



**FIRST 5 SAN MATEO COUNTY
FINANCE AND ADMINISTRATION COMMITTEE MEETING**

DATE: Monday, June 17, 2019
TIME: 9:00 AM to 10:00 AM
ADDRESS: 1700 S. El Camino Real, Suite 405
San Mateo, CA 94402

MEMBERS: Rosanne Foust, Pam Frisella, Alexis Becerra

PUBLIC/COMMUNITY MEMBER: Michael Garb

STAFF: Kitty Lopez, Khanh Chau

AGENDA

1.	Approval of the Finance and Administration Committee Agenda	Foust
2.	Approval of the May 13, 2019 Finance and Administration Committee Meeting Minutes (See Attachment 2)	Foust
3.	Budget Monitoring Report as of May 31, 2019 (See Attachments 3, 3A, 3B, 3C)	Lopez / Chau
4.	Review and Recommend Approval of Correction to F5SMC's FY19-20 Adopted Budget (See Attachment 4, 4A, 4B, 4C)	Lopez / Chau
5.	Review and Recommend Approval of F5SMC's Long-Term Financial Plan LTFP (FY18/19 Update) (See Attachment 5, 5A, 5B)	Lopez / Chau

Next Meeting: August 12, 2019 (July 8 Meeting to be canceled)

**FIRST 5 SAN MATEO COUNTY
FINANCE AND ADMINISTRATION COMMITTEE
MEETING MINUTES**

May 13, 2019

- Commission Member: Rosanne Foust, Pam Frisella, Alexis Becerra
- Public/Community Member: Michael Garb
- Staff: Kitty Lopez, Khanh Chau
- Minutes: Khanh Chau

Public Member Garb asked if Community Member has voting right at the Committee Meeting. Commissioner Foust responded that it depends on the Board. Kitty Lopez will check with county counsel and will provide feedback.

1. Approval of the Finance and Administration Committee Meeting Agenda

A Motion for Approval of the May 13, 2019 Finance and Administration Committee Meeting Agenda was made by Commissioner Foust, seconded by Commissioner Becerra. Unanimously approved.

2. Approval of the September 10, 2018 Finance and Administration Committee Meeting Minutes

A Motion for Approval of the September 10, 2018 Finance and Administration Committee Meeting Minutes was made by Commissioner Foust, seconded by Commissioner Becerra. Unanimously approved.

3. Select Committee Chair

Commissioner Foust was nominated to be served as the Committee Chair. A Motion for selection of Committee Chair was made by Commissioner Becerra, seconded by Commissioner Frisella.

Commissioner Foust asked if Commissioner Frisella would continue serving as Committee Chair for the May 13, 2019 meeting.

4. Budget Monitoring Report as of April 30, 2019

Kitty Lopez provided key highlights of the Budget Monitoring Report as of April 30, 2019. Revenues produce net projections with 5% higher than YTD benchmark due to higher Interest Revenue and the Prop 56 Revenue disbursement. Total Appropriations produce net projections with 19% lower than YTD benchmark due to pending contracting of SPIP 18-20 as the new funding cycle begins, pending billing from various grants, and under spending in various Administrative areas. Ending Fund Balance projection produces 27% higher than the planned budget.

Committee members asked questions about low revenue accruals. Staff Khanh Chau responded that despite our receiving the Non-Prop 10 Grant money in full, such as the Help Me Grow grant, actual grant revenue recognition is based on the grant actual expenditures incurred during the fiscal year and the balance of grant revenue is recorded as Deferred Revenue in the Audit Report.

Committee members also asked questions for clarification regarding two accounts used for Business Travel Expenses and Meeting and Conference Expenses, and Department Employee Training and Human Resources Training. Staff Khanh Chau responded that we are required to use County Chart of Accounts to differentiate those training expenses either conducted by County Human Resources Department or by an outside consultant; similar to that, the Business Travel Expense account is used to record staff travel expenses or hotel accommodation whereas Meeting and Conference Expense account is used to record the Meeting and Conference registrations.

Committee members reviewed the Budget Monitoring Report and had no further questions.

