CalWORKS Home Visitation (\$1,499,436), and Pritzker Foundation Fellows Program (\$75,000).
  - 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 \$9.4 million in Catalytic projects. These are one-time projects that are tracked against the Catalytic fund that was initially established by the Commission in 2012. Catalytic projects are not funded by current tobacco tax revenues.
- *Program Funding*
    - All budget program areas in the four goal areas are consistent with the February 2017 Commission three-year funding actions. Pass-through 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 and IMPACT Hubs (\$2,469,616), Dental Transformation Initiative (\$6,158,789), CalWORKS Home Visitation (\$1,474,649), and Pritzker Foundation Fellows Program (\$75,000).
    - Estimates of Catalytic Round 1 and 2 expenses are included in the proposed Fiscal Year 2018/2019 budget and include \$1,200,000 for the Intergovernmental Transfer (IGT) approved in October 2018. 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 2019/2020 Administrative Budget*

Total administrative expenses of \$1.86 million budgeted for Fiscal Year 2019/2020 are lower than the previous year amount of \$2 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 Fiscal Year 2019/2020 administrative budget is 4.8% of the total annual operating budget of \$39 million. The total annual operating budget includes funding for First 5 California IMPACT, Dental Transformation Initiative, IGT transfer, CalWORKS Home Visiting and Catalytic funding.

Total staff salaries and benefits are budgeted at \$1.7 million compared to \$1.65 million in Fiscal Year 2018/2019. The staffing budget supports 12 full-time positions of which two are vacant. The evaluation/performance management budget has funding for a position separate from the 12 positions in the staffing budget. The increase is due to building the budget out to full staffing capacity in alignment with the new Strategic Plan. The shift to systems building creates a need for

additional staffing that will be balanced to efficiently meet the demands with consultants in specific areas of technical expertise. Recruitment for the vacant positions will begin after adoption of the new Strategic Plan.

The Fiscal Year 2019/2020 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 2019/2020 budget includes a 10 percent limitation of the operating budget on administrative function expenditures. Approval of the Fiscal Year 2019/2020 Proposed Budget (Attachment 5) is requested.

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

The Strategic Plan, Final Amended Fiscal Year 2018/2019 Budget, Fiscal Year 2019/2020 proposed Operating 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:**

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

### **RECOMMENDED ACTIONS:**

1. Conduct Public Hearing.
2. Adopt resolution (Attachment 2) confirming First 5 Orange County Children and Families Commission's adoption of the Strategic Plan.
3. Approve Fiscal Year 2018/2019 Amended Operating Budget (Attachment 3).
4. Adopt resolution (Attachment 4) approving the Annual Operating Budget for Fiscal Year 2019/2020 (Attachment 5) and confirming the 10 percent limitation on administrative expenditures for the operating budget.

**ATTACHMENTS:**

1. First 5 Orange County Children and Families Commission 2019-2024 Strategic Plan
2. Resolution - Strategic Plan
3. Fiscal Year 2018/2019 Final Amended Budget
4. Resolution - Fiscal Year 2019/2020 Operating Budget
5. Fiscal Year 2019/2020 Proposed Budget

**Contact:** Michael Garcell



# **2019-2024 STRATEGIC PLAN**

April 3, 2019

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## ACKNOWLEDGEMENTS

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

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

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



## ABOUT FIRST 5 ORANGE COUNTY

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

### OUR VISION

All children reach their full potential.

### OUR MISSION

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

## WORKING TOGETHER TO IMPROVE THE EARLY CHILDHOOD SYSTEM

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

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

FIGURE 1: ILLUSTRATION OF EARLY CHILDHOOD SYSTEM

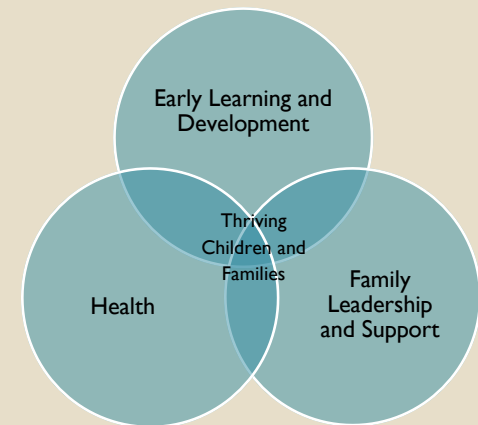
### Results that a Comprehensive Early Childhood System Should Deliver:

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

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

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

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



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

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

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

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

## How We Do Our Work

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

### CORE VALUES

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

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

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

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

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

### OPERATING PRINCIPLES

The following principles illustrate how we conduct our work:

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

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

## CURRENT REALITIES AND LONG-TERM TRENDS

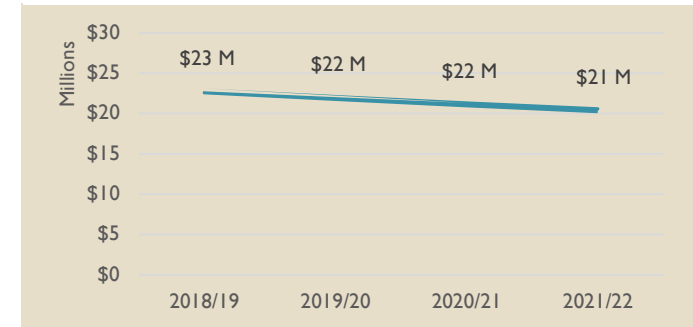
The future direction of First 5 Orange County is influenced by many current realities and long-term trends, which are detailed and sourced in Appendix A: Key County Trends. We are also influenced by ongoing research, best practices, and innovation within the field of early childhood, as well as by feedback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

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

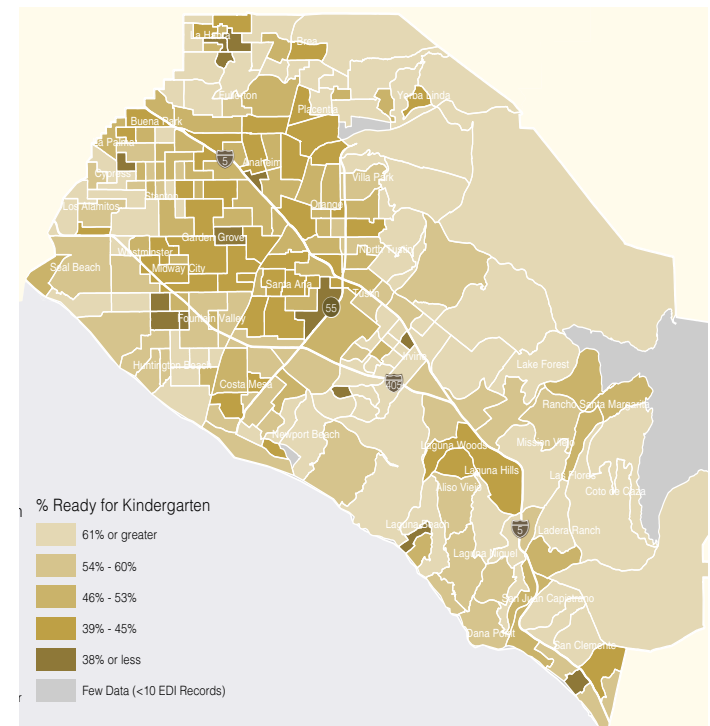
Additional notable countywide trends:

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

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



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



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

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

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

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

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

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

## FIRST 5 ORANGE COUNTY STRATEGIC APPROACH

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

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

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

### DEFINITIONS OF LEVELS OF ACCOUNTABILITY

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

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

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

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

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

FIGURE 4: ILLUSTRATION OF FIRST 5 ORANGE COUNTY STRATEGIC APPROACH

## OUR GOALS AND SELECTED HEADLINE OBJECTIVES

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



## OUR STRATEGIC DIRECTIONS

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



## GOALS AND HEADLINE OBJECTIVES

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

### RESILIENT FAMILIES

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

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

### QUALITY EARLY LEARNING

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

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

### COMPREHENSIVE HEALTH AND DEVELOPMENT

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

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



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



## RESILIENT FAMILIES (RF)

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

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

**Baseline:** 2018 data forthcoming from MIHA

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

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

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

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

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

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

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

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

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

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

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

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

#### Data Agenda

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

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

## QUALITY EARLY LEARNING (QEL)

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

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

**Baseline:** varies by neighborhood

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

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

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

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

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

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

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

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

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

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

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

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

#### Data Agenda

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

## COMPREHENSIVE HEALTH AND DEVELOPMENT (CHD)

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

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

**Baseline:** CHD 1a: 33.3% (EDI, 2018)  
CHD 1b: 48.1% (CalOptima, 2018)

**3-year Target:** CHD 1a: 25.0%  
CHD 1b: 62.1% (National Medicaid 50<sup>th</sup> percentile)

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

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

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

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

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

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

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

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

**Baseline:** 56.2% (2016)

**3-year Target:** 60%

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

#### Data Agenda

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

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

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

## STRATEGIC DIRECTIONS AND IMPLEMENTATION OBJECTIVES

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

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

### COMMITTED LEADERSHIP

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

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

### ENGAGED NEIGHBORHOODS

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

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

### CONNECTED SYSTEMS

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

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

## **ALIGNED INVESTMENTS**

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

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

## **SUSTAINED FUNDING**

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

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



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

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

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

## COMMITTED LEADERSHIP (CL)

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

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

**Baseline:** Not available

**3-year Target:** 30 presentations

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

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

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

**Baseline:** 3

**3-year Target:** 15 organizations

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

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

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

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

**3-year Target:** 10 policies

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

## ENGAGED NEIGHBORHOODS (EN)

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

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

**Baseline:** 70 presentations (2018)

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

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

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

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

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

**3-year Target:** 12 communities

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

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

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

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

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

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

## CONNECTED SYSTEMS (CS)

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

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

**Baseline:** No assessment completed

**3-year Target:** Assessment completed

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

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

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

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

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

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

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

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

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

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

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



## ALIGNED INVESTMENTS (AI)

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

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

**Baseline:** No new funding model exists

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

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

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

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

**Baseline:** N/A

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

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

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

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

**Baseline:** No new process exists

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

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

## SUSTAINED FUNDING (SF)

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

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

**Baseline:** SF1a: \$2.25 million (CalWORKs Home Visiting Initiative)  
SF1b: Not currently available; to be determined  
SF1c: Not currently available; to be determined

**3-year Target:** SF1a: 25% increase overall  
SF1b: To be determined  
SF1c: To be determined

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

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

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

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

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

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

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

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

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

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

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

# STRATEGIC PLAN IMPLEMENTATION

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

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

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

## IMPLEMENTATION, MONITORING, AND ACCOUNTABILITY PLAN

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

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

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

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

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

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

## APPENDIX A: STRATEGIC PLANNING COMMUNITY INPUT

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

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

### KEY FINDINGS

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

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

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

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

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

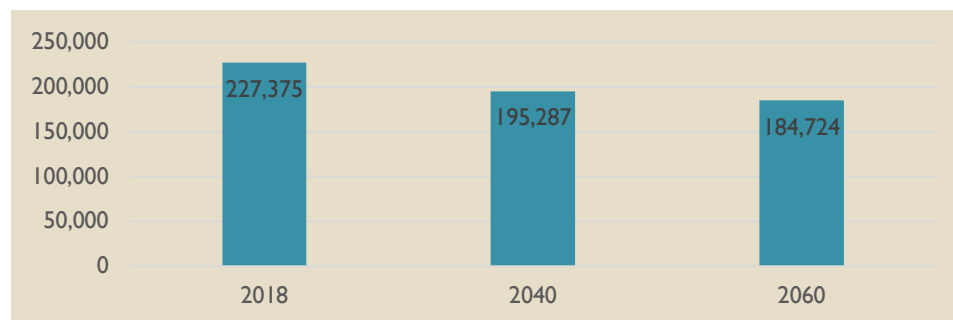
Feedback on potential mission and vision concepts has been incorporated in the final vision and mission statements. Finally, some people thought certain terms and phrases in the initial draft documents were unclear. Where possible, such feedback has been taken into consideration in this plan and language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

## APPENDIX B: KEY COUNTY TRENDS

### DEMOGRAPHICS

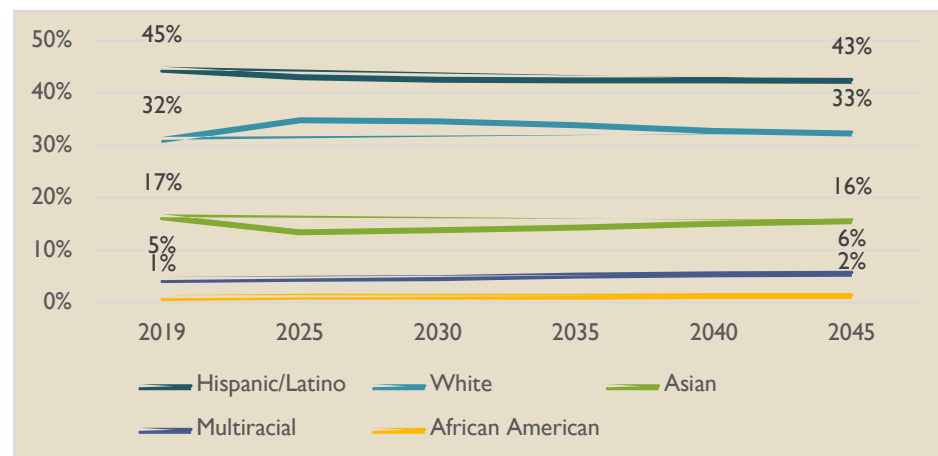
#### POPULATION

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



Source: California Department of Finance, Table P-2

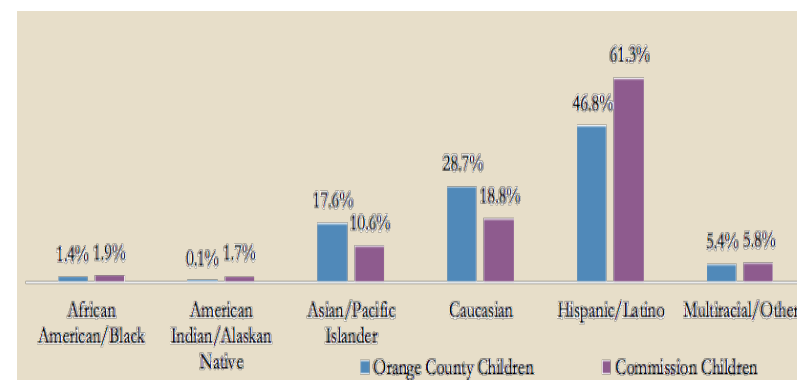
**FIGURE 8: PROJECTIONS OF RACE/ETHNIC PROPORTIONS OF 0-5 POPULATION IN ORANGE COUNTY FROM 2019 TO 2045**



Source: California Department of Finance, Table P-3

The overall population of children ages 0-5 is projected to decline in Orange County, falling 19 percent between 2018 and 2060. Meanwhile, the historic increase in racial and ethnic diversity is projected to stabilize. Latino children comprise the largest proportion of children from birth through age five (47 percent), followed by White, Non-Hispanic children (19 percent) and Asian/Pacific Islander children (11 percent). Six percent of children are multi-racial or some other race or ethnicity, while two percent of children birth through age five are African American/Black and two percent are Native American. These proportions are similar to projected proportions in 2045.

