

2014-2016 BUDGET WORKSHOP

First 5

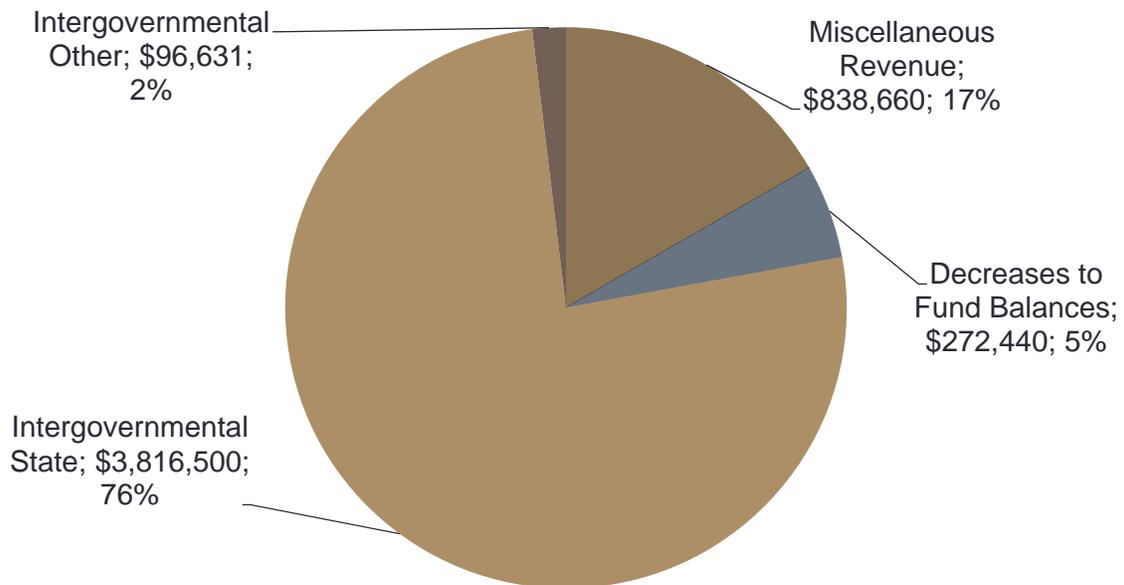


First 5 Summary

- ∂ Operating \$4,751,791
- ∂ Capital \$0
- ∂ General Fund \$0
- ∂ FTEs 14.0
- ∂ One Time Use of Fund Balance
\$272,440
- ∂ Service Level Reductions - None
- ∂ Expansion Requests - None

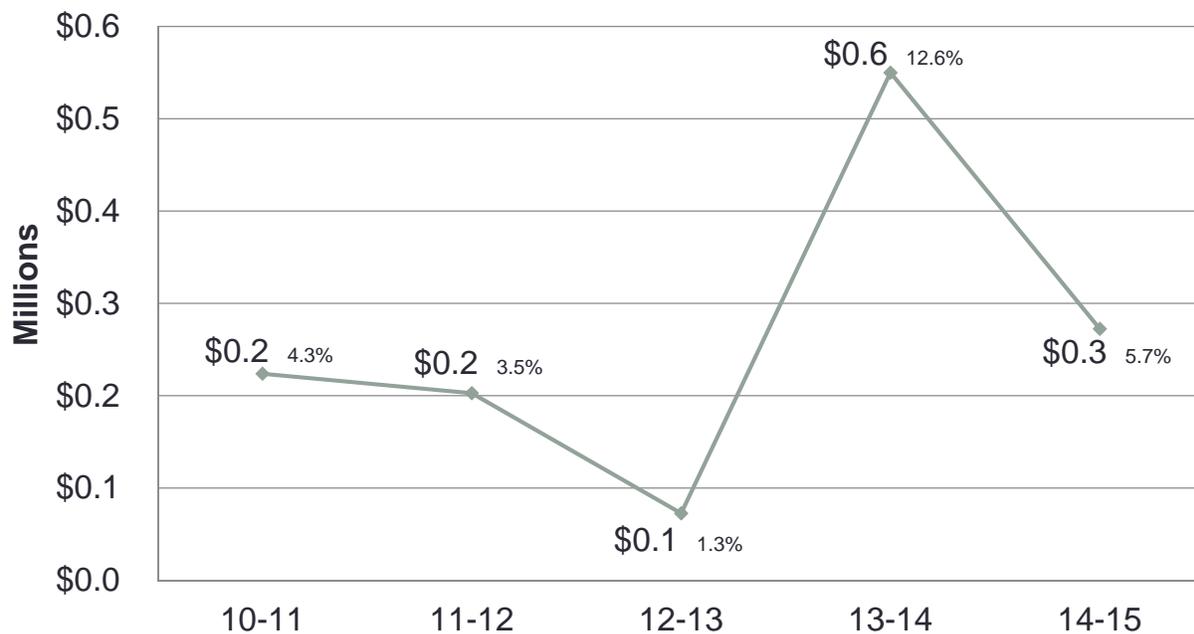
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FY 14-15 Source of Funds