5. Review and Recommend Approval of F5SMC FY 19-20 Policies and Bylaws

Kitty Lopez briefly presented the Administrative Cost Allocation of the amended Administrative Cost Policy, a common practice of many public and non-profit organizations and other First 5 Commissions to reflect the true program costs. Kitty cited her experiences of the rent and IT cost allocations at Samaritan House as examples and added that agency should have been implementing this practice before all along.

Committee members endorsed the Administrative Cost Allocations citing no changes to bottom lines. Committee members reviewed, discussed, and endorsed the amended Administrative Cost Policy with the inclusion of the Administrative Cost Allocation provision. Committee members suggested the reduction of Admin Cost Rate from 15% to 12% for FY 19-20 giving Admin Cost Allocation application.

Committee members also reviewed and endorsed other Policies and Bylaws.

A Motion for Approval of F5SMC FY19-20 Policies and Bylaws was made by Commissioner Foust, seconded by Commissioner Becerra. Unanimously approved.

6. Review of Proposed Shared Operating Cost Allocation to Program

Kitty Lopez cited that, since 2016, with the guide and instruction of the Finance and Administration Committee, we have allocated 100% Salaries and Benefits of Program and Evaluation staff to the Program Appropriation section; we propose further steps in allocating the 27% Shared Admin Staff Time and 50% Shared Operating Costs to Program Appropriations to reflect true program costs; the presented Proposed Shared Operating Cost Allocation to Program reflects reasonable estimates of cost allocation.

Committee members reviewed, discussed, and endorsed the Proposed Shared Operating Cost Allocation to Program for consistent practices and comparable Admin Cost Rate with other F5 Commissions with similar revenue size to F5SMC; said Admin Cost Allocation to Program does not change the bottom line.

Committee members also guided that the allocation is straight forward and there is no need of further staff time study in this regard.

7. Review and Recommend Approval of FY 19-20 Draft Budget

Kitty Lopez briefly presented the FY19-20 Draft Budget in both old and new formats; and highlighted that all increases and decreases in the Program Appropriations reflect the executed contracts and SPIP 18-20 Funding Allocation approved by the Commission.

Committee members reviewed, discussed, and asked questions about staff salaries and benefits and the Reserves. Kitty Lopez responded that staff salaries and benefits increases are set by the County as the result of recent union negotiated changes; the Reserves terminology refers to the Fund Balance held in the Trust account of F5.

Committee members endorsed the recommendation and approval of the FY 19-20 Draft Budget. A Motion for Approval of F5SMC FY19-20 Draft Budget was made by Commissioner Frisella, seconded by Commissioner Becerra. Unanimously approved.

8. Verbal Update:

Staff updated that the Net Pension Liability (NPL) was overstated in last year Audit Report 6.30.2018 which requires a restatement in the upcoming audit report 6.30.2019 to reduce NPL reported in previous year; said error relates to GASB 68 financial reporting only and it does not have fiscal impact to F5SMC's financial records.

Staff reported the procurement process with Request for Quotation for the audit services to various CPA firms and final selection of the R.J. Ricciardi, Inc. (our current auditor) for the upcoming audit services for the year ending 6.30.2019. We only received the quote from R.J. Ricciardi, Inc. firm.

Commissioner Frisella adjourned the meeting at 9:55AM.

DATE: June 17, 2019
TO: First 5 San Mateo County Finance and Administration Committee
FROM: Kitty Lopez, Executive Director
RE: Budget Monitoring Report as of May 31, 2019

BUDGET MONITORING REPORT as of May 31, 2019 HIGHLIGHTS

County's Budget Terminologies

Since March 2018, as County Manager's Office and County Controller's Office requests and F5SMC Commission approval, F5SMC added budget terminologies used by the County to F5SMC Budget for a comparable reading with County internal budget system.