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

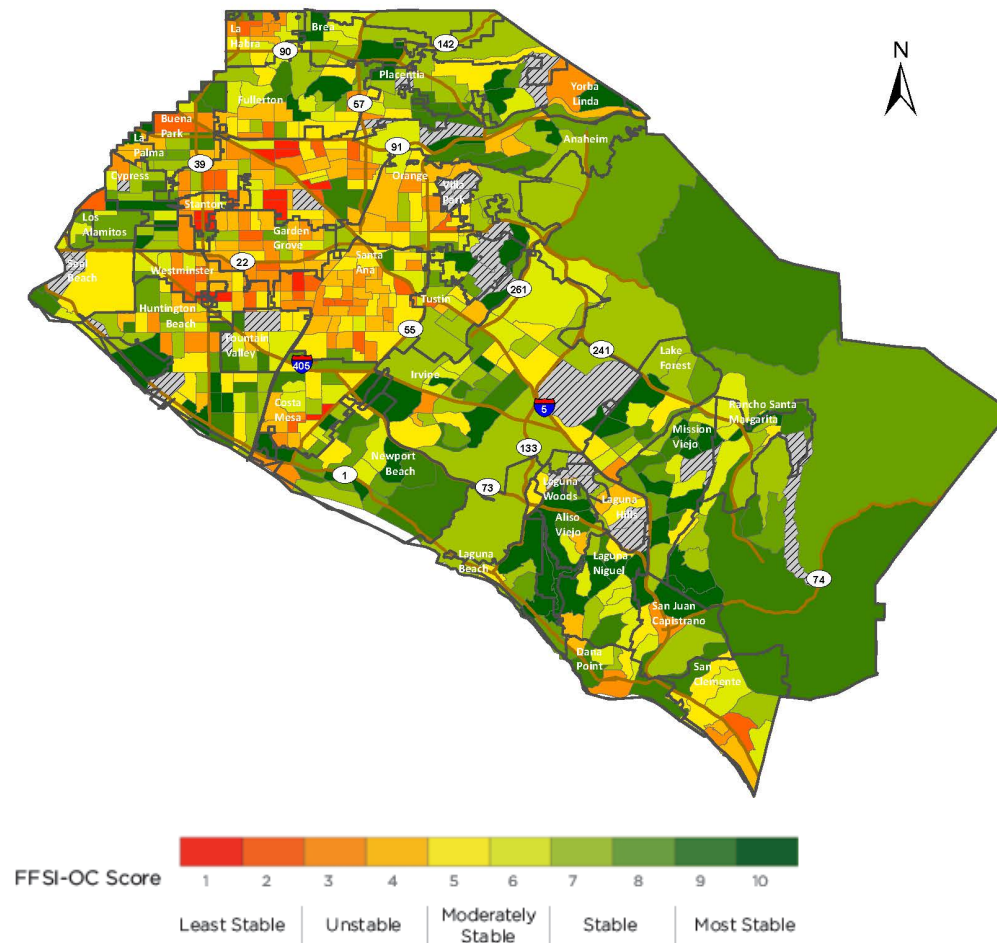




## FAMILY ECONOMIC AND HOUSING STABILITY

### FAMILY FINANCIAL STABILITY INDEX

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

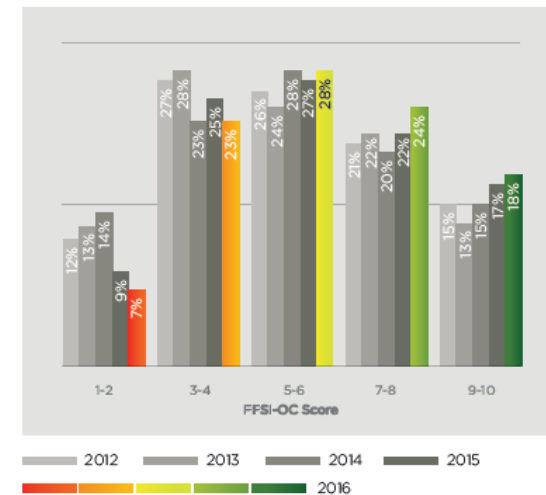


Source: Parsons Consulting, Inc. for Orange County United Way

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

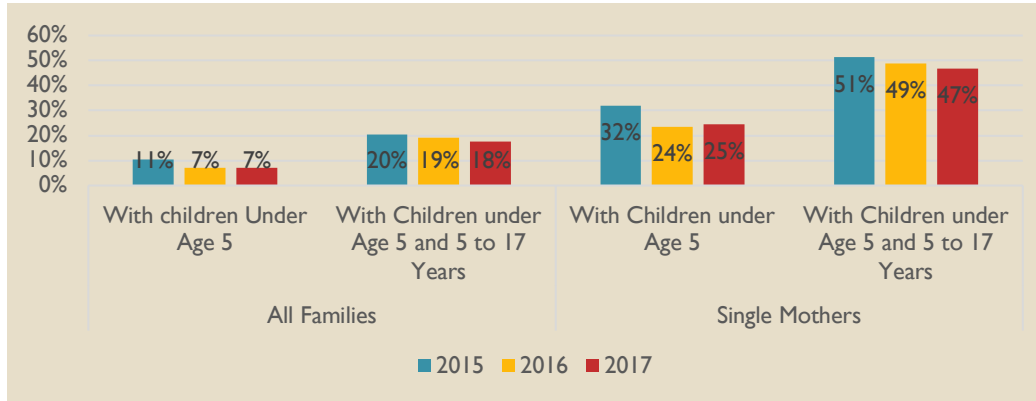
#### FEWER NEIGHBORHOODS SCORE 1 OR 2, THE LEAST STABLE CONDITION

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



## POVERTY

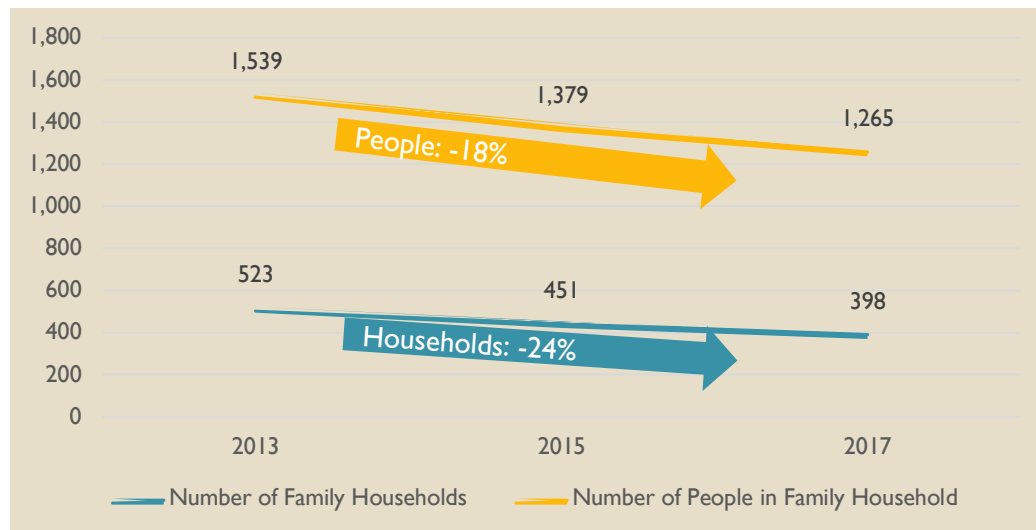
**FIGURE 11: PERCENTAGE OF FAMILIES WITH CHILDREN IN POVERTY IN ORANGE COUNTY, 2015-2017**



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

## HOMELESSNESS

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



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

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

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

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

**40-50**

K-12 students living unsheltered in 2017/18:

**357**

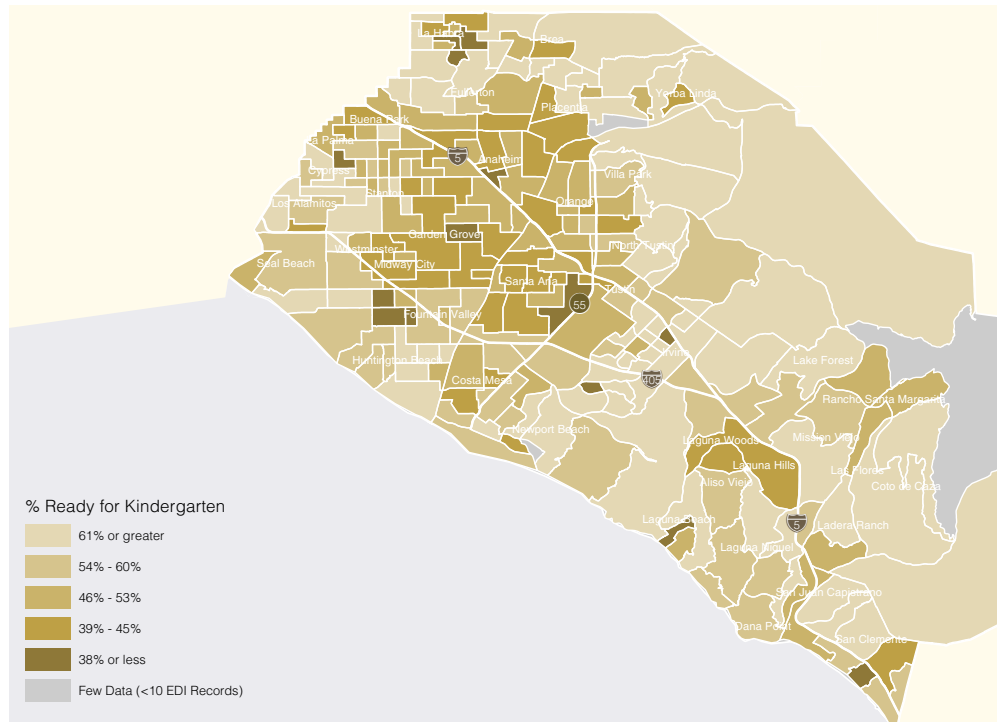
Source: OC Dept of Education

Source: Family Solutions Collaborative

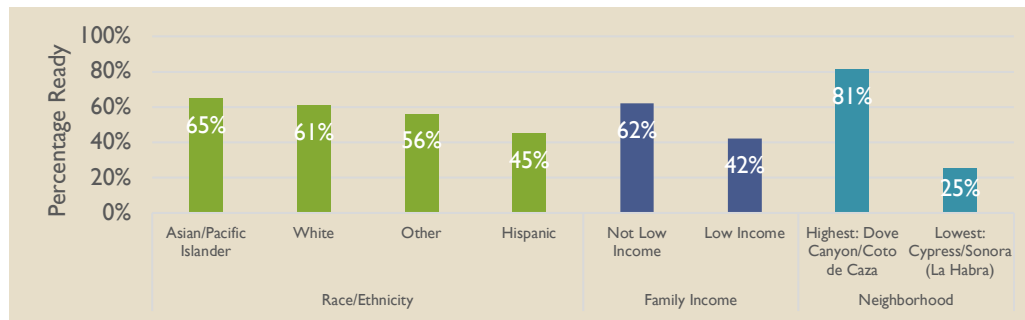
## CHILD OUTCOMES

### KINDERGARTEN READINESS

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



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



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

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

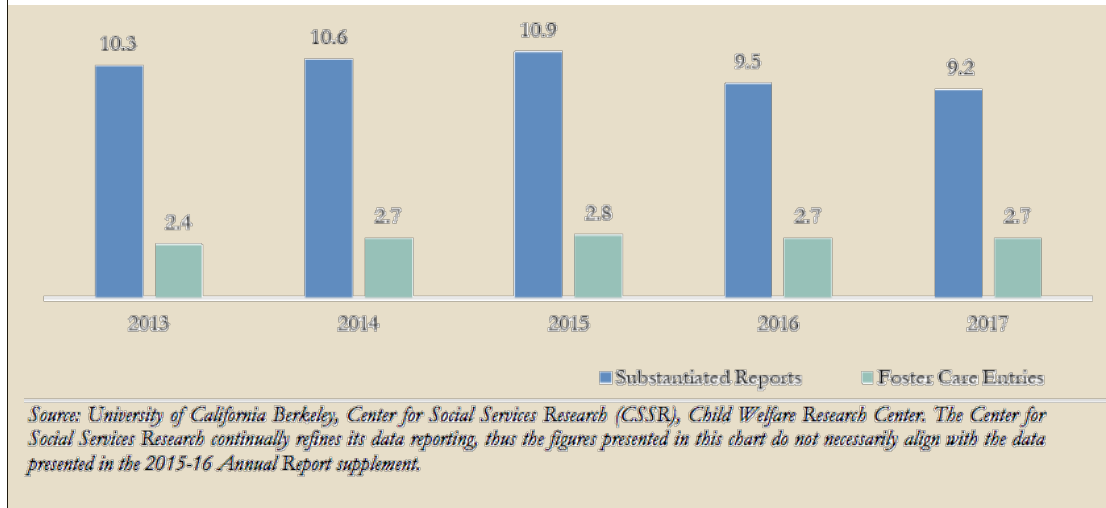
There is also variability by race or ethnicity and family income status, but less so than by neighborhood. Asian/Pacific Islander children are the most likely to enter kindergarten ready to learn (65 percent), followed by White, Non-Hispanic children (61 percent). Hispanic children were least likely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

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

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

## ABUSE AND NEGLECT

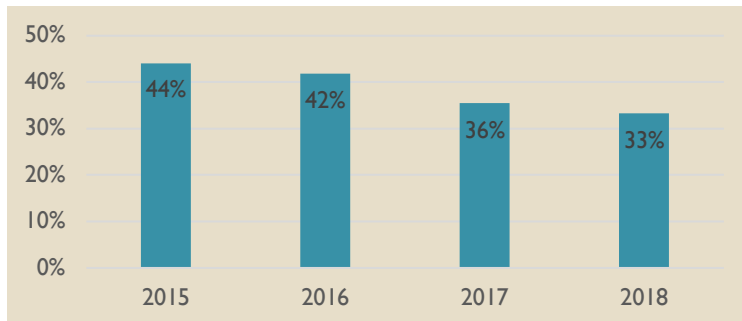
**FIGURE 15: SUBSTANTIATED REPORTS AND FOSTER CARE ENTRIES (RATE PER 1,000 CHILDREN UNDER AGE SIX) IN ORANGE COUNTY, 2013-2017**



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

## EARLY IDENTIFICATION

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



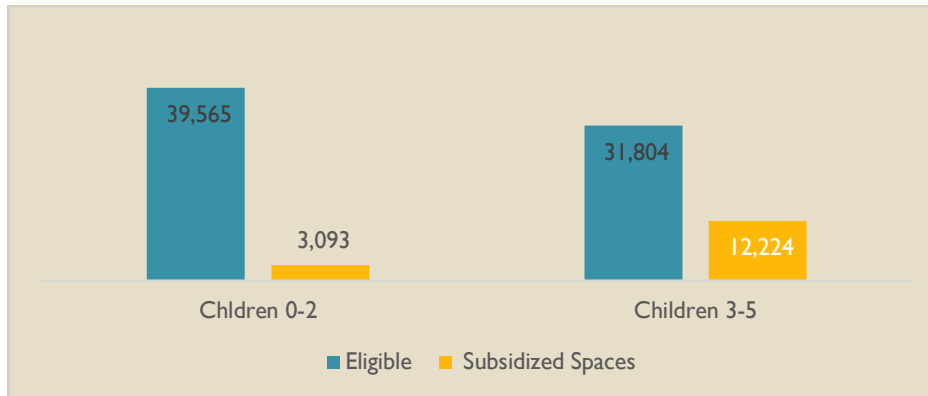
Source: Early Development Index, UCLA Center for Children, Families, and Communities and First 5 Orange County

In 2018, an estimated 33% of kindergartners may have had an unidentified delay. The percentage reflects the proportion of kindergartners whose teacher thought the child had a developmental delay or special need, but the child did not have an IEP (was not receiving special education services). This measure allows us to assess how well we, as a county, are doing identifying children with developmental needs at an early age. The declining percentage of kindergartners with unidentified delay witnessed between 2015 and 2018, and the steady percentage of children whose teacher believes they have a special need, suggests that the Orange County early childhood system has improved its ability to identify and serve children with developmental delays.