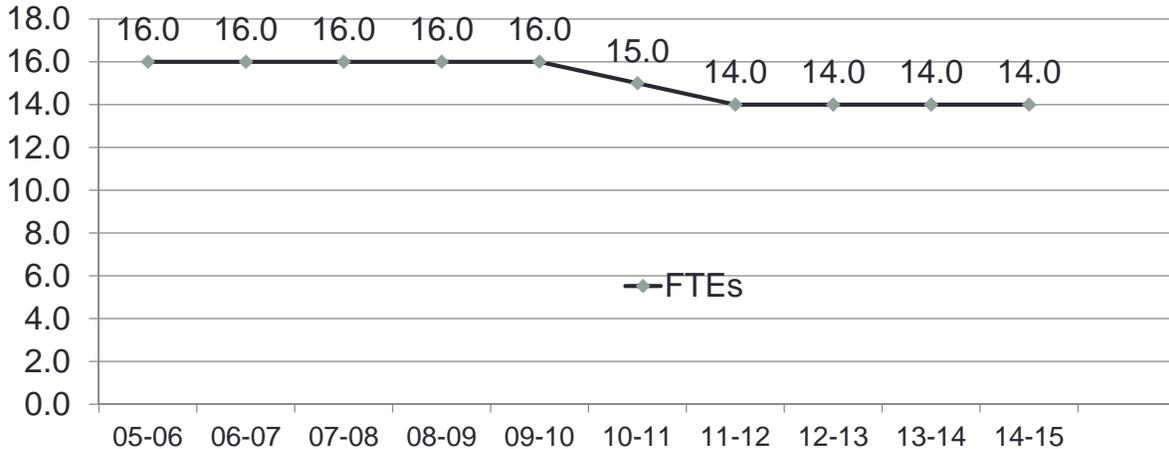
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5 Year Summary Use of One-Time



First 5 Staffing Summary

- o 14.0 FTE FY 13-14 Adopted
- o 14.0 FTE FY 14-15 Recommended



First 5 FY 2013-14 Anticipated Accomplishments

- 25 grants and contracts totaling \$3.2 million
- Strong, improving evaluation and reporting systems
- Continued reduction in recidivism for child abuse reports - 30% in 08/09 to 3% in 12/13
- Continued improvement in kindergarten readiness improving (+11%)
- 900+ nurse home visits for newborns
- Continued improvement in parenting skills (FY 12-13 from 74% pre to 85% post)
- Continued improvement in preschool accreditation rate (FY 12-13: 27% (CA = 5%))

First 5 FY 2014-15 Objectives

2014-2017 Strategic Plan (approved Nov. 2013)

- Primary Focus Areas:
 1. Family Support
 2. Early Care and Education
- Secondary Focus Areas:
 1. Capacity Building and Systems Change
 2. Communications
 3. Child Health Insurance and Access

First 5 FY 2015-16 Objectives

- F5 as a model for accountability, reporting & public review
- Improve system to evaluate key outcomes longitudinally
- Invest in direct services where the need is highest
- Develop plan to expand availability and access to quality preschool/childcare
- Support improvements in social service system
- Centralized hub for information, community involvement, and support for 0-5 year olds