**Total Sources, Net Appropriations, Reserves, Total Requirements are budget terminologies used by the County of San Mateo.*

Budget Monitoring Report as of May 31, 2019 Highlights

The Budget Monitoring Report as of May 31, 2019 is presented in detail as **Attachment 3A** and in summary as **Attachment 3B**. Key Budget Monitoring Report highlights are as following:

YTD Benchmark: 91.7%

REVENUES

- YTD Interest Revenue projection is \$246K or 106%, that represents a positive variance or 14% higher than YTD Benchmark due to higher interest earning rate in the County investment pool.
- YTD Tobacco Tax Revenue projections are \$5.289 million or 99%, that represents 7% positive variance higher than YTD Benchmark.
- YTD F5CA IMPACT Grant Revenue estimate is \$378K or 72% which is below YTD Benchmark by 20% due to slow grant execution of one executing partner in the Communication activities.
- YTD F5 San Francisco IMPACT HUB TA FY18-19 Revenue estimate is \$65K or 92% in line with YTD Benchmark.
- YTD David Lucile Packard Foundation - Help Me Grow Grant Revenue estimate is \$226K or 79% or 13% lower than YTD Benchmark.
- YTD San Bruno Community Foundation - Build up Kids Grant Revenue estimate is \$13.4K or 92% in line with YTD Benchmark.
- YTD Peninsula Healthcare District – Help Me Grow Call Center Grant Revenue estimate is \$23K or 92% in line with YTD Benchmark.
- YTD San Mateo County Health System – Watch Me Grow Clinic Based Services Revenue estimate is \$166K or 92% in line with YTD Benchmark.
- YTD Total Revenues projections are \$6.524 million or 95%, that represents a positive variance or 3% higher than YTD Benchmark. Major attributable factors to this positive variance are associated with higher Interest Revenue and the inclusion of Prop 56 Revenue disbursement.

APPROPRIATIONS

- YTD Program Expenditures projections are \$6.135 million or 74%, that represents a positive variance or 18% below YTD Benchmark. Major contributions to this positive variance are attributable to

Attachment 3

pending planning and contracting of various Strategic Plan Implementation Plan SPIP 18-20 budget lines (PAC, Evaluation, Emerging Project), underspending in F5CA IMPACT Grant and Help Me Grow grants.

Attachment 3C presents Persimmony Grant Budget to Actual YTD 05-31-2019 for those grants using Persimmony Progress Reporting and Billing. This report excludes Consultant contracts that do not use Persimmony Progress Reporting and Billing.

- YTD Administrative Expenditures projections of \$928K or 85% that represents a positive variance or 7% below YTD Benchmark. Major contributions to this positive variance are attributable to underspending in various administrative areas.
- **YTD Total Appropriations (Net Appropriations*)** projections are \$7.063 million or 75%, that represents a positive variance or 17% below YTD Benchmark. Major contributions to this positive variance are attributable to pending planning and contracting of SPIP18-20 as the new funding cycle begins, pending billing from various grants, and under spending in various Administrative areas.

ENDING FUND BALANCE (RESERVES*)

- At this time, we are projecting Ending Fund balance (Reserves*) of \$11.726 million or 121%, that represents a positive variance of 29% or \$2.046 million higher than the planned budget.

Major contributions to this positive variance are attributable to the Beginning Fund Balance Adjustment as the result of the FY17-18 Audit Report, higher Interest Revenue, inclusion of the Prop 56 disbursement, and under spending in both Program and Administrative Appropriations as the new funding cycle begins.

CHALLENGES:

- None at this time.