## EARLY CARE AND EDUCATION

### SUPPLY AND DEMAND

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



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

### QUALITY

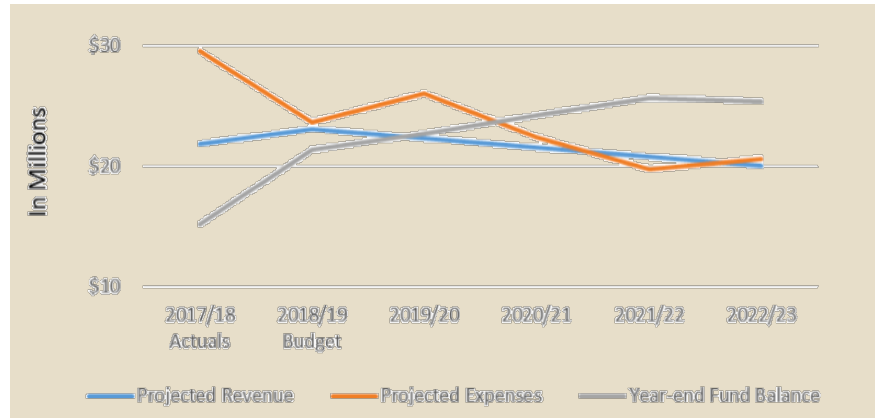
**FIGURE 18: QUALITY START OC, 2017/18**

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

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

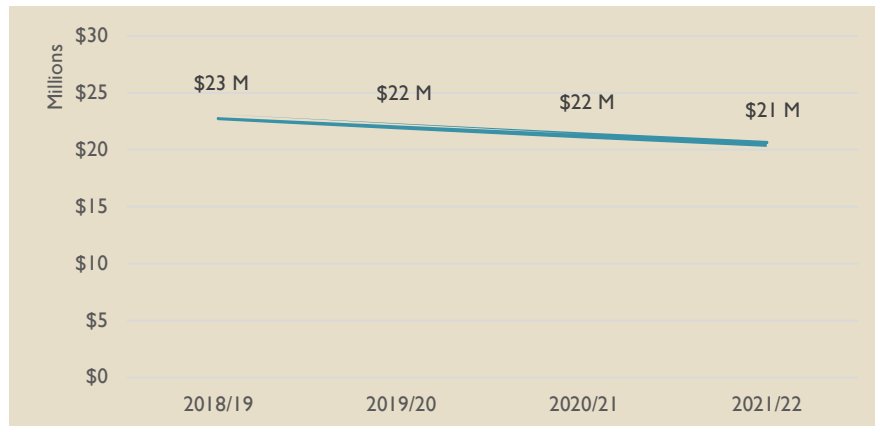
## LONG TERM FINANCIAL PLAN

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



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

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



## APPENDIX C: STRATEGIC APPROACH (DETAILED)

### OUR GOALS AND HEADLINE OBJECTIVES

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

#### Resilient Families

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

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

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

RF 3: Reduce the number of children experiencing homelessness.

#### Quality Early Learning

Ensure children have access to quality early learning experiences and environments

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

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

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

#### Comprehensive Health and Development

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

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

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

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

### OUR STRATEGIC DIRECTIONS

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

#### Committed Leadership

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

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

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

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

#### Engaged Neighborhoods

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

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

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

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

#### Connected Systems

Facilitate connected, high-functioning early childhood systems.

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

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

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

#### Aligned Investments

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

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

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

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

#### Sustained Funding

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

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

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

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

### OUR FOUNDATIONAL POSITIONS

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

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

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

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

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

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

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



## APPENDIX D: REFERENCES

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**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

**RESOLUTION NO. \_\_\_\_-18-C&FC**

**April 3, 2019**

**A RESOLUTION OF THE CHILDREN AND FAMILIES  
COMMISSION OF ORANGE COUNTY ADOPTING THE 2019-  
2024 STRATEGIC PLAN**

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

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

**WHEREAS**, at its meeting of April 3, 2019, the Commission conducted a public hearing and reviewed the following documents prepared and recommended by staff and identified in the staff report for the April 3, 2019 Commission meeting with the Attachment number set forth herein: The 2019-2024 Strategic Plan (Attachment 1).

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

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

**Section 2** The Commission hereby confirms adoption of the 2019-2024 Strategic Plan, exclusive of the Strategic Plan Appendices, which serve only as administrative tools that link to the Performance Outcome Measurement System.

**Section 3** The Clerk of the Commission shall append to this Resolution a copy of the Strategic Plan set forth in Section 2, as Exhibit A (which shall correspond to Attachment 1 of the April 3, 2019 staff report). Exhibit A is hereby fully incorporated as part of this Resolution by this reference and made a part hereof as though fully set forth herein.

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

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

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on April 3, 2019 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: \_\_-19-C&FC

Agenda Date: April 3, 2019

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**  
**2019-2024 STRATEGIC PLAN**  
**(attached)**

**Children and Families Commission of Orange County**  
**Fiscal Year 2018/2019 Final Amended Budget**

	Amended FY 18/19 Budget	Carryover	Amendments	Final Amended FY 18/19 Budget
<b><u>FINANCING</u></b>				
<b>Prop 10 Tax Allocations</b>	23,146,372			23,146,372
<b>Other Revenues</b>				
Investment Earnings	150,000			150,000
MAA Revenue	180,000			180,000
First 5 IMPACT	2,077,377		700,000	2,777,377
Dental Transformation Initiative	2,663,525		1,500,000	4,163,525
CalWORKS Home Visitation Program	0		749,718	749,718
Other Revenue	287,600			287,600
	28,504,874	0	2,949,718	31,454,592
<b><u>PROGRAM SERVICES</u></b>				
<b>Healthy Children</b>				
Bridges: Maternal Child Health Network	4,463,000	0	744,746	5,207,746
Community Health	552,050	0	0	552,050
Children's Dental	2,663,525	0	1,500,000	4,163,525
Pediatric Health Services	1,943,740	0	0	1,943,740
School Readiness Nursing	3,075,000	0	0	3,075,000
Healthy Children Program Support	312,389	0	0	312,389
Healthy Children subtotal	13,009,704	0	2,244,746	15,254,450
<b>Strong Families</b>				
Family Support Services	1,198,000	0	0	1,198,000
Homeless Prevention	910,000	0	0	910,000
Strong Families Program Support	34,314	0	0	34,314
Strong Families subtotal	2,142,314	0	0	2,142,314
<b>Early Learning</b>				
Early Learning Specialists	2,451,400	0	0	2,451,400
School District Programs	0	0	0	0
First 5 IMPACT	2,077,377	0	700,000	2,777,377
Community Based Early Learning Programs	1,241,260	150,000	0	1,391,260
Early Learning Program Support*	338,912	0	0	338,912
Early Learning subtotal	6,108,949	150,000	700,000	6,958,949

**Children and Families Commission of Orange County**  
**Fiscal Year 2018/2019 Final Amended Budget**

	<b>Amended FY 18/19 Budget</b>	<b>Carryover</b>	<b>Amendments</b>	<b>Final Amended FY 18/19 Budget</b>
<b>Capacity Building</b>				
Performance Outcomes Management System	998,491	0	0	998,491
Evaluation Program Support	30,035	0	0	30,035
Technical Assistance	45,000	0	0	45,000
Capacity Building Grants & Matching Funds	212,750	0	0	212,750
Capacity Building Support & Fund Development	137,000	0	0	137,000
Capacity Building Program Support	33,562	0	0	33,562
Capacity Building subtotal	1,456,838	0	0	1,456,838
<b>Round 2 Catalytic Funding</b>				
Healthy Children Catalytic Funding	1,038,000			1,038,000
Strong Families Catalytic Funding	800,000			800,000
Capacity Building Catalytic Funding	1,000,000			1,000,000
Pediatric Vision Program Catalytic Funding	0			0
Round 2 Catalytic Funding Subtotal	2,838,000	0	0	2,838,000
<b>Total Program</b>	<b>25,555,805</b>	<b>150,000</b>	<b>2,944,746</b>	<b>28,650,551</b>
<b>Administrative Functions</b>				
Commission Staffing	897,845	0	0	897,845
Strategic Communications	325,000	0	0	325,000
Professional and Technical Services	459,000	0	0	459,000
Office, Training & Operating Costs	318,420	0	0	318,420
Administrative Functions Subtotal	2,000,265	0	0	2,000,265
<b>Total Annual Operating Budget</b>	<b>27,556,070</b>	<b>150,000</b>	<b>2,944,746</b>	<b>30,650,816</b>
<b>Round 1 Catalytic Funding</b>				
Healthy Children Catalytic Funding	2,627,968			2,627,968
Strong Families Catalytic Funding	0			0
Early Learning Catalytic Funding	750,000			750,000
Capacity Building Catalytic Funding	0			0
Round 1 Catalytic Funding Subtotal	3,377,968	0	0	3,377,968

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**

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

**April 3, 2019**

**A RESOLUTION OF THE CHILDREN AND FAMILIES  
COMMISSION OF ORANGE COUNTY (1) ADOPTING THE  
FISCAL YEAR 2019-20 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 April 3, 2019, the Commission conducted a public hearing and reviewed the following documents prepared and recommended by staff and identified in the staff report for the April 3, 2019 Commission meeting with the Attachment number set forth herein: The Annual Operating Budget for the Fiscal Year 2019-20 (Attachment 5).

**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 2019-20.

**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 2019-20.

**Section 6** The Clerk of the Commission shall append to this Resolution a copy of the Annual Operating Budget for Fiscal Year 2019-20 set forth in Section 2, as Exhibit A (which shall correspond to Attachment 5 of the April 3, 2019 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 April 3, 2019 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: \_\_-19-C&FC

Agenda Date: April 3, 2019

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)**

# Children and Families Commission of Orange County

## Fiscal Year 2019/2020 Proposed Budget

	<b>19/20 Proposed Budget</b>
<b><u>FINANCING</u></b>	
<b>Prop 10 Tax Allocations</b>	22,336,249
<b>Other Revenues</b>	
Investment Earnings	100,000
MAA Revenue	180,000
First 5 IMPACT	2,469,616
Dental Transformation Initiative	6,158,789
CalWORKS Home Visitation Program	1,499,436
Other Revenue	223,000
	<hr/> 32,967,090
<b><u>PROGRAM SERVICES</u></b>	
<b>Healthy Children</b>	
Bridges: Maternal Child Health Network	4,443,000
CalWORKS Home Visitation	1,474,649
Community Health	520,091
Children's Dental (Dental Transformation Initiative)	6,158,789
Pediatric Health Services	1,647,240
School Readiness Nursing	3,070,000
Healthy Children Catalytic Funding	3,607,323
Healthy Children Program Support	459,116
	<hr/>
Healthy Children subtotal	21,380,208
<b>Strong Families</b>	
Family Support Services	1,058,000
Homeless Prevention	910,000
Strong Families Catalytic Funding	5,000,000
Strong Families Program Support	57,265
	<hr/>
Strong Families subtotal	7,025,265
<b>Early Learning</b>	
Early Learning Specialists	2,451,400
First 5 IMPACT and IMPACT Hub	2,469,616
Community Based Early Learning Programs	1,210,260
Early Learning Catalytic Funding	750,000
Early Learning Program Support	313,247
	<hr/>
Early Learning subtotal	7,194,523

# Children and Families Commission of Orange County

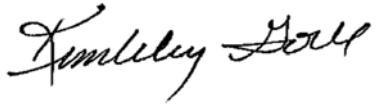
## Fiscal Year 2019/2020 Proposed Budget

	<b>19/20 Proposed Budget</b>
<b>Systems Building (Capacity Building)</b>	
Performance Management	325,491
Performance Management Support	617,204
Systems Building	250,000
Systems Building Support	172,445
Systems Building subtotal	<u>1,365,140</u>
<b>Total Program</b>	<b>36,965,136</b>
<b>Administrative Functions</b>	
Administrative Staff Salary and Benefits	817,000
Strategic Communications	256,500
Professional and Technical Services	469,000
Office, Training & Operating Costs	319,220
Administrative Functions Subtotal	<u>1,861,720</u>
<b>Total Annual Operating Budget</b>	<b>38,826,856</b>

**Agenda Item 13****April 3, 2019**

**DATE:** March 5, 2019

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

**FROM:** Kimberly Goll, Executive Director 

**ACTION:** Conduct Public Hearing, receive the First 5 California 2017/2018 Annual Report and the California State Controller's Results of Audit Oversight of County Commissions

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**SUMMARY:**

The First 5 Orange County Children and Families Commission is required to conduct a public hearing to receive First 5 California's Annual Report and the State Controller's report on their independent review of the county commission audits. This item is to conduct the Public Hearing to receive the Fiscal Year 2017/2018 First 5 California Annual Report and the California State Controller's Annual Report to the First 5 Commission: Results of the Audit Oversight of County Commissions.

**DISCUSSION:**

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

**2017-2018 First 5 California Annual Report**

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

The annual report includes information on the First 5 California program investments and the total number of services provided to children and families by First 5 California and the 58 county Commissions, along with expenditures. In Fiscal Year 2017/2018, 747,499 services were provided to California children, and over 700,000 services were provided to adults. Thirty-three percent of the \$341 million in expenditures was focused on improved child development, 40 percent on child health and 27 percent on improved family functioning.

Excerpts from the First 5 California 2017-2018 Annual Report (Attachment 1) include a message from the Executive Director First 5 California and Orange County's highlights. The Executive Director writes about this year's state focus: "Our Kids Our Future: Investing in the First Five Years of California's Children." One of the highlighted accomplishments is the planning and development of First 5 California's 2018 Child Health, Education, and Care Summit last April. Two of First 5

California's outreach campaigns were also highlighted. The Talk. Read. Sing public education and outreach campaign continued in efforts to inform parents and the public about the importance of early brain development in young children in their earliest months and years. The First 5 Express was a mobile outreach that travelled to all 58 counties providing information to families and caregivers of children ages 0 to 5. Local First 5 county commissions were highlighted for their commitment to developmental screenings and services.

Each county commission was provided with the opportunity to highlight several significant accomplishments achieved during Fiscal Year 2017/2018. Orange County's highlights showcase the Intergovernmental Transfer (IGT) funding transactions and the Early Developmental Index (EDI) school readiness assessment tool and discussed how these programs strengthen the early childhood infrastructure through systems-level impacts that lead to better integration and coordination among agencies that serve young children and their families.

### **California State Controller/Results of Audit Oversight**

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

The complete First 5 California 2017/2018 Annual Report and Results of Audit are both on file with the Clerk of the Commission and available on the First 5 California website at: [www.cffc.ca.gov](http://www.cffc.ca.gov). As required, a public hearing notice for this item was placed in the *Orange County Register* newspaper on March 4, 2018.

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

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

### **PRIOR COMMISSION ACTIONS:**

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

### **RECOMMENDED ACTIONS:**

1. Conduct the Public Hearing
2. Receive and file the First 5 California 2017/2018 Annual Report and the California State Controller's Annual Report to the First 5 Commission: Results of the Audit Oversight of County Commissions.

### **ATTACHMENTS:**

1. First 5 California 2017/18 Annual Report Excerpt
2. Cover Letter - California State Controller's Annual Report to the First 5 California Commission: Results of Audit Oversight Commissions for the Period July 1, 2016 through June 30, 2017

**Contact:** Kimberly Goll

2017-18 | FIRST 5 CALIFORNIA ANNUAL REPORT

# Our Kids Our Future: Investing in the First Five Years of California's Children



# Our Kids Our Future: Investing in the First Five Years of California's Children

## MESSAGE FROM THE EXECUTIVE DIRECTOR

In 1998, California voters approved Proposition 10, leading to the formation of the California Children and Families Commission (First 5 California). Its intent was to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, and to ensure that children are ready to enter school and reach their full potential.

Over the last 20 years, First 5 California has provided continuous support to young children and their families to ensure all of California's children receive the best possible start in life and thrive. At both the state and county levels, the First 5 Network (i.e., First 5 California and all 58 First 5 county commissions) continues to be a committed partner across the state in providing information, advocacy, resources, and services in health and early child development for our state's youngest children and their families.

The 2017–18 Annual Report summarizes the past year's accomplishments at both the state and local levels. Highlights include:

- The planning and development of First 5 California's 2018 Child Health, Education, and Care Summit last April. Over 700 early education and care professionals attended the three-day event.
- The essential, ongoing services provided at local levels across the state for children and families. First 5 county commissions provided nearly 185,000 services to improve family functioning for children ages 0 to 5.
- The successful continuation of First 5 California's *Talk. Read. Sing.*® public education and outreach campaign. This effort is designed to inform parents and the public about the importance of early brain development in young children in their earliest months and years through positive verbal engagement. It continues to reach millions of Californians through television, radio, social and digital media, the First 5 California Parent Website, and First 5 California's *Kit for New Parents*.
- The First 5 Express, a mobile outreach tour that traveled to all 58 counties reaching out and providing information to families and caregivers of children ages 0 to 5. More than 39,000 Express visitors walked away with helpful resources and other creative items developed for both children and their parents.
- The continued commitment by First 5 county commissions in developmental screenings and services, leading the state in these important health investments.

Since its inception, the charge of the First 5 Network has been to serve our state's youngest children, a pledge that has only strengthened over time. Looking ahead, First 5 California is poised and ready to work with the governor, the legislature, First 5 county commissions, and other state and local stakeholders with renewed optimism and a steadfast commitment to this important charge. California's children deserve nothing less.