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Performance Measures

Description	2012-13 Actual	FY 13-14 Estimated Actual	FY 14-15 Recommended
Number of Community reports providing transparency and communication of results	8	8	8
Percentage of contracted agencies receiving site visits to ensure fiscal accountability	100% (15)	100% (15)	100% (13)
Percentage of Families reporting being involved in planning at the service level	Not used in prior Years	Not used in prior years	75%
Percentage of families reporting that funded programs provide quality services	Not used in prior Years	Not used in prior Years	85%

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Performance Measures Continued

Description	2012-13 Actual	FY 13-14 Estimated Actual	FY 14-15 Recommended
Number of Early Childhood Education Programs receiving national accreditation with First 5 funded services	37	48	55
Percentage of First 5 funded Family Support & Early Care and Education service goals achieved	Not Used in Prior years	Not Used in Prior years	90%
New dollars leveraged with First 5 funds for programs enhancement and sustainability	Not Used in Prior years	Not Used in Prior years	\$10,000
Number of Parents of children 0-5 requesting information & resources in response to First 5 communication efforts	Not Used in Prior years	2,500	2,750

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Service Level Reductions

NONE

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FT 14-15 Efficiency Changes

- 2-1 match for Preschool and Childcare Expansion Project
 - \$600,000/year in match funding to be developed
- Private/corporate funding to support Communications
- Changed posture in relation to funded agencies/partners
 - Increased reliance on leveraged/diversity of funding
- Marketing department core strengths in areas outside 0-5
 - Consult with social service agencies/philanthropy to improve and maintain evaluation & reporting systems

First 5 Key Challenges and Emerging Issues

- Decreasing Tobacco Tax Allocations (\$150K/year)
- Jan. 2016 reductions in existing grant funding
 - Race to the Top Challenge Grant (\$250K)
 - Orfalea Foundation Accreditation Project (130K)
- Continued fiscal challenges in broader system
- Needs of children and families exceed community's capacity to address them

First 5 Summary

A funder, partner, convener, and advocate in support of children prenatal through age five

Leveraging F5 resources to build community's capacity to meet the needs of children and families

To help all children prepare for kindergarten by supporting families to be healthy and strong and by enhancing the availability of high quality childcare and preschool

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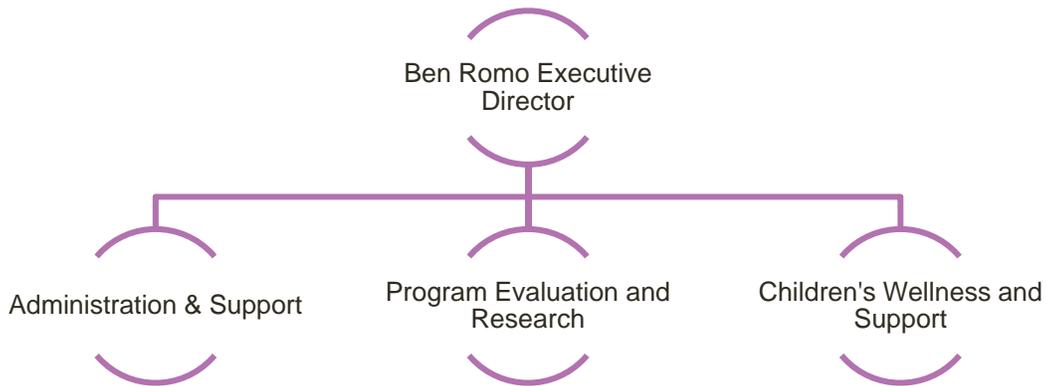


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Budget & Full-Time Equivalents (FTEs) Summary