FIRST 5 SAN MATEO COUNTY

BUDGET MONITORING REPORT AS OF MAY 31 2019

YTD Benchmark: 91.7%

	ORG/ACCT#	FY18-19 Revised Budget	YTD May 31, 2019	Accruals*	YTD Combined	% YTD Combined	Note
REVENUE							
FUND BALANCE BEGINNING (BEGINNING RESERVES*)		12,265,268	12,265,268		12,265,268		Beginning Fund Balance is adjusted as the FY17-18 Audit report.
Interest	19510-1521	231,958	207,549	38,660	246,209	106%	\$39K are April & May'19 Interest Revenue estimates.
Tobacco Tax Revenue (Prop 10 and Prop 56)	19510-1861	5,344,804	3,953,562	1,336,201	5,289,763	99%	New projections FY18-19 are \$5.301 M. \$1.336 Mio are Mar/April/May' 19 Tobacco Tax Revenue estimates
F5CA IMPACT Grant	19510-1861	524,000	159,641	218,333	377,974	72%	\$218K are is Q3' 19 and April May '19 Revenue estimates.
F5SF IMPACT HUB TA FY18-19	19510-2643	70,903		64,994	64,994	92%	\$65K are Q1, Q2, and Q3'19 Revenue estimates.
David Lucile Packard Foundation - Help Me Grow Grant	19510-2643	285,000		226,480	226,480	79%	\$107K are Q1'19 & Q2'19 revenue accruals & \$119K 5 months Revenue estimates. Pending request of grant no cost extension.
San Bruno Community Foundation - Build-Up Kids Grant	19510-2643	14,709		13,483	13,483	92%	\$13.5K are Q1, Q2, Q3 Revenue estimates. Received full grant award amount.
Peninsula Healthcare District - Help Me Grow Call Center Grant	19510-2643	25,000		22,917	22,917	92%	\$23K are Q1'19 & Q2'19 & Q3'19 Revenue estimates. Received full grant award amount.
San Mateo County Health System - WMG Clinic Based Services Grant	19510-2643	181,383		166,268	166,268	92%	\$166K are Q1'19 & Q2'19 & Q3'19 Revenue estimates.
GILEAD - Build Up Kids Facilities Grant	19510-2643	50,000		50,000	50,000	100%	Received full grant award amount.
San Mateo County Human Services Agency - Build Up Kids Facilities Grant	19510-2643	130,000	65,000		65,000	50%	2-year Grant FY18-20.
F5SMC Wellness Grant	19510-2658	777	777		777	100%	
Miscellaneous Reimbursements	19510-2647						
TOTAL REVENUES		6,858,534	4,386,529	2,137,336	6,523,865	95%	Positive variances due to higher Interest Revenue and inclusion of Prop 56 revenue disbursement.
TOTAL AVAILABLE FUNDS (TOTAL SOURCES*)		19,123,802	16,651,797	2,137,336	18,789,133	98%	
APPROPRIATIONS							
1. PROGRAMS							
Family Engagement	19540-6125	1,775,541	1,345,016	295,924	1,640,940	92%	\$296K are April & May'19 expenditure estimates
Child Health & Development	19540-6156	1,563,670	820,545	260,612	1,081,157	69%	\$260K are April/ May'19 expenditure estimates; 2 leverage funding contracts are paid out first from the David Lucile Packard Foundation fund.
SPIP 15-18 Carry Over	19540-6156	100,000			0	0%	
Early Learning	19540-6263	1,628,259	992,373	271,377	1,263,750	78%	\$271K are April/May'19 expenditure estimates
Policy Advocacy, Communications & Systems Change	19540-6814	559,905	264,423	93,318	357,740	64%	\$93K are Q3'19 and April'19 expenditure estimates
SPIP 15-18 Carry Over	19540-6814	40,000			0	0%	Pending SPIP15-18 carry-over contracting
Other Communications - Sponsorship	19540-6814	10,000	6,500	0	6,500	65%	
Emerging Projects	19540-6814	200,000	15,977	50,000	65,977	33%	\$50K are March/ April/ May'19 expenditure estimates.
Kit for New Parent KNP (KNP)	19540-6814	62,000	51,754		51,754	83%	FY17-18 KNP kit components are received and paid in FY18-19