**CAMILLE MABEN**

EXECUTIVE DIRECTOR, FIRST 5 CALIFORNIA





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

### PROPOSITION 10 AND THE LEGACY OF FIRST 5 CALIFORNIA

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

### STRATEGIC PLAN

First 5 California's Strategic Plan serves as an important compass for the Commission's deliberations on how best to plan future work, investments, and partnerships. The Strategic Plan establishes a vision, mission, and values for the agency, along with strategic priority areas and goals for how First 5 California will act as a leader in its field. The vision of First 5 California is for all of the state's children to receive the best possible start in life and thrive. The agency seeks to realize this vision by working on behalf of California's children prenatal through age 5 and their families to create a comprehensive, integrated, culturally competent, and coordinated system that optimizes early childhood development. First 5 California's mission is to serve as a convener and partner that both supports and leads the movement to create and implement this system.

The agency's work is driven by its values, including, but not limited to, its commitment to collaboration, civic engagement, accountability, and sustainability.

The agency's efforts are focused within the Plan on four strategic priority areas: creating child- and family-centered systems; providing leadership across networks and from a systems-approach; developing organizational capacity through strong internal systems and team members; and engaging the general public, and state and federal government to build public will and investment around its vision and mission.

The current Strategic Plan was revised by the Commission in April 2017, and will guide and focus First 5 California's endeavors over five years from 2014 to 2019. For more information about the Strategic Plan, please go to [http://www.cfcf.ca.gov/pdf/about/budget\\_perf/F5CA\\_Strategic\\_Plan\\_2017.pdf](http://www.cfcf.ca.gov/pdf/about/budget_perf/F5CA_Strategic_Plan_2017.pdf).

### BUILDING PUBLIC WILL AND INVESTMENT

First 5 California's Children's State Policy Agenda guides the agency's efforts to advocate before the state Legislature for a comprehensive, integrated, culturally competent, and coordinated system to support California's youngest children. The Commission's 2017–18 Policy Agenda reflects First 5 California's commitment in its Strategic Plan to participate and lead in the area of civic engagement, and the recognition of the Commission's responsibility to the people of California to ensure the wise and effective use of public funds.

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

First 5 California seeks to serve as a convener and partner in state policy conversations, working with First 5 county commissions, state agencies, stakeholders, and other advocates to convene, align, collaborate on, support, and strengthen statewide advocacy efforts to realize shared goals. First 5 California continued to expand its policy and advocacy engagement in 2017, guided by its Policy Agenda which focused on

the following four areas the Commission identified as its top state policy priorities, including targeted goals within each priority area to achieve a seamless statewide system of integrated and comprehensive programs for children and families:

### **Strong and Engaged Families and Communities**

- Support evidence-based parent education and engagement, including parent engagement on child brain development and *Talk. Read. Sing.*®
- Support sustainability of family resource centers and other community hubs for integrated services for children and families
- Increase supports for breastfeeding, family leave, and baby-friendly policies in all settings
- Expand voluntary home visit programs

### **Child Health**

- Protect children and families' access to health care, and support coordination across the health care system to ensure every pregnant mother and child age 0 to 5 has affordable and comprehensive health insurance coverage
- Support and promote universal developmental screenings, assessment, referral, and treatment

### **Early Learning**

- Expand access to quality early care and education programs for children ages 0 to 3
- Support implementation of high-quality universal preschool access for all low-income four-year-old children, and high-quality transitional kindergarten and kindergarten statewide
- Support a high-quality early learning workforce through strengthened qualifications, compensation, stability, diversity, and robust professional development systems
- Promote statewide access to and participation in successful Quality Rating and Improvement Systems

### **First 5 Revenue**

- Promote inclusion of funding for children ages 0 to 5 and their families in existing and new revenue policy discussions



- Promote regulation of tobacco-related products, including electronic cigarettes, and sustainability of licensing and enforcement programs

## ACCOUNTABILITY: FUNDING AND AUDIT RESULTS

Under the Act, the State Board of Equalization collects an excise tax levied on all tobacco products and deposits the revenue into the California Children and Families Trust Fund, allocating 20 percent to First 5 California and 80 percent to county commissions. In FY 2017–18, First 5 California received \$70.2 million and county commissions received \$280.8 million.

The amount of funding allocated annually to each county commission is based on the annual number of births in the county relative to the total number in the state. Each county must prepare an annual independent audit subject to guidelines prepared by the State Controller’s Office. The counties invest their dollars in locally designed programs, as well as in First 5 California’s statewide programs as match funding. First 5 county commissions use their funds to support local programs in four result areas:

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

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

- Fiscal management of the California Children and Families Trust Fund
- Tax revenue disbursements to county commissions
- Audits and annual fiscal reports
- Local agreement and program disbursement management
- Public education and outreach
- Evaluation of First 5 California programs
- Procurement and contract management



- Workforce recruitment and development
- Information technology
- Business services
- Legislative advocacy efforts

The administration of these and other programs is consistent with all applicable State and Federal laws, rules, and regulations. The State Controller’s Office conducts an annual review of the 58 county commissions’ independent audits. In October 2017, the Controller published its review of the counties’ audits for FY 2015–16, summarizing several findings contained in the local audits, but did not deem any of them significant enough to withhold funding. Audits can be viewed on First 5 California’s website at <http://www.ccfc.ca.gov/about/budget.html#fiscal>.

## FIRST 5 SUMMIT

As part of its commitment to convene, align, collaborate, and support statewide efforts and initiatives to improve outcomes for children, First 5 California had its most recent Summit in April 2018.

Approximately 700 early care and education professionals attended the 3-day event, which included a variety of breakout sessions, keynote addresses, and two evening receptions featuring



recipients of the *Talk. Read. Sing.*® Award and the First 5 California Service Award.

The Summit highlighted a special strand focusing on the implementation of Quality Counts California, the Quality Rating and Improvement System, across all types of early childhood settings. The program also included a father track showcasing the importance and role of fathers in children's lives.

According to one Summit attendee, "This was one of the most informational summits I have ever attended. The quality of the presenters and keynote speakers were top-notch. I was so excited by the information, I didn't want to leave."

First 5 California will host the next Child Health, Education, and Care Summit in February 2020.

## NEW LEGISLATION

First 5 California continued to garner awareness of the importance of First 5-funded programs and significant state-level support for its Children's Policy Agenda goals from policymakers, advocacy partners, and other stakeholders during the 2017–18 state legislative and budget session. By expanding the reach of First 5 California's policy education efforts, deepening its advocacy partnerships, and continuing its commitment to shared priorities with its partners and leaders in the Legislature, significant gains were made in each priority area.

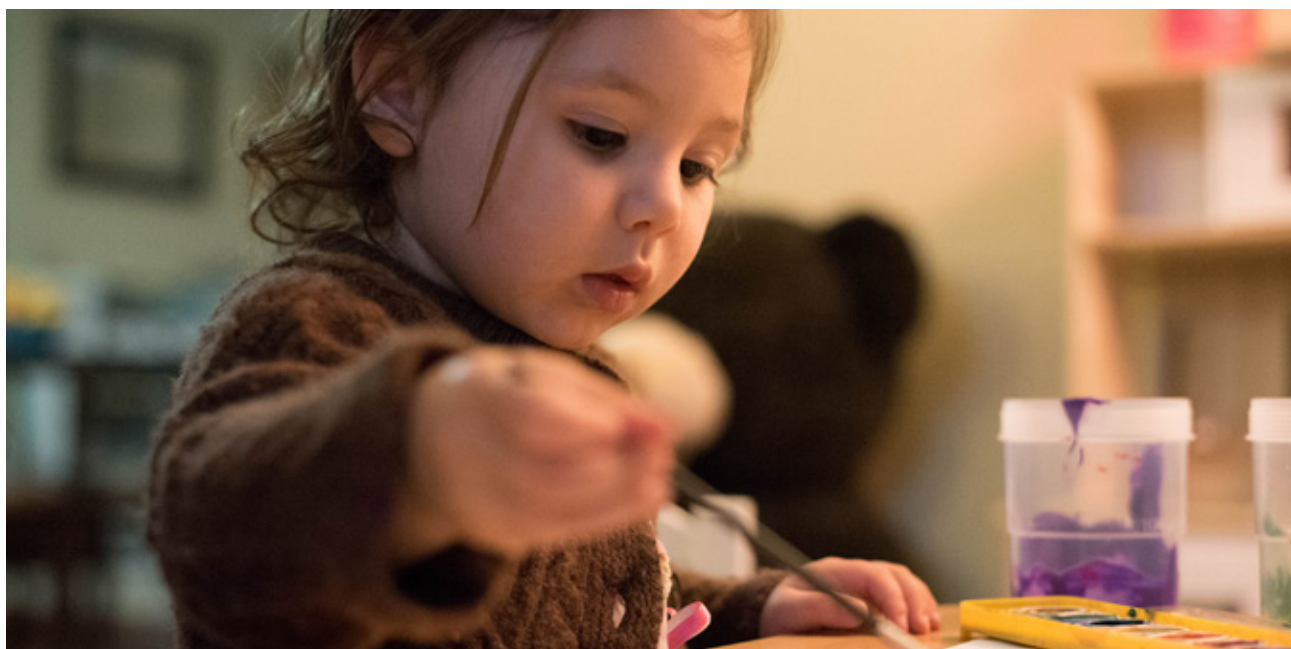
2017 was an active year for policies impacting young children, and First 5 California sponsored legislation

for the first time in over a decade. First 5 California co-sponsored AB 60 (Santiago and Gonzalez-Fletcher) with Parent Voices and the Child Care Law Center, which was implemented and fully funded through the 2017-18 Budget Act. The policy provisions of AB 60 adopted in the Budget Act modernize how working parents become eligible for child care subsidies by updating eligibility criteria to 70 percent of the current state median income (SMI) for all child care programs, taking into account the increasing state minimum wage and cost of living in California, and creating a graduated exit threshold of 85 percent of the modern SMI. Prior to this year's Budget Act, the State Budget had frozen the eligibility threshold for state subsidized child care at 70 percent of the 2005 SMI. In addition, the policy also ensures families receive a minimum of 12 months of continuous care, even if they experience minor pay changes, so they will not be forced to decline a raise in order to retain care for their children. These historic changes to family eligibility will help put more families within reach of California's limited state-subsidized child care programs.

First 5 California also co-sponsored the New Parent Leave Act—SB 63 (Jackson)—with the California Employment Lawyers Association and Legal Aid at Work, which was signed into law on October 12, 2017. SB 63 provides up to 12 weeks of job-protected maternity and paternity leave for more California employees. Prior to the passage of SB 63, only those who worked for an employer of 50 or more employees were eligible for job-protected parental leave to bond with a newborn or newly adopted child. SB 63 extends these protections to those who work for an employer with 20–49 employees. Consistent with First 5 California's *Talk. Read. Sing.*® campaign, SB 63 is based on the social equity imperative that every parent needs and deserves the facts about early brain science and must understand their crucial role in nurturing their young children. Parents who talk, read, and sing to their children are developing their children's brain capacity and thus, their futures. SB 63 helps more parents take this pivotal action.

In addition to the historic legislative wins the early care and education (ECE) field experienced in 2017, the year also provided significant budget wins for the state's youngest children and their families, which were achieved through shared advocacy efforts between First 5 California and its early childhood education





and care partners and leaders in the Legislature. First 5 California and the ECE Coalition were successful in advocating to restore the “paused” multi-year budget agreement to increase reimbursement rates and preschool slots, resulting in almost a quarter of a billion dollars in increased funds for per-child funding rates for all child care programs.

First 5 California is committed to building on its 2017 advocacy achievements by continuing to strengthen its partnerships with stakeholders and its efforts to build policymakers’ knowledge base, will, and investment in shared priorities. Capitalizing on the momentum and commitment to early childhood education and care in the Legislature, First 5 California staff and partners pledge to work with the Legislative Women’s Caucus and the Assembly Speaker’s Blue Ribbon Commission on a road map for building a stronger, more comprehensive, high-quality early learning system for all California’s children, and on how to best invest scarce resources in this crucial foundation for lifelong success. In doing so, the agency will continue to build on this year’s successes and continue working toward the underlying Strategic Plan goal to ensure all children prenatal through age 5 have the resources, foundation, and systems of support they need to thrive.

## **PARTNERSHIPS AND COLLABORATIVE EFFORTS**

### **California Essentials for Childhood Initiative**

First 5 California participated in the California Essentials for Childhood Initiative with other state agencies and organizations (e.g., ACEs Connection, CA Coalition to Counter Child Adversity). Under a competitive five-year grant from the Centers for Disease Control and Prevention, the California Department of Public Health co-leads the initiative with the California Department of Social Services, Office of Child Abuse Prevention. Using a collective impact model to address child maltreatment as a public health issue, the project focuses on: 1) raising awareness and commitment to promote safe, stable, nurturing relationships and environments; 2) creating the context for healthy children and families by changing social norms, programs, and policies; and 3) using data to inform actions. The Shared Data and Outcomes Workgroup identified three sources of data about adverse childhood experiences (ACEs) and resilience as well as key life course indicators for most California counties and conducted trainings on translating data into action for local partners. The information is located on the Lucile Packard Foundation for Children’s Health website ([kidsdata.org](http://kidsdata.org)).



## Serving California's Young Children, Parents, and Teachers

### FOUR RESULT AREAS

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

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

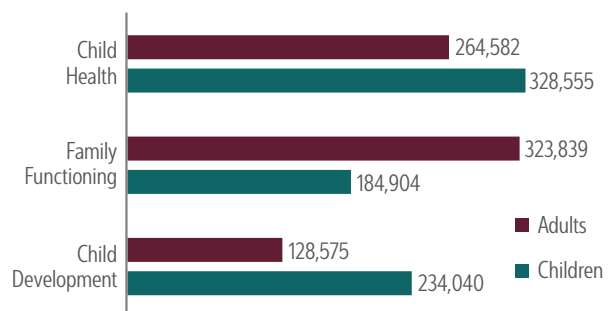
As a framework for reporting early childhood investments, these result areas support a statewide overview of the number, type, and costs of services provided to children and adults for a particular fiscal year. The public can use this information as one source to determine resource allocation and impact by First 5 county commissions statewide.

Exhibit 1 contains the total numbers of services provided to children ages 0 to 5 and adults in FY 2017–18 for Improved Family Functioning, Improved Child Development, and Improved Child Health. Exhibit 2 shows the distribution of expenditures in these three result areas, totaling \$341 million for children ages 0 to 5 and adults, including primary caregivers and providers, who received services in FY 2017–18.

The result area, Improved Systems of Care, with expenditures of \$67 million, differs from the others. It consists of programs and initiatives that support program providers in the other three result areas. The four result areas combined have total expenditures of \$408 million.

#### Exhibit 1:

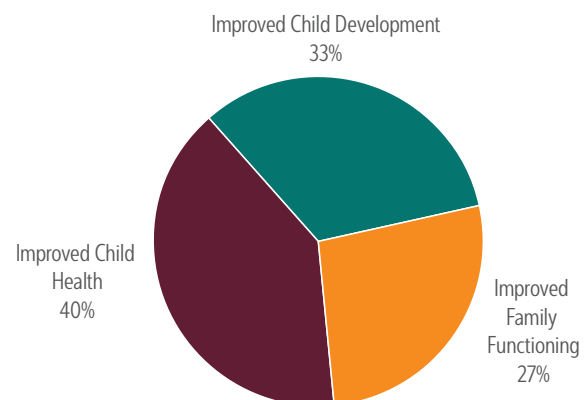
#### Total Number of Services Provided to Children Ages 0 to 5 and Adults\* in FY 2017–18 Across Result Areas



\*Totals for Adults include both Primary Caregiver and Provider counts

#### Exhibit 2:

#### Total Expenditures for Children Ages 0 to 5 and Adults\* in FY 2017–18 by Result Area



\*Totals for Adults include both Primary Caregivers and Provider Expenditures  
Source: County Revenue and Expenditure Summary, November 2018



## First 5 County Commission Program Result Areas

First 5 county commissions are required to report to First 5 California their annual expenditure and service data. In collaboration with the First 5 Association, First 5 California developed and adopted guidelines to standardize data collection. For this report, county commissions provide program service data under the four result areas and data are aggregated to the state level. Data reported are from programs funded by both local and state commission First 5 funds (Appendix A) using specific definitions for each result area (Appendix B).