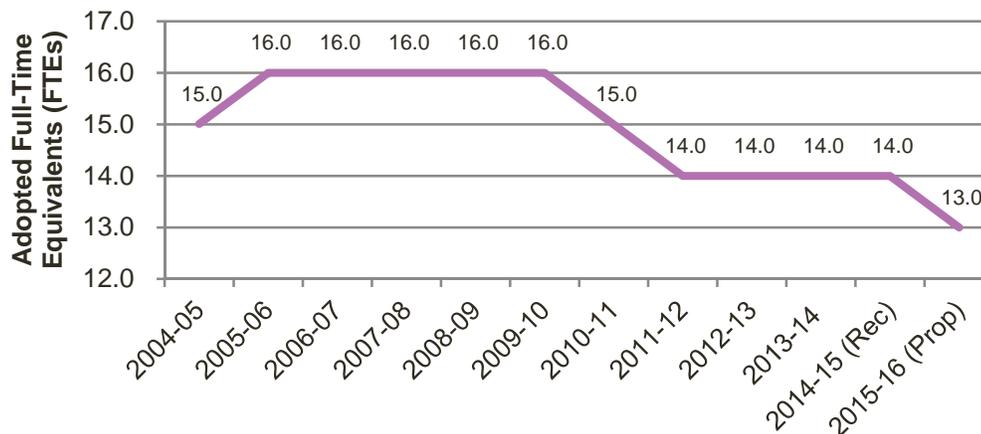
Operating	\$ 5,024,231
Capital	\$ -
FTEs	14.0

Budget Programs Chart



Staffing Trend

The staffing trend values will differ from prior year budget books in order to show amounts without the impact of any vacancy factors



First 5

Mission Statement

To help all children prepare for kindergarten by supporting families to be healthy and strong and by enhancing the availability of high quality childcare and preschool.

Department Description

First 5 Santa Barbara County (First 5) was established in 1999 through the 1998 passage of Proposition 10, the California Children and Families Act which imposed a sales tax on tobacco products and designated those funds for programs and services that support the healthy and successful development of children; prenatal through age 5. Santa Barbara County's share of Prop 10 funds are distributed based on the County's birth rate.

The 13-member First 5 Children and Families Commission (nine commissioners and four alternates) serves as the governing body of First 5 overseeing operations, fiscal and programmatic compliance, and ensuring the proper, effective, and efficient use of taxpayer funds. Santa Barbara County is a critical partner in the success of First 5, and serves as the organizational umbrella for the agency. First 5's relationship with the County allows increased capacity and tremendous credibility in the community. First 5 is aligned with the Board of Supervisors Strategic Plan, Goal No. 6: Families and Children: "A community that Fosters the Safety and Well-being of Individuals, Families and Children."

Under the direction of the Executive Director, the department is organized into three budget programs: Administration and Support, Program Evaluation & Research, and Children's Wellness and Support. Administration and Support comprises fiscal oversight of the department and all programmatic contracts, funding, and allocations. Program Evaluation and Research ensures programmatic quality and accountability for contracts, technical assistance and training for grantees, service integration and coordination, and comprehensive results based evaluation directed to key outcomes identified in the new 2014-2017 First 5 Strategic Plan.

Children's Wellness and Support includes First 5's investment and services in two Primary Focus Areas and three Secondary Focus Areas identified in its newly adopted Strategic Plan. Within each of these Focus Areas, First 5 serves as a funder, partner, convener, and advocate in support of children prenatal through age five, while ensuring that taxpayer dollars are spent on effective and efficient services which are subject to public review and maximum accountability.

In the current fiscal year, First 5 funded five primary initiatives: Family Strengthening, Newborn Home Visiting, Early Care and Education, THRIVE Community Collaboratives, and Children's Health Insurance. Fiscal Year 2014-15 marks the transition to a new First 5 Strategic Plan as described in the paragraph above and new funding strategies.

In the Primary Focus Area of Family Support, First 5 will devote funding through a competitive process to agencies and nonprofits to provide: 1. Parent education and support; 2. Case management; 3. Information and referral/linkages and follow up; and 4. Child and maternal health access. First 5 staff also provides leadership in the area of Family Support by leading efforts to improve the broader system of care for children and families.

In the Primary Focus area of Early Care and Education, First 5 funding and services will support efforts to 1. Improve the quality of existing childcare and preschool services; and 2. Create new quality childcare and preschool services and expand access to them. First 5 staff provides direct services and leadership in this area, and coordinates or contracts with community partners to accomplish the Commission's goals.

Additionally, First 5 will invest in three Secondary Focus Areas: 1. Capacity Building and Systems Change, which provides grants to improve the broader social services system of care supporting children age 0-5; 2. Communications, which will connect parents and the broader community with information on how to support child development and issues important for 0-5 year olds; and 3. Health Insurance and Access for Children, which

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provides health insurance to children age 0-5 who otherwise would be without such coverage.