	ORG/ACCT#	FY18-19 Revised Budget	YTD May 31, 2019	Accruals*	YTD Combined	% YTD Combined	Note
Regional Cost Sharing	19540-6814	45,000	0	0	0	0%	No activities at this time.
Program Salary & Benefits		591,149	501,219		501,219	85%	
Grant Management and Big Data	19540-6265	100,000	72,672	16,667	89,339	89%	\$16.6K are April & May'19 expenditure estimates.
Other Evaluation Projects	19540-6265	145,000			0	0%	Pending planning and SPIP18-20 contracting
Evaluation - Salaries & Benefits		161,632	145,883		145,883	90%	
David Lucile Packard Foundation grant - Help Me Grow Grant	19540-6131	255,000	151,814	42,500	194,314	76%	\$42K are April & May'19 expenditure estimates.
San Bruno Community Foundation grant - Build-Up Kids	19540-6131	14,709	8,709	2,452	11,161	76%	\$2.50K is April & May'19 expenditure estimates.
Peninsula Healthcare District - Help Me Grow Call Center Grant	19540-6131	25,000			0	0%	Pending contracting
San Mateo County Health System - WMG Clinic Based Services Grant	19540-6131	181,383	114,611	30,231	144,842	80%	\$30K are April & May'19 expenditure estimates
Help Me Grow Centralized Access Point and Family & Community Outreach Providers	19540-6131	181,625	64,179	30,271	94,450	52%	\$30K are April & May'19 expenditure estimates
GILEAD - Build Up Kids Facilities Grant	19540-6131	50,000		50,000	50,000	100%	\$50K is expenditure estimate. Pending MOU development for the Build Up Capital Fund
San Mateo County Human Services Agency - Build Up Kids Facilities Grant	19540-6131	130,000		65,000	65,000	50%	\$65K is expenditure estimate. Pending MOU development for the Build Up Capital Fund
F5SF IMPACT HUB TA FY18-19	19540-6126	65,231		59,795	59,795	92%	\$48.9K is Q1, Q2, and Q3'19 expenditure estimates.
F5CA IMPACT Grant	19540-6126	461,266	234,378	76,878	311,256	67%	\$76K are April, and May'19 expenditure estimates.
TOTAL PROGRAM APPROPRIATIONS		8,346,370	4,790,053	1,345,021	6,135,074	74%	Positive variances due to pending planning and contracting of PAC, Evaluations, Emerging Projects budget lines.
2. ADMINISTRATIVE							
Salaries and Benefits		672,719	602,745		602,745	90%	
Services and Supplies							
Outside Printing & Copy Svc	19510-5191	2,000			-	0%	No outside printing at this time
General Office Supplies	19510-5193	12,500	8,239	500	8,739	70%	\$500 are expenditure estimates for pending planning of office supply purchase
Photocopy Lease & Usage	19510-5196	2,000	1,155		1,155	58%	
Computer Supplies	19510-5211	13,000	6,207	2,500	8,707	67%	\$2.5K is expenditure estimate for a new laptop purchase.
County Memberships - (e.g. F5 Assn Dues)	19510-5331	15,000	13,545		13,545	90%	
Auto Allowance	19510-5712	11,000	10,008		10,008	91%	
Meetings & Conference Expense	19510-5721	12,000	7,235	3,000	10,235	85%	\$3K are expenditure estimates for various program conference registrations
Commissioners Meetings & Conference Exp	19510-5723	8,000	5,005		5,005	63%	
Other Business Travel Expense	19510-5724	5,000	2,816	1,800	4,616	92%	\$1.8K are expenditure estimates for staff travel expenses to various program conferences
Dept. Employee Training Expense	19510-5731	8,000	3,586		3,586	45%	No planning of agencywide staff training and professional development at this time.
Wellness grant	19510-5856	777	733		733	94%	Wellness grant
Other Professional Services	19510-5858	60,000	29,509		29,509	49%	Various consultant contracts ended.
Sub Total - Services & Supplies		149,277	88,038	7,800	95,838	64%	