### IMPROVED FAMILY FUNCTIONING

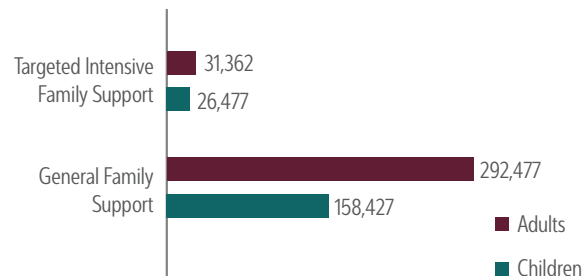
Family Functioning includes the categories General Family Support and Targeted Intensive Family Support. Services include instruction on general parenting topics, support for basic family needs and case management, parent education and literacy, referrals to community resources, and assistance for parents and families.

In FY 2017–18, First 5 county commissions provided 184,904 services to improve family functioning for children ages 0 to 5, and 323,839 services to parents, guardians, primary caregivers, relatives, and providers. Exhibit 3 displays the numbers of services provided.

In FY 2017–18, county commissions expended \$93 million to improve Family Functioning. Exhibit 4 shows the distribution of expenditures by service category. First 5 commissions provided support to schools and educational institutions, nonprofit community-based agencies, government agencies, and private institutions.

#### Exhibit 3:

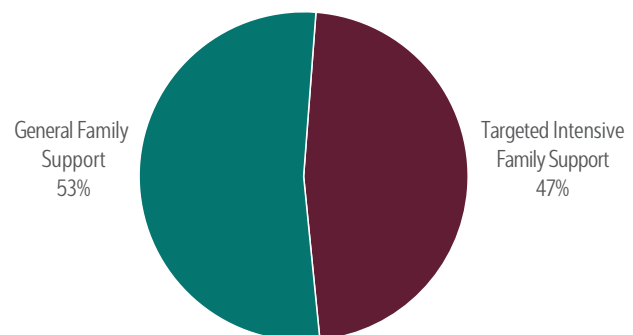
#### Family Functioning—Total Number of Services Provided to Children Ages 0 to 5 and Adults\* in FY 2017–18 by Service



\*Totals for Adults include both Primary Caregiver and Provider counts

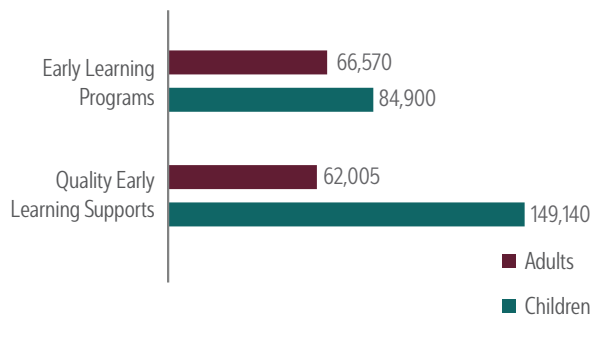
#### Exhibit 4:

#### Family Functioning—Distribution of Expenditures for Children Ages 0 to 5 and Adults\* in FY 2017–18 by Result Area

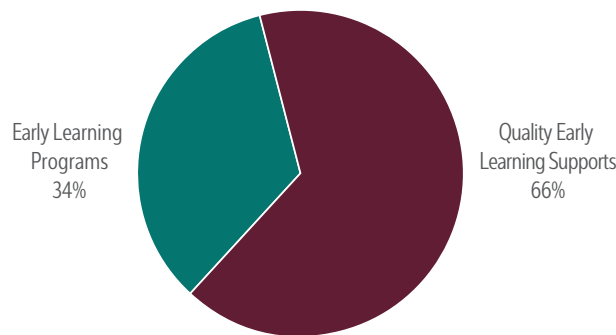


\*Totals for Adults include both Primary Caregivers and Provider Expenditures  
Source: County Revenue and Expenditure Summary, November 2018



**Exhibit 5:****Child Development—Total Number of Services Provided to Children Ages 0 to 5 and Adults\* in FY 2017–18 by Service**

\*Totals for Adults include both Primary Caregiver and Provider counts

**Exhibit 6:****Child Development—Distribution of Expenditures for Children Ages 0 to 5 and Adults\* in FY 2017–18 by Service**

\*Totals for Adults include both Primary Caregivers and Provider Expenditures  
Source: County Revenue and Expenditure Summary, November 2018

**IMPROVED CHILD DEVELOPMENT**

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

In FY 2017–18, First 5 county commissions delivered 234,040 child development services to children ages 0 to 5 and 128,575 services to parents, guardians, primary caregivers, relatives, and providers. Exhibit 5 displays the numbers of services provided. In FY 2017–18, county commissions expended \$112 million to improve Child Development. Exhibit 6 shows the distribution of expenditures by service category.

**IMPROVED CHILD HEALTH**

Child Health includes the categories General Health Education and Promotion, Prenatal and Infant Home Visiting, Oral Health Education and Treatment, and Early Intervention. First 5 county commissions fund a variety of services that promote health identification, treatment, and elimination of risks that threaten health and cause developmental delays and disabilities.

In FY 2017–18, First 5 county commissions provided 328,555 services designed to improve Child Health to children ages 0 to 5, and 264,582 services to parents, guardians, primary caregivers, relatives, and providers. Exhibit 7 displays the numbers of services provided. In FY 2017–18, county commissions expended \$135 million to improve Child Health. Exhibit 8 shows the distribution of expenditures by service category.

**IMPROVED SYSTEMS OF CARE**

Systems of Care addresses system-wide structural supports as county commissions effectively work toward achievement in the result areas of Family Functioning, Child Health, and Child Development. For example, interagency collaboration allows coordinated wrap-around efforts from multiple organizations providing targeted services. Since this result area is at a systems level, counties do not report numbers of children and adults served. Expenditure data indicate that for FY 2017–18, county commissions expended \$67 million to improve Systems of Care (Exhibit 9), with 76 percent of expenditures toward Program and Systems Improvement Efforts, and 24 percent toward Policy and Public Advocacy.

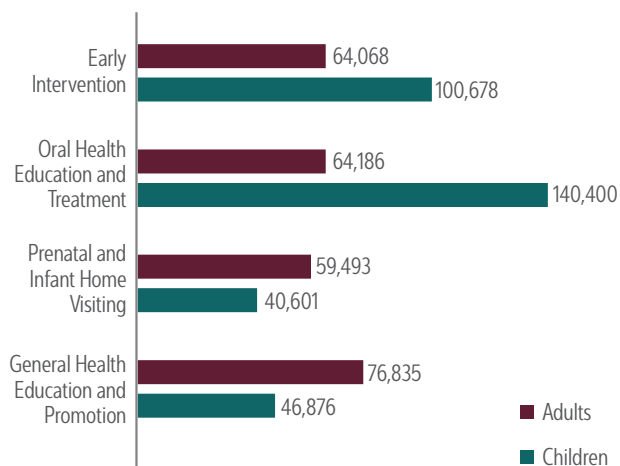
**POPULATIONS SERVED**

Statewide, 37 percent of children served were under 3 years old, 49 percent were ages 3 to 5 years old, and 14 percent were of unknown age. Adults included primary caregivers and parents (85 percent), other family (8 percent), and providers (7 percent). With respect to primary language of children served, services were provided to English speakers 56 percent of the time and to Spanish speakers 38 percent of the time. While children and adults from all racial/ethnic groups received services, for those with a reported race/ethnicity, the largest recipient group was Latino (58 percent) followed by White (18 percent).



### Exhibit 7:

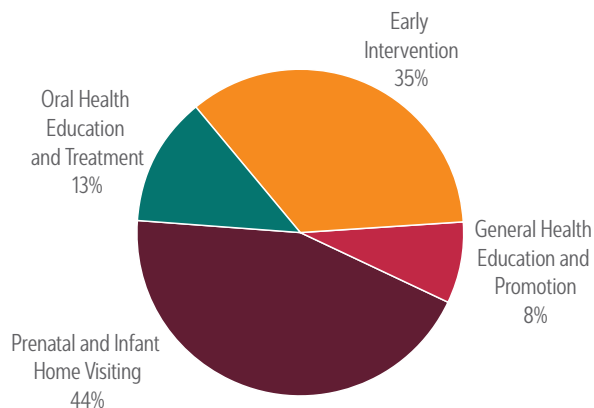
#### Child Health—Total Number of Services Provided to Children Ages 0 to 5 and Adults\* in FY 2017–18 by Service



\*Totals for Adults include both Primary Caregiver and Provider counts

### Exhibit 8:

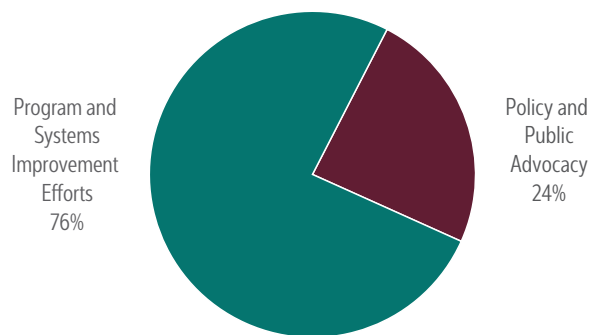
#### Child Health—Distribution of Expenditures for Children Ages 0 to 5 and Adults\* in FY 2017–18 by Service



\*Totals for Adults include both Primary Caregiver and Provider Expenditures  
Source: County Revenue and Expenditure Summary, November 2018

### Exhibit 9:

#### Systems of Care—Distribution of Expenditures in FY 2017–18 by Service



Source: County Revenue and Expenditure Summary, November 2018





## Orange County

The Children and Families Commission of Orange County is strengthening the early childhood infrastructure through systems-level impacts that lead to better integration and coordination among agencies that serve young children and their families. To that end, two successful examples include the Intergovernmental Transfer (IGT) funding transactions and the Early Development Index (EDI) school readiness assessment tool.

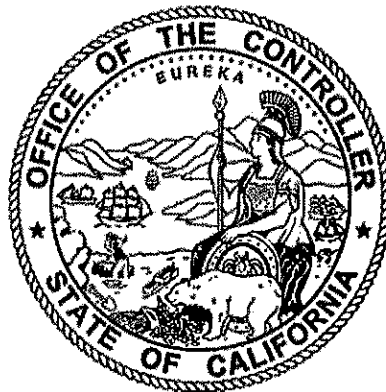
The Commission partners with the county's managed care organization, CalOptima, and has completed three transactions drawing down close to \$4 million of federal Medicaid funding for reimbursement of uncompensated care for Medi-Cal beneficiaries. These transactions have leveraged federal funding that support investments in children's health and alleviate program funding demands on the Commission's declining budget. The Commission funds MOMS Orange County to improve rates of early prenatal care and birth outcomes and Help Me Grow Orange County's developmental screening program to improve early identification and intervention strategies for young children with behavioral and developmental concerns and connect children with appropriated services.

The EDI has been fully implemented at 379 schools with a kindergarten population to assess kindergarten student's readiness for school in five key developmental areas. With 28,717 valid EDI records completed this year, Orange County is the only county in the nation with 100 percent EDI participation of its public schools and with a countywide dataset tracking the school readiness of incoming kindergarten students. The EDI data are used by nonprofit, government, and business organizations to monitor populations of children over time, report on populations of children in different communities, predict how groups of children will do in elementary school, and inform policies concerning young children and their families.

# **ANNUAL REPORT TO THE FIRST 5 CALIFORNIA COMMISSION**

## **RESULTS OF AUDIT OVERSIGHT OF COUNTY COMMISSIONS**

*For the Period of July 1, 2016, through June 30, 2017*



**BETTY T. YEE**  
California State Controller

October 2018



**BETTY T. YEE**  
**California State Controller**

October 31, 2018

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

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

Dear Ms. Maben:

I am pleased to submit our annual report to the First 5 California Commission. The report summarizes the results of our review of the independent audits of the First 5 county commissions for fiscal year (FY) 2016-17. This report also summarizes the results of our review of the audit findings identified in the independent auditor's report to the county commissions.

This is the 11th report submitted in accordance with Senate Bill 35 (Chapter 243, Statutes of 2005), which mandated an expanded audit of every county commission funded by the California Children and Families Act of 1998. Each commission was required to adopt a range of policies including contracting and procurement, administrative expenditure limits, conflict of interest, staff compensation, and long-range financial planning. Each county commission is required to have an annual independent audit that is reviewed by the State Controller's Office.

Our review focused on the county commissions' compliance with program requirements (as reported by their independent auditors) specified in the California Health and Safety Code. We also verified the independent auditors' compliance with auditing standards and the expanded audit guidelines when performing the county commission audits. The audit findings and audit findings follow-up section of our report provide information related to the findings from each county commission's independent audit report. Lastly, where applicable, our report contains comparative statistics from the results of our desk reviews of the independent audits for FYs 2016-17, 2015-16, and 2014-15.

Camille Maben, Executive Director  
October 31, 2018  
Page 2

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

Sincerely,



GEORGE LOLAS  
Chief Operating Officer

Enclosure

cc: James Gillies, Director, Fiscal Services Office, First 5 California Commission  
George Halvorson, Commission Chair, First 5 California Commission  
Lupe Jaime, Vice Chair, First 5 California Commission  
Molly Munger, Commissioner, First 5 California Commission  
Monica Fitzgerald, Commissioner, First 5 California Commission  
Muntu Davis, Commissioner, First 5 California Commission  
Alejandra Campoverdi, Commissioner, First 5 California Commission  
Shana Hazan, Commissioner, First 5 California Commission  
Michael Wilkening, Ex Officio Member, Health and Human Services Agency,  
First 5 California Commission  
Jim Suennen, Designee, First 5 California Commission



**Agenda Item 14****April 3, 2019****DATE:** March 21, 2019**TO:** First 5 Orange County Children and Families Commission**FROM:** Kimberly Goll, Executive Director**ACTION:** Receive the Executive Officer's Report

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**A. Financial and Quarterly Investment Reports**

Financial highlight reports for the months of November (Attachment 1), December (Attachment 2), January (Attachment 3) and February (Attachment 4) are included. The reports summarize information regarding year-to-date revenue, expenses and encumbrances. Pursuant to First 5 Orange County's fiscal year 2018/2019 Investment Policy Statement, the Orange County Treasurer submits Quarterly Investment Reports to the Commission. This Investment Report (Attachment 5) summarizes investment activities for the three-month period from October 1 through December 31, 2018. The primary objective of the Treasurer is to invest the Commission's funds to provide safety of principal and liquidity, while providing a reasonable return on investments. Currently, the Treasurer has invested 100 percent of the Commission's funds in the Orange County Investment Pool (OCIP). A summary of key OCIP investment information is in Attachment 5.

**B. Strategic Communications Second and Third Quarter Reports**

Curt Pringle & Associates (CP&A) provides strategic communications services in the areas of legislative advocacy, community partnerships and public awareness. The Legislative and Strategic Communications Quarterly Report (Attachment 6) for the second and third quarters from October 2018 to March 2019 summarizes their current activities. This quarterly report includes an update on Governor Newsom's proposed budget that was released in January and includes \$1.8 billion for early childhood education and health programs. A summary of relevant bills introduced by the State Legislature that CP&A and the First 5 Association are tracking is also included in the report. As well as the presentation to the Human Resources Directors at Brandman University and an update on First 5 Orange County's partnership with HomeAid Orange County for the annual Essentials Diaper Drive.

**C. Request for Consultant Qualifications Process**

First 5 Orange County Children and Families Commission's business model uses technical and project management consultants to help develop and implement strategies established by the Commission. The Commission currently contracts with approximately 30 individuals and organizations for consulting services. Periodically, the Commission releases a Request for Qualifications (RFQ) to invite applicants interested in providing consultant services to ensure that the Commission has the most comprehensive pool of qualified consulting applicants. Placing qualifying applicants on these rosters does not obligate the Commission to utilize their services, and no commitment is made to issue contracts to them or engage their services in any way. The Commission is currently conducting a RFQ to create its new consultant roster. All individuals and organizations, whether they have previously been placed on the roster, must submit an application. Applications to the RFQ are due on April 19, 2019. A new roster of

qualified applicants and request for authority to enter into consultant contracts will be brought to the June Commission meeting for approval.

**D. Early Development Index Presentation**

First 5 Orange County Commissioner Sandy Pierce and Tiffany Alva presented at the 2019 Association of Christian Schools International Early Education Conference held in La Mirada on March 30, 2019. The presentation covered Orange County's Early Development Index (EDI) and how Orange County is using the EDI data to engage community partners, preschool providers and county leaders. The 2019 Association of Christian Schools International Early Education Conference theme was "Building a Firm Foundation" with keynote speaker Gigi Schweikert who is internationally known thought leader in early childhood education, children's ministry, and supervision with 30 years of experience and 18 published books, in three languages. The meeting participants were invited to visit First 5 Orange County website to access the EDI tools and resources.