As the department has developed over the years, First 5 has significantly expanded collaboration with other funders and funding streams. Building on its highly recognized expertise in early child development and skills in service integration and capacity building as well as results based evaluation, First 5 has been highly successful in increasing dollars for the County directive of investing in the critical early years of our children.

2013-14 Anticipated Accomplishments

Administration & Support

First 5 administered and maintained 25 grants and/or contracts totaling \$3.2 million with nonprofits, agencies, school districts, and businesses to serve 0-5 year olds and their families and ensured the highest level of accountability and the proper and effective use of funds in accordance with the intent of Proposition 10 and the will of California voters

First 5 ensured a high level of fiscal control, transparency, accounting, and reporting, meeting all requirements of state law, the rules and regulations of First 5 of California, the County's auditing and fiscal control processes, and an independent third party audit and review of finances.

Program Evaluation and Research

Utilizing UC Santa Barbara as a hub for data aggregation, First 5 maintains a system of data collection and results dissemination with school districts to better track long-term outcomes for children beginning at birth.

First 5 simplified and narrowed the Commission's result areas within its new Strategic Plan to better communicate the impact of the work of First 5 to the greater community.

First 5 published the Commission's Annual Evaluation Report, Community Impact Report and program results within the Commission's website to provide greater access to those documents for the public seeking information on the impact of funded programs.

Children's Wellness and Support

Clients participating in the Front Porch program within the Family Strengthening Initiative showed a drop in recidivism for child abuse reports from 30% in FY 08-09 to 3% in FY 12-13. This was the result of a strong partnership between First 5, the County's Child Welfare System (CWS), Community Action Commission (CAC), and Child Abuse Listening and Mediation (CALM) working to ensure that children are growing up in safer home environments. In FY 12-13, parents receiving services from partners within the Family Strengthening Initiative showed continued improvements in their parenting skills from 74% at intake to 85% at follow up.

Among children served in First 5 funded THRIVE Community Collaboratives, results from the Kindergarten Student Entrance Profile (KSEP) show that the percentage of children rated as "Ready-to-Go" (highest level of school readiness as defined by this screening tool) continue to improve in kindergarten readiness (+11%).

First 5 investments in children's health insurance provided coverage to 110 0-5 year olds who otherwise would have gone without insurance. The Welcome Every Baby Newborn Home Visiting program provided nurse home visits to more than 912-mothers and provided 665 additional child development visits for parents and infants with higher levels of need.

As a result of First 5's investments to increase the level of quality in preschool and childcare services, over 6,500 children are receiving higher quality early care and education services, which helps improve school readiness. A total of 37 child care centers in the County have met the highest standard for early care and education programs with national accreditation, an increase of five

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centers from this past year, and a total rate seven times higher than the State average. Additionally, of approximately 2,000 child care providers in Santa Barbara County, 36% now have Bachelor's degrees, another marker of quality. Moreover, since 2000 First 5 has helped increase the rate of licensed child care spaces per 100 children from 24% to 30%, by providing technical assistance and resources.

2014-16 Objectives

Administration & Support

Ensure a high level of fiscal accountability and oversight in relation to the granting of funds for program purposes and reporting on outcomes to ensure the effective and efficient use of tax payer dollars; compliance with State, local, and other accounting and reporting requirements; and adherence to the will of California voters and Proposition 10.

Program Evaluation and Research

Provide greater access and transparency to interested parties by publishing data, results, and outcomes on an ongoing basis on the Commission's website and other direct communications venues.

Revise current set of program indicators that track results so that they are easier to gather, better communicate, and more accurately reflect, the desired results that are hoped to be achieved.

Increase the ability within First 5 and the broader community to measure outcomes and results on a longitudinal basis.

Children's Wellness and Support

Invest in evidence based programs and strategies serving children and families who are most in need.

Promote, improve, and create systems of evaluating outcomes and results within the social service and educational system serving children age 0-5 to allow for increased longitudinal

measurement of program success and to better inform future strategies.

Implement a new strategy within First 5, in partnership with other funders and providers, to create increased capacity and parental access to high quality preschool and childcare services.