	ORG/ACCT#	FY18-19 Revised Budget	YTD May 31, 2019	Accruals*	YTD Combined	% YTD Combined	Note
Other Charges							
Telephone Service Charges	19510-6712	4,000	2,896		2,896	72%	
Automation Services - ISD	19510-6713	48,000	36,478		36,478	76%	
Annual Facilities Lease	19510-6716	92,000	87,103	-	87,103	95%	
General Liability Insurance	19510-6725	7,500	6,001		6,001	80%	
Official Bond Insurance	19510-6727	600	209		209	35%	
Human Resources Services	19510-6733	2,000	269	-	269	13%	No agencywide staff training and professional development held by Human Resources Department at this time.
Countywide Security Services	19510-6738	500	450	-	450	90%	
All Other Service Charges	19510-6739	53,000	31,745	3,217	34,962	66%	\$1.8K is April expenditure accrual and \$1.5K is May'19 expenditure estimate of County Counsel services
A-87 Expense	19510-6821	67,700	60,995		60,995	90%	
Sub Total - Other Charges		275,300	226,146	3,217	229,363	83%	
TOTAL ADMINISTRATIVE APPROPRIATIONS		1,097,296	916,929	11,017	927,946	85%	Positive variances due to under spending in various Administrative budget lines.
Administrative Cost %		12%	16%	1%	13%		
TOTAL APPROPRIATIONS (NET APPROPRIATIONS*)		9,443,666	5,706,982	1,356,038	7,063,020	75%	Positive variances due to pending planning and contracting of various SPIP budget lines and pending billing from various contractors
ENDING FUND BALANCE (ENDING RESERVES*)		9,680,136	10,944,815	781,298	11,726,113	121%	Positive variances due to higher Interest Revenue and Prop 56 disbursement and under spending in both Program and Administrative Appropriations
Program Staff		591,149	501,219	-	501,219	85%	
Evaluation Staff		161,632	145,883	-	145,883	90%	
Admin Staff		672,719	602,745	-	602,745	90%	
Total Salaries and Benefits		1,425,500	1,249,847	0	1,249,847	88%	Positive variance due to County delayed posting of various payroll costs

	ORG/ACCT#	FY18-19 Revised Budget	YTD May 31, 2019	Accruals*	YTD Combined	% YTD Combined	Note
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Note 1:

At the March 26, 2018 Commission Meeting, Commission reviewed and approved the use of Reserves* to fund the approved FY17-18 Revised Budget. At the same time moving forward, F5SMC will add budget terminologies used by the County to F5SMC Budget for a comparable reading with County internal budget system.

*Total Sources, Net Appropriations, Reserves, Total Requirements with asterisk * are budget terminologies used by the County of San Mateo.

Note 2:

This Budget Monitoring Report is presented in a Hybrid Format as per suggestion of Finance and Administration Committee members.

The YTD Actuals column reflects Actual Revenues and Actual Expenditures reported in Countywide OFAS Accounting System.

The YTD Accruals* (with an asterisk) column is a hybrid presentation using Modified Accrual Accounting or Projections. When Revenue and Expenditures are not measurable in monetary terms or are not available, Committee members suggest to make a Projection for the reporting month.

Technical Terms

1. Modified Accrual

Under Modified Accrual, Revenue is recognized and recorded when measurable and available to finance the expenditures of the current period; Available, under Modified Accrual, means collectible within the current period or soon enough to be used to pay liabilities of the current period; Measurable means quantifiable in monetary terms. Per F5CA, Prop 10 Tax Revenue is recorded when the Prop 10 Tax Revenue is posted on the F5CA website.

Expenditures are recognized and recorded when the related liability incurred with some exceptions.

2. Internal Reporting

The Budget Monitoring Report is an internal report, typically is designed to accomplish two goals:

- (a) allows management to monitor compliance with legal and contractual provisions applicable to the management of public funds; and
- (b) provides management with the information on current performance that it needs to make future financial plans.

Because internal reports are designed to serve the needs of management, management is free to select the format and content it believes is most relevant, with timeliness being a key consideration for their use as monitoring or planning documents.

References

1. Modified Accrual: Becker CPA Review, Financial, 2009 Edition Textbook, page F8-12
2. Internal Reporting: First 5 Association of California - Financial Management Guide - Fifth Edition, 2015, Updated 12/15/15, page 51