**E. Early Childhood Obesity Forum**

On February 9, 2019 First 5 Orange County joined the American Academy of Pediatrics, Orange County Chapter, CHOC Children's and UC Irvine School of Medicine to host the first in a series of three pediatric obesity forums for healthcare professionals who work with young children. Dr. Maria Minon provided opening remarks and welcomed the group of approximately 40 attendees. Keynote speakers included Dr. Dan Cooper, a local researcher and expert on pediatric obesity, and Dr. Marta Shinn, a psychologist who specializes in working with families to promote healthy eating behaviors. Participants learned practical tips for promoting active play and good nutrition in their healthcare practice settings. A second forum is planned for October 2019.

**F. First 5 Advocacy Day**

The annual First 5 Advocacy Day is scheduled for April 30, 2019 in Sacramento. The 58 First 5 county commissions, First 5 California and the First 5 Association converge on the State Capitol to meet with key cabinet members. Each county also meets with their respective legislative delegation to discuss early childhood issues. Curt Pringle & Associates is leading the planning for the Orange County Legislative visits, which will include a reception for all members and their staff on April 29. The reception will include a presentation on First 5 Orange County's programs and activities and impacting legislation. Individual office briefings will be scheduled the next day to discuss in further detail the positive impact of the governor's budget proposal for young children and families. Updates on the planning process and opportunities for Commissioner participation will be provided.

**ATTACHMENTS:**

1. Financial Highlights as of November 30, 2018
2. Financial Highlights as of December 31, 2018
3. Financial Highlights as of January 31, 2019
4. Financial Highlights as of February 28, 2019
5. Quarterly Investment Report and Annual Update: October 1, 2018 through December 31, 2018
6. Curt Pringle & Associates: Legislative and Strategic Communications Quarterly Report
7. HomeAide Essentials

# Financial Highlights

## As of November 30, 2018

### Comparison of Budget vs. Actual Fiscal Year 2018-19 Unaudited Period Ending 11/30/18

	<u>FY 2018-19 Amended Budget</u>	<u>FY 2018-19 Actuals</u>	
<b>Financing Sources</b>			
Tobacco Tax Revenue	\$23,146,372	\$6,338,535	27.4%
Interest Earnings	150,000	227,835	151.9%
Other Revenue	<u>5,208,502</u>	<u>-1,656,443*</u>	
<b>Revenue Total</b>	<b>\$28,504,874</b>	<b>\$4,909,927</b>	
<b>Expenses</b>			
Healthy Children	\$13,009,704	\$973,617	7.5%
Strong Families	2,142,314	455,420	21.3%
Early Learning	6,108,949	355,843	5.8%
Capacity Building**	<u>1,456,838</u>	<u>370,669</u>	25.4%
<b>Program Services</b>	<b>\$22,717,805</b>	<b>\$2,155,549</b>	
Admin. Functions***	<u>2,000,265</u>	<u>601,970</u>	30.1%
<b>Total Operating Exp.</b>	<b>\$24,718,070</b>	<b>\$2,757,519</b>	

\*Negative revenue is shown due to year-end entries remaining on the books for First 5 CA IMPACT, HUBS and DTI revenues accrued but not yet received.

\*\*Includes Evaluation costs of \$259,461

\*\*\*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 \$601,970 and encumbrances of \$519,174 were 4.5% of the Fiscal Year 2018/2019 Amended Budget of \$24.7 million not including Catalytic projects. Final administrative expenses are projected to be 7.5% at year-end.

### Total Encumbrances as of November 30, 2018 including some multi-year contracts

Healthy Children	\$25,065,080
Strong Families	\$2,983,151
Early Learning	\$14,226,220
Capacity Building	\$898,144
Admin. Functions	\$519,174

### Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue through September 2018 as reported by First 5 California is \$6.3 million. Prop 10 revenues for July through September are 1% above revenues for the same period in the prior year compared to the budgeted increase of 5.85%. Revenue has been received through September.

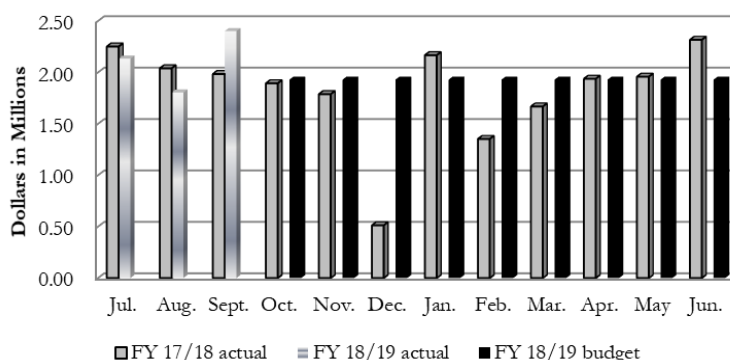
Interest earnings for July 2018 through November 2018 are \$227,835.

### Catalytic Funding Update

\$35,316,114 in Catalytic Funding was expensed from FY 2012-13 through FY 2017-18. Expenses booked in the current year total \$360,683 as of November 30, 2018.

As of November 30, 2018, \$8,467,136 was encumbered for Round 1 and Round 2 programs. Nearly \$6.7 million is encumbered for Children's Dental and \$1 million for Developmental Services.

### Fiscal Year 2017-18 & 2018-19 Tobacco Monthly Revenues



### Forecasted Fiscal Year 2018-19 Ending Fund Balance

*From Commission Long Term Financial Plan*

Beginning Fund Balance, July 1, 2018	\$37,141,057
Forecasted Revenue	28,504,874
Budgeted Program Expenses	(22,717,805)
Budgeted Administrative Expenses	(2,000,265)
Catalytic Projects	<u>(23,781,146)</u>
<b>Projected June 30, 2019 Fund Balance</b>	<b>\$17,146,715*</b>

\*Based on Commission action through December 2018. Projected fund balance does not include Catalytic funding. For financial planning purposes, Catalytic funding has been designated by Commission action and removed from available fund balance.



# Financial Highlights As of December 31, 2018

## Comparison of Budget vs. Actual Fiscal Year 2018-19 Unaudited Period Ending 12/31/18

	<u>FY 2018-19 Amended Budget</u>	<u>FY 2018-19 Actuals</u>	
<b>Financing Sources</b>			
Tobacco Tax Revenue	\$23,146,372	\$8,657,444	37.4%
Interest Earnings	150,000	293,036	195.4%
Other Revenue	<u>5,208,502</u>	<u>217,073</u>	
<b>Revenue Total</b>	<b>\$28,504,874</b>	<b>\$9,167,553</b>	
<b>Expenses</b>			
Healthy Children	\$13,009,704	\$1,880,708	14.5%
Strong Families	2,142,314	808,480	37.7%
Early Learning	6,108,949	1,102,468	18.0%
Capacity Building**	<u>1,456,838</u>	<u>477,716</u>	32.8%
<b>Program Services</b>	<b>\$22,717,805</b>	<b>\$4,269,372</b>	
Admin. Functions***	<u>2,000,265</u>	<u>709,259</u>	35.5%
<b>Total Operating Exp.</b>	<b>\$24,718,070</b>	<b>\$4,978,631</b>	

\*\*Includes Evaluation costs of \$318,569

\*\*\*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 \$709,259 and encumbrances of \$493,948 were 4.9% of the Fiscal Year 2018/2019 Amended Budget of \$24.7 million not including Catalytic projects. Final administrative expenses are projected to be 7.5% at year-end.

### Total Encumbrances as of December 31, 2018 including some multi-year contracts

Healthy Children	\$24,221,308
Strong Families	\$2,632,596
Early Learning	\$13,500,105
Capacity Building	\$793,916
Admin. Functions	\$493,948

## Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue through October 2018 as reported by First 5 California is \$8.3 million. Prop 10 revenues for July through October are 1.7% above revenues for the same period in the prior year compared to the budgeted increase of 5.85%. Revenue has been received through September.

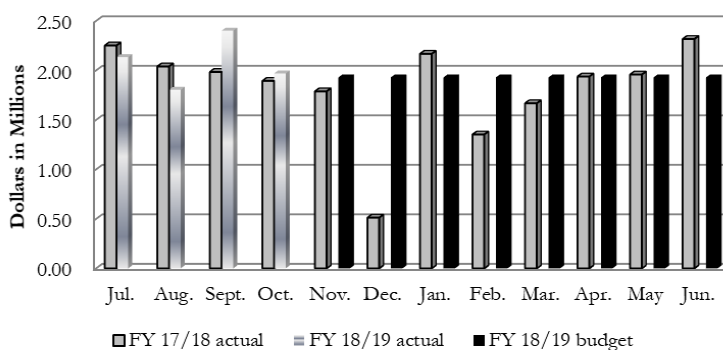
Interest earnings for July 2018 through December 2018 are \$293,036.

## Catalytic Funding Update

\$35,316,114 in Catalytic Funding was expensed from FY 2012-13 through FY 2017-18. Expenses booked in the current year total \$626,102 as of December 31, 2018.

As of December 31, 2018, \$8,201,716 was encumbered for Round 1 and Round 2 programs. Nearly \$6.7 million is encumbered for Children's Dental and \$1 million for Developmental Services.

## Fiscal Year 2017-18 & 2018-19 Tobacco Monthly Revenues



## Forecasted Fiscal Year 2018-19 Ending Fund Balance *From Commission Long Term Financial Plan*

Beginning Fund Balance, July 1, 2018	\$37,141,057
Forecasted Revenue	28,504,874
Budgeted Program Expenses	(22,717,805)
Budgeted Administrative Expenses	(2,000,265)
Catalytic Projects	<u>(23,781,146)</u>
<b>Projected June 30, 2019 Fund Balance</b>	<b>\$17,146,715*</b>

\*Based on Commission action through December 2018. Projected fund balance does not include Catalytic funding. For financial planning purposes, Catalytic funding has been designated by Commission action and removed from available fund balance.

# Financial Highlights As of January 31, 2019

## Comparison of Budget vs. Actual Fiscal Year 2018-19 Unaudited Period Ending 1/31/19

	<u>FY 2018-19 Amended Budget</u>	<u>FY 2018-19 Actuals</u>	
<b>Financing Sources</b>			
Tobacco Tax Revenue	\$23,146,372	\$10,626,228	45.9%
Interest Earnings	150,000	360,918	240.6%
Other Revenue	<u>5,208,502</u>	<u>686,184</u>	
<b>Revenue Total</b>	<b>\$28,504,874</b>	<b>\$11,673,330</b>	
<b>Expenses</b>			
Healthy Children	\$13,009,704	\$2,595,526	20.0%
Strong Families	2,142,314	980,339	45.8%
Early Learning	6,108,949	1,267,597	20.7%
Capacity Building**	<u>1,456,838</u>	<u>608,758</u>	41.8%
<b>Program Services</b>	<b>\$22,717,805</b>	<b>\$5,452,220</b>	
Admin. Functions***	<u>2,000,265</u>	<u>824,722</u>	41.2%
<b>Total Operating Exp.</b>	<b>\$24,718,070</b>	<b>\$6,276,942</b>	

\*\*Includes Evaluation costs of \$411,522

\*\*\*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 \$824,722 and encumbrances of \$457,223 were 5.2% of the Fiscal Year 2018/2019 Amended Budget of \$24.7 million not including Catalytic projects. Final administrative expenses are projected to be 7.8% at year-end.

### Total Encumbrances as of January 31, 2019 including some multi-year contracts

Healthy Children	\$18,879,031
Strong Families	\$2,535,400
Early Learning	\$13,372,772
Capacity Building	\$675,119
Admin. Functions	\$457,223

## Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue through November 2018 as reported by First 5 California is \$10.1 million. Prop 10 revenues for July through November are 1.8% above revenues for the same period in the prior year compared to the budgeted increase of 5.85%. Revenue has been received through October.

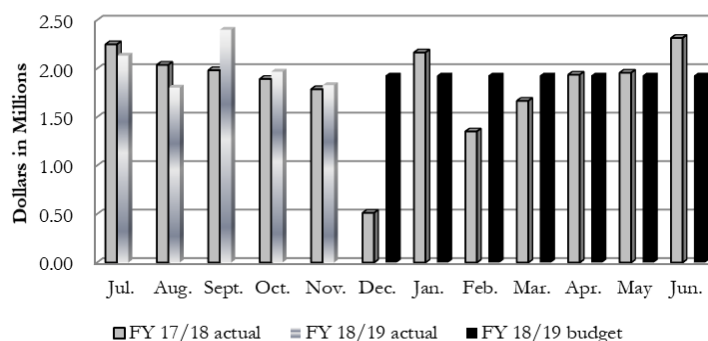
Interest earnings for July 2018 through January 2019 are \$360,918.

## Catalytic Funding Update

\$35,316,114 in Catalytic Funding was expensed from FY 2012-13 through FY 2017-18. Expenses booked in the current year total \$850,426 as of January 31, 2019.

As of January 31, 2019, \$7,977,392 was encumbered for Round 1 and Round 2 programs. Nearly \$6.3 million is encumbered for Children's Dental and \$1 million for Developmental Services.

## Fiscal Year 2017-18 & 2018-19 Tobacco Monthly Revenues



## Forecasted Fiscal Year 2018-19 Ending Fund Balance *From Commission Long Term Financial Plan*

Beginning Fund Balance, July 1, 2018	\$37,141,057
Forecasted Revenue	28,504,874
Budgeted Program Expenses	(22,717,805)
Budgeted Administrative Expenses	(2,000,265)
Catalytic Projects	<u>(23,781,146)</u>
<b>Projected June 30, 2019 Fund Balance</b>	<b>\$17,146,715*</b>

\*Based on Commission action through December 2018. Projected fund balance does not include Catalytic funding. For financial planning purposes, Catalytic funding has been designated by Commission action and removed from available fund balance.

# Financial Highlights

## As of February 28, 2019

### Comparison of Budget vs. Actual Fiscal Year 2018-19 Unaudited Period Ending 2/28/19

	<u>FY 2018-19 Amended Budget</u>	<u>FY 2018-19 Actuals</u>	
<b>Financing Sources</b>			
Tobacco Tax Revenue	\$23,146,372	\$14,530,366	62.8%
Interest Earnings	150,000	435,855	290.6%
Other Revenue	<u>5,208,502</u>	<u>686,363</u>	
<b>Revenue Total</b>	<b>\$28,504,874</b>	<b>\$15,652,584</b>	
<b>Expenses</b>			
Healthy Children	\$13,009,704	\$5,004,592	38.5%
Strong Families	2,142,314	1,136,685	53.1%
Early Learning	6,108,949	1,750,061	28.6%
Capacity Building**	<u>1,456,838</u>	<u>654,414</u>	44.9%
<b>Program Services</b>	<b>\$22,717,805</b>	<b>\$8,545,752</b>	
Admin. Functions***	<u>2,000,265</u>	<u>937,872</u>	46.9%
<b>Total Operating Exp.</b>	<b>\$24,718,070</b>	<b>\$9,483,624</b>	

\*\*Includes Evaluation costs of \$439,626

\*\*\*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 \$937,872 and encumbrances of \$416,067 were 5.5% of the Fiscal Year 2018/2019 Amended Budget of \$24.7 million not including Catalytic projects. Final administrative expenses are projected to be 7.8% at year-end.

### Total Encumbrances as of February 28, 2019 including some multi-year contracts

Healthy Children	\$21,976,087
Strong Families	\$2,381,575
Early Learning	\$12,884,575
Capacity Building	\$682,299
Admin. Functions	\$416,067

### Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue through December 2018 as reported by First 5 California is \$14.5 million. Prop 10 revenues for July through December are significantly above revenues for the same period in the prior year due to the receipt of Proposition 56 backfill. Revenue has been received through December.

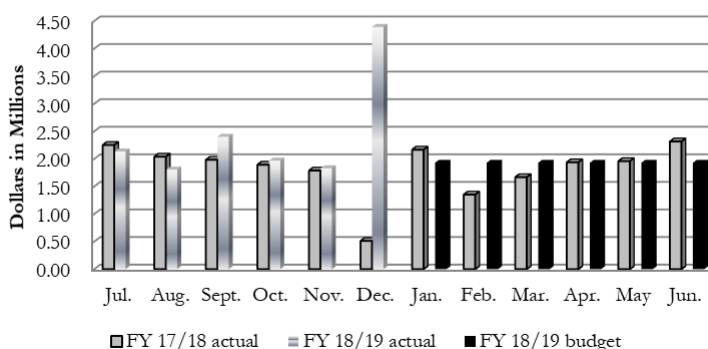
Interest earnings for July 2018 through February 2019 are \$435,855.