Explore and create new communications and revenue generating strategies to support healthy child development, kindergarten readiness, and increased public support for efforts to meet the needs of 0-5 year olds.

Changes & Operational Impact: 2013-14 Adopted to 2014-15 Recommended

Staffing

No changes in staffing

Expenditures

Net operating expenditure decrease of -
\$135,000:

- +\$78,900, increase in Salaries and Benefits for employee salaries, workers compensation premiums, retirement rate and health insurance increases.
- -\$213,900, decrease in Services and Supplies and Other Charges due to:
 - -\$208,700 decrease in contractual services, legal services, printing, travel costs, grants sun setting, fees charged being reallocated to appropriate line item, increases in county allocation costs, and increase in Early Care and Education grants to the community
 - -\$5,000 decrease in data processing services and liability charges and decreases in telephone services and motor pool
- Net non-operating expenditure decrease of \$9,000 due to a decrease to the fund balance from the FY 2012-13 year-end balancing entry and increase to fund balance to designate unspent grant dollars

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These changes result in recommended operating expenditures of \$4,951,000, non-operating expenditures of \$73,000, resulting in total expenditures of \$5,024,000. Non-operating expenditures primarily include capital assets, transfers, and increases to fund balances.

Revenues

- Net operating revenue increase of \$392,000
 - -\$20,000 Decrease in interest income (interest adjusted to better reflect actual interest earned)
 - -\$3,000 Decrease in State Allocation per revenue projections from Board of Equalization
 - -\$12,500 Decrease in Intergovernmental allocation due to late adjustment in state contract
 - +\$428,000 Increase in miscellaneous revenue and other grants due to receipt of Race to the Top Early Learning Challenge grant supplemental dollars and projected revenue from external contract oversight fees and funds from private foundations to support increased communication strategies
- Net non-operating revenue decrease of \$518,000
 - - The decrease of one-time use of fund balance to fund ongoing operations and release of funds designated for approved projects

These changes result in recommended operating revenues of \$4,751,800 and non-operating revenues of \$272,400 resulting in total revenues of \$5,024,200. Non-operating revenues primarily include transfers, and decreases to fund balances.

Changes & Operational Impact: 2014-15 Recommended to 2015-16 Proposed

First 5 funding is derived mainly from taxes collected on tobacco products. As the number of smokers has decreased in the State, so too has First 5's annual funding. Recognizing this decrease, in 2010 the First 5 Commission approved spending reserves in order to maintain programs and services. The current fiscal strategic plan calls for maintaining a reserve of no less than one year of operational expenses. The Commission maintains by policy that the fund balance should not decrease below two million.

In January 2014 the First 5 Commission approved the 2014-2017 Fiscal Strategic Plan. The plan is designed to communicate the approach for First 5's administrative and programmatic investments as they relate to the 2014-2017 Strategic Plan which was approved by the Commission in November 2013.

The Fiscal plan was developed with the most updated projections presented to First 5 California by the California Department of Finance. These forecasts anticipate an average decline in tobacco tax revenues of 3% over the next three years beginning FY14-15 through FY16-17. Due to decreasing revenue and fund balance, administrative and staffing expenses may need to be decreased starting in 2015-2016.

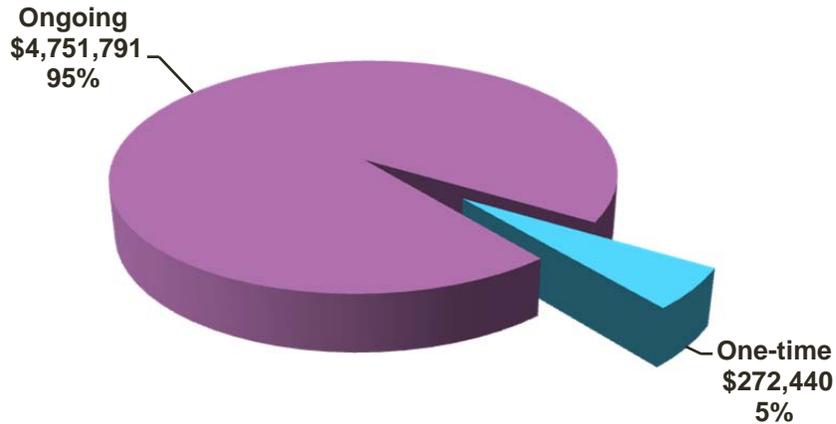
Related Links

For more information on the First 5 Department, refer to the Web site at <http://first5santabarbaracounty.org/>.