FIRST 5 SAN MATEO COUNTY

BUDGET MONITORING REPORT AS OF MAY 31 2019

SUMMARY

YTD Benchmark: 91.7%

	FY18-19 Revised Budget	YTD May 31, 2019	Accruals*	YTD Combined	% YTD Combined	Note
REVENUE						
FUND BALANCE BEGINNING (BEGINNING RESERVES*)	12,265,268	12,265,268	-	12,265,268		
Interest	231,958	207,549	38,660	246,209	106%	\$39K are April & May'19 Interest Revenue estimates.
Tobacco Tax Revenue (Prop 10 and Prop 56)	5,344,804	3,953,562	1,336,201	5,289,763	99%	New projections FY18-19 are \$5.301 M. \$1.336 Mio are Mar/April/May' 19 Tobacco Tax Revenue estimates
F5CA IMPACT Grant	524,000	159,641	218,333	377,974	72%	\$218K are is Q3' 19 and April May '19 Revenue estimates.
F5SF IMPACT HUB TA FY18-19	70,903	-	64,994	64,994		\$65K are Q1, Q2, and Q3'19 Revenue estimates.
David Lucile Packard Foundation - Help Me Grow Grant	285,000	-	226,480	226,480	79%	\$107K are Q1'19 & Q2'19 revenue accruals & \$119K 5 months Revenue estimates. Pending request of grant no cost extension.
San Bruno Community Foundation - Build-Up Kids Grant	14,709	-	13,483	13,483	92%	\$13.5K are Q1, Q2, Q3 Revenue estimates. Received full grant award amount.
Peninsula Healthcare District - Help Me Grow Call Center Grant	25,000	-	22,917	22,917	92%	\$23K are Q1'19 & Q2'19 & Q3'19 Revenue estimates. Received full grant award amount.
San Mateo County Health System - WMG Clinic Based Services Grant	181,383		166,268	166,268	92%	\$166K are Q1'19 & Q2'19 & Q3'19 Revenue estimates.
GILEAD - Build Up Kids Facilities Grant	50,000		50,000	50,000	100%	Received full grant award amount.
San Mateo County Human Services Agency - Build Up Kids Facilities Grant	130,000		-	65,000	50%	2-year Grant FY18-20.
F5SMC Wellness Grant	777	777	-	777	100%	-
Miscellaneous Reimbursements	-	-	-	-		-
TOTAL REVENUES	6,858,534	4,386,529	2,137,336	6,523,865	95%	Positive variances due to higher Interest Revenue and inclusion of Prop 56 revenue disbursement.
TOTAL AVAILABLE FUNDS (TOTAL SOURCES*)	19,123,802	16,651,797	2,137,336	18,789,133	98%	
APPROPRIATIONS						
1. PROGRAMS						
Family Engagement	1,775,541	1,345,016	295,924	1,640,940	92%	\$296K are April & May'19 expenditure estimates
Child Health & Development	1,563,670	820,545	260,612	1,081,157	69%	\$260K are April/ May'19 expenditure estimates; 2 leverage funding contracts are paid out first from the David Lucile Packard Foundation fund.
SPIP 15-18 Carry Over	100,000	0	0	0	0%	0
Early Learning	1,628,259	992,373	271,377	1,263,750	78%	\$271K are April/May'19 expenditure estimates
Policy Advocacy, Communications & Systems Change	559,905	264,423	93,318	357,740	64%	\$93K are Q3'19 and April'19 expenditure estimates
SPIP 15-18 Carry Over	40,000	0	0	0	0%	Pending SPIP15-18 carry-over contracting
Other Communications - Sponsorship	10,000	6,500	0	6,500	65%	0
Emerging Projects	200,000	15,977	50,000	65,977	33%	\$50K are March/ April/ May'19 expenditure estimates.
Kit for New Parent KNP (KNP)	62,000	51,754	0	51,754	83%	FY17-18 KNP kit components are received and paid in FY18-19