### Catalytic Funding Update

\$35,316,114 in Catalytic Funding was expensed from FY 2012-13 through FY 2017-18. Expenses booked in the current year total \$1,104,537 as of February 28, 2019.

As of February 28, 2019, \$7,723,281 was encumbered for Round 1 and Round 2 programs. Nearly \$6.1 million is encumbered for Children's Dental and \$1 million for Developmental Services.

### Fiscal Year 2017-18 & 2018-19 Tobacco Monthly Revenues



### Forecasted Fiscal Year 2018-19 Ending Fund Balance *From Commission Long Term Financial Plan*

Beginning Fund Balance, July 1, 2018	\$37,141,057
Forecasted Revenue	28,504,874
Budgeted Program Expenses	(22,717,805)
Budgeted Administrative Expenses	(2,000,265)
Catalytic Projects	<u>(23,781,146)</u>
<b>Projected June 30, 2019 Fund Balance</b>	<b>\$17,146,715*</b>

\*Based on Commission action through December 2018. 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.

**Children & Families Commission of Orange County**  
**Quarterly Investment Report and Annual Update**  
**October 1, 2018 through December 31, 2018**

## OVERVIEW

Pursuant to the Children & Families Commission of Orange County's (Commission) fiscal year 2018/2019 Investment Policy Statement (IPS), the Treasurer submits this Quarterly Investment Report to the Commission. This Investment Report summarizes investment activities for the Commission for the three-month period from October 1 through December 31, 2018.

## COMMISSION INVESTMENTS

The primary objective of the Treasurer is to invest the Commission's funds to provide safety of principal and liquidity, while providing a reasonable return on investments. Currently, the Treasurer has invested 100% of the Commission's funds in the Orange County Investment Pool (OCIP). As of December 31, 2018, these totaled \$40,295,245.57. All funds are managed by the Office of the Orange County Treasurer. We have attached a summary of key OCIP investment information (Attachment A).

### Orange County Investment Pool

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

## PORTFOLIO PERFORMANCE SUMMARY – QUARTERLY

The following table presents an overview of the Commission's investments for the months of October, November and December 2018. The net year-to-date yield for fiscal year 2018/2019 is 1.77%, net of the estimated investment administrative fee of 5.9 basis points. The budgeted forecasted net yield for the fiscal year 2018/2019 is 1.81%. We expect to provide our updated estimate next quarter based on the December increase of 0.25 percent of the benchmark Federal Funds rate. The OCIP Market Value is slightly lower than the Book Value due to eight Federal Reserve short-term rate increases totaling 2.00% since November 2016, and the OCIP has a net asset value (NAV) of 1.00 and has sufficient liquidity to meet projected cash flow needs.

Month Ended	Commission's Month End Balance	Commission's Monthly Gross Yield	OCIP Market Value	OCIP Book Value	Average Days to Maturity	OCIP Net Asset Value	Modified Duration
October	\$36,790,124	1.82%	\$4,418,845,835	\$4,440,012,364	328 days	0.99	0.88
November	\$38,562,525	1.97%	\$4,886,945,126	\$4,905,593,339	318 days	1.00	0.85
December	\$40,295,246	2.00%	\$5,008,408,848	\$5,016,509,479	275 days	1.00	0.74

## ECONOMIC UPDATE

From October through December, the U.S. economy continued its steady economic growth. The job market added 237,000 (revised) new jobs in October, 176,000 (revised) jobs in November, and 312,000 jobs in December. The unemployment rate remained unchanged at 3.7% in October and November, and rose to 3.9% in December. U.S. gross domestic product (GDP) rose at a 3.4% annualized revised rate in the third quarter of 2018, a decrease from the previous quarter's revised rate of 4.2%. S&P/CaseShiller reported that housing prices continued to remain positive on a year-over-year basis up 5.73% in August, up 5.52% in September and for the seventy-eighth consecutive month up 5.48% in October, but growth does appear to be slowing. The index for pending home sales on a year-over-year basis decreased 3.4%, 4.6% and 7.7% in September, October and November, respectively. The 10-year Treasury rate ended the quarter at 2.69%, down from 3.05% at the end of the previous quarter. On December 19, 2018, the Federal Open Markets Committee (FOMC) raised the benchmark Federal Funds rate by 0.25 percent resulting in a new target range of 2.25 percent to 2.50 percent.

**U.S. Treasury Yield Curve:** The yield on the Treasury 3-month increased while the yields on the 2-year, 5-year, 10-year, and 30-year decreased during the Quarter Ended December 31, 2018.

	Quarter Ended September 30, 2018	Quarter Ended December 31, 2018
3 - Month	2.19%	2.45%
2 - Year	2.81%	2.48%
5 - Year	2.94%	2.51%
10 - Year	3.05%	2.69%
30 - Year	3.19%	3.02%

Source: U.S. Department of the Treasury

## COMPLIANCE MONITORING

As of December 31, 2018, 100% of the holdings of the Commission are in compliance with the Commission's IPS. The investment portfolios had no compliance exceptions for the quarter ended December 31, 2018.

The County Treasurer's investments are audited regularly by the County Auditor-Controller Internal Audit Division (ACIAD) and the Orange County Internal Audit Department. The ACIAD issued one report and contracted with Macias, Gini & O'Connell (MGO) to perform one of their required audits of the Treasury during the quarter ended December 31, 2018 as follows:

- Review of the Schedule of Assets Held by the County Treasury (Schedule) as of March 31, 2018  
The ACIAD report stated 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.
- Report of the Schedule of Assets Held by the County Treasury as of June 30 2017  
MGO opined that the Schedule of Assets Held by the County Treasury presents fairly, in all material respects, the assets held in the County Treasury as of June 30, 2017, in accordance with the basis of accounting as described in the notes to the financial schedule. Included as part of their audit, they also provided an Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters. The report did not identify any deficiencies internal control over financial reporting that they consider to be material weaknesses, and the results of year tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

We have attached the Investment Policy and Treasury Oversight Committee Compliance Summary as reported in the Treasurer's Monthly Report for the months of October, November, and December 2018 (Attachment B). This summary tracks compliance in a variety of areas.

## PORTFOLIO HOLDINGS OF DEBT ISSUED BY POOL PARTICIPANTS

Under guidelines outlined in the County's current IPS, the County Treasurer may invest in A or above rated securities issued by municipalities. Municipal debt issued by the County of Orange is exempt from this credit rating requirement. OCIP may invest no more than 5% of pool assets in any one issuer, with the exception of the County of Orange which has a 10% limit. As of December 31, 2018, OCIP has a total market value of \$108.9 million in County of Orange debt, which represents approximately 2.2% of total OCIP assets. On January 14, 2019, the Investment Pools purchased, at par value, \$402 million of unrated County of Orange Taxable Pension Obligation Bonds Series 2019 A debt in a private placement with coupon interest rates ranging from 2.816% to 2.899%. Prior to purchasing any pool participant debt, a standardized credit analysis is performed.

The County Treasurer received a principal distribution of \$175,006 from an investment previously owned by the County's pooled funds, commonly known as Whistlejacket. The receivers of Whistlejacket (Deloitte LLP) stated that this is the final distribution to holders of Whistlejacket and constitutes the full and final discharge of amounts owed to creditors. With this final distribution, the County's pooled funds have recovered 92.3% of the original investment of \$80 million in Whistlejacket. Consistent with past distributions, the County Treasurer allocated this principal payment pro rata to all the pooled fund accounts that had balances at the time the investment went into receivership in February

2008. This distribution will have no impact on the annual net yield due to the small amount of this final distribution, and your portion is included in the October Statement of Activity.

#### **STATEMENT OF ACTIVITY**

We have attached the Statement of Activity for the months of October, November, and December 2018 (Attachment C). These Statements report the beginning and ending balances of the Commission's funds invested in the OCIP.

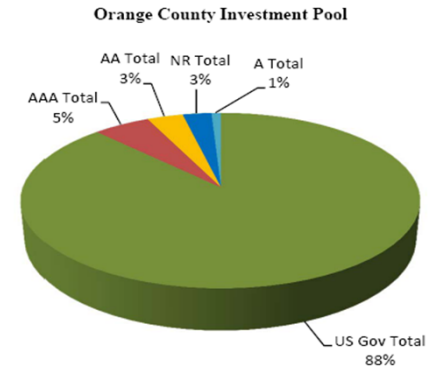
#### **Attachments:**

- A. Orange County Investment Pool Summary
- B. Investment Policy and Treasury Oversight Committee Compliance Summary for October, November, and December 2018
- C. Statement of Activity for the months of October, November, and December 2018

# ATTACHMENT A

## ORANGE COUNTY TREASURER-TAX COLLECTOR ORANGE COUNTY INVESTMENT POOL INVESTMENT POOL SUMMARY AT DECEMBER 31, 2018

OCIP PORTFOLIO COMPOSITION				
Security Type	Market Value	% of Market Value	Book Value	Unrealized Gain (Loss)
U.S. GOVERNMENT AGENCIES	\$ 3,139,409,353	62.68%	\$ 3,144,271,913	\$ (4,862,560)
U.S. TREASURIES	1,265,658,974	25.27%	1,267,812,193	(2,153,219)
MONEY MARKET MUTUAL FUNDS	240,675,672	4.81%	240,675,672	-
MEDIUM-TERM NOTES	211,117,593	4.22%	212,293,308	(1,175,715)
MUNICIPAL DEBT	108,862,413	2.16%	108,724,333	138,080
LOCAL AGENCY INVESTMENT FUND	24,373,983	0.49%	24,373,983	-
CERTIFICATES OF DEPOSIT	18,310,860	0.37%	18,358,077	(47,217)
TOTAL	\$ 5,008,408,848	100.00%	\$ 5,016,509,479	\$ (8,100,631)



US GOV Includes Agency & Treasury Debt

AA Includes AA+, AA- & AA

A Includes A+, A- & A

NR Includes LAIF and Orange County Pension Obligation Bonds

### SUMMARY OF INVESTMENT DATA INVESTMENT TRENDS OCIP

	DECEMBER 2018	NOVEMBER 2018	INCREASE (DECREASE)	NET CHANGE %	DECEMBER 2017	INCREASE (DECREASE)	NET CHANGE %
<b>Orange County Investment Pool (OCIP)</b>							
End Of Month Market Value <sup>1,2</sup>	\$ 5,008,408,848	\$ 4,886,945,126	\$ 121,463,722	2.49%	\$ 5,051,177,152	\$ (42,768,304)	-0.85%
End Of Month Book Value <sup>1,2</sup>	\$ 5,016,509,479	\$ 4,905,593,339	\$ 110,916,140	2.26%	\$ 5,067,583,251	\$ (51,073,772)	-1.01%
Monthly Average Balance <sup>3</sup>	\$ 5,430,555,655	\$ 4,484,731,134	\$ 945,824,521	21.09%	\$ 5,364,747,174	\$ 65,808,481	1.23%
Year-To-Date Average Balance	\$ 4,251,548,062	\$ 4,015,746,544	\$ 235,801,519	5.87%	\$ 4,247,353,852	\$ 4,194,210	0.10%
Monthly Accrued Earnings <sup>4</sup>	\$ 9,272,010	\$ 7,288,212	\$ 1,983,798	27.22%	\$ 5,218,424	\$ 4,053,586	77.68%
Monthly Net Yield <sup>4</sup>	1.94%	1.91%	0.03%	1.73%	1.07%	0.87%	81.21%
Year-To-Date Net Yield <sup>4</sup>	1.77%	1.72%	0.05%	2.75%	1.06%	0.71%	66.82%
Annual Estimated Gross Yield <sup>5</sup>	1.87%	1.87%	0.00%	0.00%	1.28%	0.59%	45.80%
Weighted Average Maturity (WAM) <sup>6</sup>	275	318	(43)	-13.47%	236	40	16.77%

<sup>1</sup> Market values provided by Bloomberg and Northern Trust. The OCIP market value is slightly lower than book value due to the eight Federal Reserve short-term rate increases totaling 2.00% since November 2016, but has a net asset value of 1.00 and has sufficient liquidity to meet projected cash flow needs.

<sup>2</sup> End of Month Market and Book Values for OCIP in December 2018 are only slightly up from November 2018, a significant change from prior years, as a large property tax payment came in November versus December. Also, these End of Month Market and Book Values are lower than in December 2017 due to the large number of second installment payments received in December 2017 due to the Federal Tax Law change.

<sup>3</sup> In December 2018, OCIP Monthly Average Balance increased from prior month primarily due to higher incoming secured property tax receipts that more was received earlier in the property tax cycle than in the prior year.

<sup>4</sup> In December 2018, the OCIP Monthly Accrued Earnings increased from prior month primarily due to an increase of the Federal Reserve short-term rate of 25 basis points and the higher Monthly Average Balances. The OCIP Monthly Accrued Earnings, Monthly Net Yields and Year-To-Date Net Yields were higher than the prior year primarily due to the eight Federal Reserve short-term rate increases totaling 2.00% since November 2016.

<sup>5</sup> The OCIP annual estimated gross yield for December 2017 is reported at the actual annual gross yield for FY 17/18, and the annual estimated gross yield for December 2018 is reported at the forecasted gross yield of 1.87%. The OCIP annual estimated gross yield for FY 18/19 is higher than FY 17/18 yield of 1.28%, primarily due to the eight Federal Reserve short-term rate increases totaling 2.00% since November 2016.

<sup>6</sup> In December 2018, the OCIP WAM were lower than in November 2018 primarily due to incoming property tax dollars deposited and invested in shorter maturities until distribution to County Agencies, Cities, and School and Community College Districts consistent with prior year's WAM trends. The OCIP WAM in December 2018 were higher than the prior year primarily due to more investments with longer maturities being purchased.

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY  
October 31, 2018**

**ATTACHMENT B**

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	Calendar year 2016 and six months ended 6/30/17 in progress.
Quarterly Schedule of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	March 31, 2018 completed. June 30, 2018 and September 30, 2018 in progress.
Annual Schedule of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2017 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	September 30, 2018 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 16/17 and FY 17/18 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2017 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	All 2018 IPS certifications received for active approved brokers.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions/Form 700	FY 18/19 identified two compliance incidents as of October 31, 2018.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made one change at the October 18, 2017 meeting. The BOS approved on November 14, 2017.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the October 18, 2017 meeting and did not make any additional changes. The BOS approved on November 14, 2017.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2017 Annual Report was presented to BOS meeting on February 27, 2018.
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 18, 2017.
Certificates of Compliance	TTC	TOC Bylaws Rule 34 - Annual	The TOC members are in compliance for calendar year 2018.
Ethics Training	TTC	TOC Bylaws Rule 34 - Every Two Years	The TOC members are in compliance for calendar year 2016 (one submitted in January 2017).
Conflict of Interest Form 700 Filing	TTC	TOC Bylaws Rule 34 / IPS - Every Year	All TOC members and designated employees are in compliance for calendar year 2017.

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



**ORANGE COUNTY TREASURER-TAX COLLECTOR  
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY  
November 30, 2018**

**ATTACHMENT B**

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	Calendar year 2016 and six months ended 6/30/17 in progress.
Quarterly Statement of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	September 30, 2018 in progress.
Annual Statement of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	June 30, 2017 in progress.
Quarterly Compliance Monitoring	TOC	TOC Directive	September 30, 2018 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 16/17 and FY 17/18 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2017 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	All 2018 IPS certifications received for active approved brokers.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions/Form 700	FY 18/19 identified two compliance incidents as of November 30, 2018.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made no changes at the November 19, 2018 meeting. No BOS approval required.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the November 19, 2018 meeting and did not make any additional changes. BOS approval scheduled for December 18, 2018.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2017 Annual Report was presented to BOS meeting on February 27, 2018.
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 18, 2017.
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 TOC members and designated employees are in compliance for calendar year 2017.