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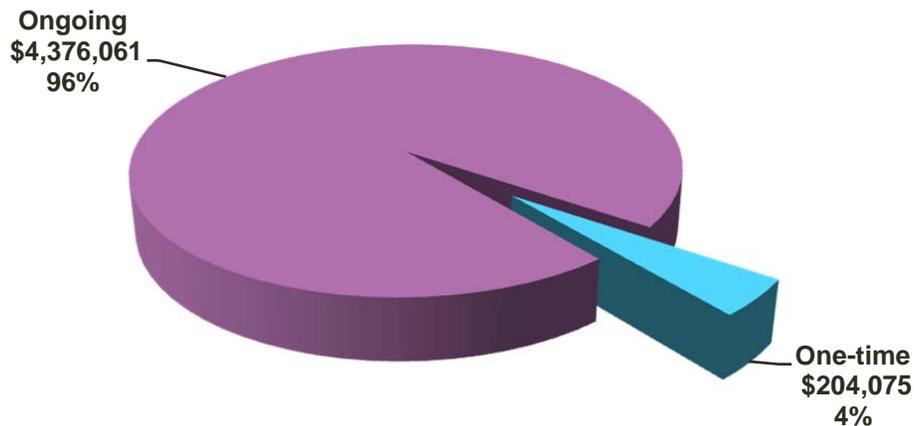
Gap Charts

FY 2014-15 Recommended Budget



The FY 2014-15 Recommended Budget relies on the use of reserve funds in the amount of \$272,440 to fund 5% of the department's ongoing operations. The use of these funds is reflected in the First 5 Commission's approved Long Range Financial Plan.

FY 2015-16 Proposed Budget



The First 5 Commission's approved Long Range Financial Plan projects a decrease in funding in FY 2014-2015, and-FY 2015-2016. It is estimated there will be a 4% budget gap of \$204,075 in FY 2015-2016. To support ongoing operations, the Commission has always planned for monitored contributions from designated reserve to make up a portion of the projected decrease.

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Performance Measures

<u>Description</u>	<u>FY 2011-12 Actual</u>	<u>FY 2012-13 Actual</u>	<u>FY 2013-14 YTD Actual</u>	<u>FY 2014-15 Recommended</u>	<u>FY 2015-16 Proposed</u>
<u>Administration & Support-Providing good stewardship of public dollars</u>					
Number of Community reports providing transparency and communication of results	8	8	8	8	8
Percent of contracted agencies receiving site visits to ensure fiscal accountability	100% 15	100% 12	100% 15	100% 13	100% 13
<u>Program Evaluation and Research-Ensuring program quality and accountability</u>					
Percentage of Families reporting being involved in planning at the service level	Not Used in Prior years	Not Used in Prior years	Not Used in Prior years	75%	77%
Percentage of families reporting that funded programs provide quality services	Not Used in Prior years	Not Used in Prior years	Not Used in Prior years	85%	87%
<u>Children's Wellness and Support-Improving Outcomes for Children</u>					
Number of Early Childhood Education Programs receiving national accreditation with First 5 funded services	32	37	48	55	62
Percentage of First 5 funded Family Support & Early Care and Education service goals achieved	Not Used in Prior years	Not Used in Prior years	Not Used in Prior years	90%	95%
New dollars leveraged with First 5 funds for program enhancement and sustainability	Not Used in Prior years	Not Used in Prior years	Not Used in Prior years	\$10,000	\$600,000
Number of Parents of children 0-5 requesting information & resources in response to First 5 communication efforts	Not Used in prior years	Not Used in prior years	2,500	2,750	3,000