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

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
INVESTMENT POLICY (IPS) AND TREASURY OVERSIGHT COMMITTEE (TOC) COMPLIANCE SUMMARY  
December 31, 2018**

**ATTACHMENT B**

COMPLIANCE CATEGORY	RESPONSIBLE PARTY	REGULATORY/POLICY GUIDELINES	CURRENT STATUS
Annual Compliance Audit	TOC	Performance Evaluation-Cal Govt. Code 27134	Calendar year 2016 and six months ended 6/30/17 in progress.
Quarterly Statement of Assets Review	AC	Performance Evaluation-Cal Govt. Code 26920(a)	September 30, 2018 in progress.
Annual Statement of Assets Audit	AC	Performance Evaluation-Cal Govt. Code 26920(b)	Annual audit as of June 30, 2017 completed.
Quarterly Compliance Monitoring	TOC	TOC Directive	September 30, 2018 in progress.
Investment Administrative Fee	TTC	Compensation Agreement-Cal Govt. Code 27013	FY 16/17 and FY 17/18 in progress.
Annual Broker/Dealer Review	TTC	Authorized Financial Dealers and Qualified Institutions	Calendar year 2017 in progress.
Annual Broker/Dealer IPS Certification	TTC	Authorized Financial Dealers and Qualified Institutions	All 2018 IPS certifications received for active approved brokers.
IPS Compliance Deficiencies	TTC	Investment/Diversification/Maturity Restrictions/Form 700	FY 18/19 identified two compliance incidents as of December 31, 2018.
TOC Bylaw Changes	BOS	TOC Review and BOS Annual Approval	The TOC reviewed Bylaws and made no changes at the November 19, 2018 meeting. No BOS approval required.
Annual IPS Approval	BOS	TOC Review and BOS Annual Approval	The TOC reviewed proposed IPS changes at the November 19, 2018 meeting and did not make any additional changes. The BOS approved on December 18, 2018.
TOC Annual Report	BOS	TOC Bylaws Rule 30 - Oral and Written Report	The TOC 2017 Annual Report was presented to BOS meeting on February 27, 2018.
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 18, 2017.
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 TOC members and designated employees are in compliance for calendar year 2017.

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



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



**ATTACHMENT C**

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

October 31, 2018

**ORANGE COUNTY CHILDREN AND FAMILIES COMMISSION**

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

Monthly Apportionment Gross Yield: 1.821%  
Administration Fee: -0.059%  
Monthly Apportionment Net Yield: 1.762%

**Fund Number : 225**

**OCTOBER 2018 STATEMENT**

**INVESTMENT BALANCE IN OCIP**

**Transactions**

<b><u>Transaction Date</u></b>	<b><u>Transaction Description</u></b>	<b><u>Amount</u></b>
10/01/18	September 2018 Investment Admin Fee	\$ (1,843.48)
10/09/18	July 2018 Interest Paid	\$ 55,353.91
10/31/18	Whistlejacket Final Principal Recovery	\$ 3,784.67

**Summary**

Total Deposit:	\$ 2,325,355.25	Beginning Balance:	\$ 36,726,564.30
Total Withdrawal:	\$ (2,261,795.55)	Ending Balance:	\$ 36,790,124.00

**ACCRUED INVESTMENT INCOME**

**Description**

	<b><u>Amount</u></b>
August 2018 Interest Accrued	\$ 56,420.33
September 2018 Interest Accrued	\$ 54,840.18
October 31, 2018 Total	<u>\$ 111,260.51</u>
October 2018 Interest will be posted in November	<u>\$ 57,435.50</u>



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



**ATTACHMENT C**

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

November 30, 2018

**ORANGE COUNTY CHILDREN AND FAMILIES COMMISSION**

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

Monthly Apportionment Gross Yield: 1.965%  
Administration Fee: -0.059%  
Monthly Apportionment Net Yield: 1.906%

**Fund Number : 225**

**NOVEMBER 2018 STATEMENT**

**INVESTMENT BALANCE IN OCIP**

**Transactions**

<b><u>Transaction Date</u></b>	<b><u>Transaction Description</u></b>	<b><u>Amount</u></b>
11/01/18	October 2018 Investment Admin Fee	\$ (1,861.33)
11/13/18	August 2018 Interest Paid	\$ 56,420.33

**Summary**

Total Deposit:	\$ 9,854,859.03	Beginning Balance:	\$ 36,790,124.00
Total Withdrawal:	\$ (8,082,458.27)	Ending Balance:	\$ 38,562,524.76

**ACCRUED INVESTMENT INCOME**

**Description**

	<b><u>Amount</u></b>
September 2018 Interest Accrued	\$ 54,840.18
October 2018 Interest Accrued	\$ 57,435.50
November 30, 2018 Total	<u>\$ 112,275.68</u>
November 2018 Interest will be posted in December	<u>\$ 65,201.07</u>



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**ATTACHMENT C**

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

December 31, 2018

**ORANGE COUNTY CHILDREN AND FAMILIES COMMISSION**

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

Monthly Apportionment Gross Yield: 1.998%  
Administration Fee: -0.059%  
Monthly Apportionment Net Yield: 1.939%

**Fund Number : 225**

**DECEMBER 2018 STATEMENT**

**INVESTMENT BALANCE IN OCIP**

**Transactions**

<b><u>Transaction Date</u></b>	<b><u>Transaction Description</u></b>	<b><u>Amount</u></b>
12/03/18	November 2018 Investment Admin Fee	\$ 1,957.29
12/14/18	September 2018 Interest Paid	\$ 54,840.18

**Summary**

Total Deposit:	\$ 4,254,182.98	Beginning Balance:	\$ 38,562,524.76
Total Withdrawal:	\$ (2,521,462.17)	Ending Balance:	\$ 40,295,245.57

**ACCRUED INVESTMENT INCOME**

**Description**

	<b><u>Amount</u></b>
October 2018 Interest Accrued	\$ 57,435.50
November 2018 Interest Accrued	\$ 65,201.07
December 31, 2018 Total	<u>\$ 122,636.57</u>

December 2018 Interest will be posted in January	<u>\$ 67,882.63</u>
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**To:** Kelly Pijl, Communications and Policy Director  
First 5 Orange County

**From:** Clare Venegas, Vice President  
Curt Pringle & Associates

**Date:** March 19, 2019

**Subject:** Legislative and Strategic Communications Quarterly Report

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The following is a summary of activities that were provided by Curt Pringle & Associates (CP&A) to First 5 Orange County during the second and third quarters of FY 2018-2019, or October 2018-March 2019.

#### **State Legislative Update**

In January, the state legislature reconvened and Governor Gavin Newsom announced a \$209 billion budget, \$8 billion more than last year's budget. One of the more prominent 'headlines' of the budget's news coverage was the proposal to spend \$1.8 billion for early childhood education and health programs. Key spending proposals related to the Commission's work include \$125 million over two years for the expansion of state preschool slots for low-income four-year-olds; \$500 million in one-time funds to expand subsidized child care facilities; a \$60 million to the Department of Health Care Services to increase developmental screenings for children.

CP&A's scope of work includes tracking state and federal legislation that impacts the Commission's work. Utilizing the monthly 'bill tracker' documents provided by the Sacramento-based First 5 Association and First 5 California, CP&A evaluates and monitors proposed bills through the lens of impact to First 5 Orange County. To this end, we have developed an internal Legislative Analysis Tool as a way of analyzing a bill's impact on Orange County as they are making their way through the legislative process. A list of the bills currently being monitored is included at the end of this report.

## **Business Community Outreach**

Since last fall, CP&A has been strategizing ways to increase the Commission's engagement with the business community on early childhood issues. To that end, CP&A facilitated a presentation by Kim Goll on March 20 to Brandman University's "Premiere Partners Advisory Council." The advisory council is made up of human resource executives from local employers such as Ralphs/Food4Less, Vizio, and So Cal Gas. The purpose of Kim's presentation is to educate employers about the Commission's work and to solicit feedback from the business community about whether childcare is an issue for employee retention and productivity. To maximize engagement with this group, CP&A worked with commission staff to develop a pre-event survey gauging attendees' awareness of early childcare issues for their workforce. Approximately 40 human resources professionals are scheduled to attend.

## **2019 Essentials Diaper Drive**

In Q2 and Q3, CP&A ramped up activities related to assisting HomeAid in planning the 2019 Essentials Campaign. The Commission is the primary sponsor of this annual countywide event, which collects diapers, wipes and other essential items for homeless families with children served by the transitional shelters supported by the Commission and HomeAid Orange County.

This year marks the 12<sup>th</sup> anniversary of the campaign, which runs between Mother's Day (May 12) and Father's Day (June 16), and includes participation by the business community and public agencies, such as the County of Orange and Orange County Sheriff's Department.

We are pleased to share that **Oliver Jones of United Parcel Service (UPS)** is serving as the Essentials Campaign Chair and **Henri DiCarlo of KTLA Channel 5** has agreed to serve as Honorary Chair. UPS has been a longtime partner of the Essentials campaign, providing pick-up and delivery services from donation sites, while this is the first year for Henry DiCarlo to serve as Honorary Chair, a position that was previously held by former OC Sheriff Sandra Hutchens.

We are currently working with HomeAid staff to plan the following key activities related to the Essentials Campaign:

- **May 8 - Community Partner Luncheon/Essentials Campaign Kickoff** at Precious Life Shelter. An invitation is attached, and Commissioners are encouraged to attend.
- **May 12-June 16 - Essentials Diaper Drive** – CP&A is working with HomeAid staff to develop materials, secure financial sponsorships, and secure businesses and community partners to host a drive between Mother's Day (May 12) and Father's Day (June 16).
- **June 21 – 'Builders for Babies' Drop-Off Event** – This event culminates the Essentials Campaign with the drop-off of collected items under the Big A at Angels Stadium. This is a fun event that features food, music, and a contest to build "homes" made of diaper boxes built by volunteer teams from Orange County homebuilding companies. CP&A supports this event by publicizing it to local media. Last year, *the OC Register*, ABC 7, and NBC 4 covered the event.

## **State Legislation Tracker**

The deadline to introduce bills was February 22. These will now be assigned and reviewed by their appropriate policy committees as committee hearings begin. CP&A has identified the following bills to track on behalf of First 5 Orange County:

- **AB 347 (Choi) - Preschool: privately funded pilot program: tax credits.** This bill would, until January 1, 2025, authorize the department, as part of a pilot program, to accept monetary contributions made to the California Preschool Investment Fund, which this bill would create, by a person for purposes of preschool education, as provided. The bill would require the money in the fund to be used to, among other things, fund state preschools that are part of the California state preschool program located in one of the 5 counties participating in the pilot program, as provided.
- **AB 71 (Melendez) - Employment standards: independent contractors and employees.** Current case law establishes a three-part test, known as the “ABC” test, for determining whether a worker is considered an independent contractor for purposes of specified wage orders. Under this test, a worker is properly considered an independent contractor only if the hiring entity establishes; 1) that the worker is free from the control and direction of the hirer in connection with the performance of the work, both under the contract for performance of the work and in fact; 2) that the worker performs work outside the usual course of the hiring entity’s business; and 3) that the worker is customarily engaged in an independently established trade, occupation, or business of the same nature as the work performed for the hiring entity. This bill would, instead, require a determination of whether a person is an employee or an independent contractor to be based on a specific multifactor test, including whether the person to whom service is rendered has the right to control the manner and means of accomplishing the result desired, and other identified factors.
- **AB 428 (Medina) - Special education funding.** The bill would require, commencing with the first fiscal year after funds are apportioned pursuant to a specified formula, a special education local plan area that reports **serving children 3 or 4 years of age** who meet the definition of an “individual with exceptional needs” to count 3 times all units of average daily attendance generated by children enrolled in kindergarten less those children eligible for transitional kindergarten, for purposes of calculating units of average daily attendance, except as provided. By adding to the duties of special education local plan areas, the bill would impose a state-mandated local program.
- **AB 452 (Mullin) - Childcare: early childhood programs: grants.** This bill would declare the intent of the Legislature to enact legislation that appropriates between \$25M and \$35M to create a grant program to develop child care facilities that serve children from **birth to three years of age**, inclusive. Findings: (1) Infant and toddler childcare in California is prohibitively expensive for many families. According to a Child Care Aware report, in 2016, California was one of the 10 least affordable states for infant care, costing on average 51 percent of the median income of a single parent household.



Families have difficulty covering the basic costs of housing, food, childcare, healthcare, and other necessities. In all 58 counties, the annual salary of a full-time minimum wage worker is not sufficient to cover the basic budget for a single-parent household.

Additionally, the First 5 Association is tracking a total of 67 bills, but has not taken a position on any as of this time. Many of these bills are also being tracked by the First 5 California, and CP&A is monitoring the following bills for which First 5 CA has identified as Sponsor/Support --

#### **FIRST 5 CA-SPONSORED:**

- **AB 125 (McCarty) - Early childhood education: reimbursement rates.** Would provide that it is the intent of the Legislature to enact legislation that would establish a single regionalized state reimbursement rate system for childcare, preschool, and early learning services that would achieve specified objectives.
- **AB 324 (Aguiar-Curry) - Childcare services: state subsidized childcare: employee retention funds.** Current law requires that moneys in a specified item of the Budget Act of 2000 be allocated to local child care and development planning councils based on the percentage of state-subsidized center-based childcare funds received in the county in which the council is located, and requires that these funds be used to address the retention of qualified childcare employees in state-subsidized childcare centers. Existing law authorizes these funds, and other specified funds, appropriated for these purposes, to be used in the County of Los Angeles if specified requirements are met to address the retention of qualified persons working in licensed childcare programs that serve a majority of children who receive subsidized childcare services, including, but not limited to, family daycare homes, as defined. This bill would delete the requirement that these funds be used in the County of Los Angeles.

#### **FIRST 5 CA-SUPPORT:**

- **AB 123 (McCarty) - Early childhood education: state preschool program: transitional kindergarten: access: standards.** Would make various findings and declarations regarding early childhood education and would provide that it is the intent of the Legislature to enact legislation that would do certain things relating to early childhood education, including expanding the state preschool program and enabling local educational agencies to blend the program with transitional kindergarten.
- **AB 124 (McCarty) - Preschool Facilities Bond Act of 2020.** Would enact the Preschool Facilities Bond Act of 2020 which, if approved by the voters, would authorize the issuance of bonds in the amount of \$500M pursuant to the State General Obligation Bond Law to finance a preschool facility grant program.
- **AB 167 (Rubio, Blanca) - Childcare and development services: infants and toddlers: state funding.** Would create the California Childcare-Early Head Start Partnership, and would provide that a state grant to support the partnership that supplements

any federal funding shall be made available and distributed, upon appropriation by the Legislature, to qualifying childcare and development programs and family childcare home education networks that serve infants and toddlers from birth to 3 years of age at a base grant amount of \$4,000 annually per child, adjusted as specified.

- **AB 194 (Reyes) - Childcare and development services.** Would make legislative findings and declarations relating to early care and education programs and would state the intent of the Legislature to enact legislation to appropriate \$1B to immediately improve access to alternative payment programs and general childcare and development programs.
- **AB 197 (Weber) - Full-day kindergarten.** current law provides that school districts offering kindergarten may maintain kindergarten classes at different school sites for different lengths of time. This bill would require, commencing with the 2021–22 school year, school districts offering kindergarten to implement a full-day kindergarten program, thereby imposing a state-mandated local program. The bill would provide that a minimum school day for full-day kindergarten is the same number of minutes per school day that is offered to pupils in first grade.

HOMEAID ORANGE COUNTY  
IN PARTNERSHIP WITH  
FIRST 5 ORANGE COUNTY  
INVITE YOU TO THE

# 12th Annual

## HOMEAID ESSENTIALS COMMUNITY PARTNER LUNCHEON

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Wednesday, May 8, 2019  
11:30 AM - 1:00 PM

Precious Life Shelter  
10881 Reagan Street  
Los Alamitos, CA 90720

Parking Information Provided with RSVP

Please RSVP by May 1  
[amanda@curtpringle.com](mailto:amanda@curtpringle.com)





Host or Sponsor: [www.homeaidoc.org/essentials](http://www.homeaidoc.org/essentials)

# Diaper Drive

Throughout Orange County

**May 12 - June 16, 2019**

[Start a Drive](#)

[Find a Drive](#)

# Builders for Babies

Angel Stadium, Anaheim, CA

**June 21, 2019**




# THE ORANGE COUNTY REGISTER

NEWS > LOCAL NEWS

**In this diaper drive, teams compete to build the best-looking house fit for a baby's bottom**





The background of the entire flyer is a close-up, slightly blurred photograph of a woman's face. She has dark hair and is looking directly at the camera with a gentle expression. The lighting is soft, highlighting her features.

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