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Budget Overview

	2012-13 Actual	2013-14 Adopted	Change from FY13-14 Ado to FY14-15 Rec	2014-15 Recommended	2015-16 Proposed
Staffing By Budget Program					
Administration & Support	4.00	4.00	-	4.00	4.00
Program Evaluation and Research	1.08	1.05	(0.55)	0.50	0.50
Children's Wellness and Support	8.30	8.95	0.55	9.50	8.50
Total	<u>13.38</u>	<u>14.00</u>	<u>0.00</u>	<u>14.00</u>	<u>13.00</u>
Budget By Budget Program					
Administration & Support	\$ 740,207	\$ 757,200	\$ 18,785	\$ 775,985	\$ 739,037
Program Evaluation and Research	368,480	363,926	(83,662)	280,264	234,820
Children's Wellness and Support	4,563,243	3,965,042	(70,135)	3,894,907	3,603,879
Unallocated	700	-	-	-	-
Total	<u>\$ 5,672,630</u>	<u>\$ 5,086,168</u>	<u>\$ (135,012)</u>	<u>\$ 4,951,156</u>	<u>\$ 4,577,736</u>
Budget By Categories of Expenditures					
Salaries and Employee Benefits	\$ 1,592,002	\$ 1,674,438	\$ 78,928	\$ 1,753,366	\$ 1,730,939
Services and Supplies	4,005,095	3,358,246	(209,688)	3,148,558	2,802,572
Other Charges	75,533	53,484	(4,252)	49,232	44,225
Total Operating Expenditures	<u>5,672,630</u>	<u>5,086,168</u>	<u>(135,012)</u>	<u>4,951,156</u>	<u>4,577,736</u>
Capital Assets	-	-	-	-	-
Other Financing Uses	2,400	2,400	-	2,400	2,400
Increases to Fund Balances	203,526	-	70,675	70,675	-
Fund Balance Impact (+)	-	61,609	(61,609)	-	-
Total	<u>\$ 5,878,556</u>	<u>\$ 5,150,177</u>	<u>\$ (125,946)</u>	<u>\$ 5,024,231</u>	<u>\$ 4,580,136</u>
Budget By Categories of Revenues					
Use of Money and Property	\$ (9,674)	\$ 30,000	\$ (20,000)	\$ 10,000	\$ 10,000
Intergovernmental Revenue	4,280,549	3,928,633	(15,502)	3,913,131	3,827,034
Miscellaneous Revenue	1,261,582	400,679	427,981	828,660	539,027
Total Operating Revenues	<u>5,532,457</u>	<u>4,359,312</u>	<u>392,479</u>	<u>4,751,791</u>	<u>4,376,061</u>
Decreases to Fund Balances	81,013	790,865	(518,425)	272,440	204,075
Fund Balance Impact (-)	265,085	-	-	-	-
Total	<u>\$ 5,878,556</u>	<u>\$ 5,150,177</u>	<u>\$ (125,946)</u>	<u>\$ 5,024,231</u>	<u>\$ 4,580,136</u>

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Staffing Detail

Staffing Detail By Budget Program	2012-13 Actual	2013-14 Adopted	Change from FY13-14 Ado to FY14-15 Rec	2014-15 Recommended	2015-16 Proposed
Administration & Support					
CHILDREN & FAMILY SVCS DIR	1.00	1.00	-	1.00	1.00
FINANCIAL OFFICE PRO	1.00	1.00	-	1.00	1.00
ADMIN OFFICE PRO	1.00	1.00	-	1.00	1.00
BUSINESS MANAGER	1.00	1.00	-	1.00	1.00
Administration & Support Total	4.00	4.00	-	4.00	4.00
Program Evaluation and Research					
PROJECT MANAGER	0.48	0.50	-	0.50	0.50
ADMIN OFFICE PRO	0.61	0.55	(0.55)	-	-
Program Evaluation and Research Total	1.08	1.05	(0.55)	0.50	0.50
Children's Wellness and Support					
PROJECT MANAGER	0.52	0.50	-	0.50	0.50
ADMIN OFFICE PRO	3.39	3.45	0.55	4.00	4.00
PROGRAM MANAGER	1.00	1.00	-	1.00	1.00
FIRST 5 PROGRAM SPECIALIST	3.00	3.00	-	3.00	3.00
CONTRACTOR	0.38	1.00	-	1.00	-
Children's Wellness and Support Total	8.30	8.95	0.55	9.50	8.50
Department Total	13.38	14.00	-	14.00	13.00