	FY18-19 Revised Budget	YTD May 31, 2019	Accruals*	YTD Combined	% YTD Combined	Note
Regional Cost Sharing	45,000	0	0	0	0%	No activities at this time.
Program Salary & Benefits	591,149	501,219	0	501,219	85%	
Grant Management and Big Data	100,000	72,672	16,667	89,339	89%	\$16.6K are April & May'19 expenditure estimates.
Other Evaluation Projects	145,000	0	0	0	0%	Pending planning and SPIP18-20 contracting
Evaluation - Salaries & Benefits	161,632	145,883	0	145,883	90%	
David Lucile Packard Foundation grant - Help Me Grow Grant	255,000	151,814	42,500	194,314	76%	\$42K are April & May'19 expenditure estimates.
San Bruno Community Foundation grant - Build-Up Kids	14,709	8,709	2,452	11,161	76%	\$2.50K is April & May'19 expenditure estimates.
Peninsula Healthcare District - Help Me Grow Call Center Grant	25,000	0	0	0	0%	Pending contracting
San Mateo County Health System - WMG Clinic Based Services Grant	181,383	114,611	30,231	144,842	80%	\$30K are April & May'19 expenditure estimates
Help Me Grow Centralized Access Point and Family & Community Outreach Providers	181,625	64,179	30,271	94,450	52%	\$30K are April & May'19 expenditure estimates
GILEAD - Build Up Kids Facilities Grant	50,000	0	50,000	50,000	100%	\$50K is expenditure estimate. Pending MOU development for the Build Up Capital Fund
San Mateo County Human Services Agency - Build Up Kids Facilities Grant	130,000	0	65,000	65,000	50%	\$65K is expenditure estimate. Pending MOU development for the Build Up Capital Fund
F5SF IMPACT HUB TA FY18-19	65,231	0	59,795	59,795	92%	\$48.9K is Q1, Q2, and Q3'19 expenditure estimates.
F5CA IMPACT Grant	461,266	234,378	76,878	311,256	67%	\$76K are April, and May'19 expenditure estimates.
TOTAL PROGRAM APPROPRIATIONS	8,346,370	4,790,053	1,345,021	6,135,074	74%	Positive variances due to pending planning and contracting of PAC, Evaluations, Emerging Projects budget lines.
2. ADMINISTRATIVE						
Salaries and Benefits	672,719	602,745	0	602,745	90%	
Sub Total - Services & Supplies	149,277	88,038	7,800	95,838	64%	0
Sub Total - Other Charges	275,300	226,146	3,217	229,363	83%	-
TOTAL ADMINISTRATIVE APPROPRIATIONS	1,097,296	916,929	11,017	927,946	85%	Positive variances due to under spending in various Administrative budget lines.
Administrative Cost %	12%	16%	1%	13%		
TOTAL APPROPRIATIONS (NET APPROPRIATIONS*)	9,443,666	5,706,982	1,356,038	7,063,020	75%	Positive variances due to pending planning and contracting of various SPIP budget lines and pending billing from various contractors
ENDING FUND BALANCE (ENDING RESERVES*)	9,680,136	10,944,815	781,298	11,726,113	121%	Positive variances due to higher Interest Revenue and Prop 56 disbursement and under spending in both Program and Administrative Appropriations
Total Salaries and Benefits	1,425,500	1,249,847	0	1,249,847	88%	Positive variance due to County delayed posting of various payroll costs

Budget vs Actual with Invoice Totals

Clinic-Based Services, Close the Gap 18-20, Communications, ECLDI-FE 18-20, EQ+IP 18-20, Grants Mgmt & Data System, Healthy Homes 18-20, Help Me Grow CAP & FCOP, Help Me Grow Consultation, IMPACT 4Cs, IMPACT SMCOE: Accountability, IMPACT SMCOE: Quality, Oral Health Services 18-20, SHEC, Socios for Success 18-20, Suenos Unidos PPP 18-20, TCD, Thriving Families, Watch Me Grow 18-20

Invoice Period From: 7/1/2018 To: 03/31/2019

Grouped By: Contract Manager Sub-Contractors Excluded From Totals

Contract #	Agency Program	Q1 Invoice	Q2 Invoice	Q3 Invoice	Q4 Invoice	Annual Budget	Total YTD Expenditures	% Expended	Contract Balance
Emily Roberts									
2019-D009	Ravenswood Family Health Cent Oral Health Services 18-20	\$61,710.96	\$62,517.35	\$61,360.79	\$0.00	\$250,000.00	\$185,589.10	74.24%	\$64,410.90
2019-D010	Community Gatepath Watch Me Grow 18-20	\$114,337.50	\$218,325.60	\$258,075.86	\$0.00	\$1,025,256.00	\$590,738.96	57.62%	\$434,517.04
2019-D016	Community Gatepath Clinic-Based Services	\$35,772.48	\$15,605.67	\$63,233.06	\$0.00	\$181,382.50	\$114,611.21	63.19%	\$66,771.29
2019-D017	Daly City Partnership SHEC	\$7,390.00	\$14,016.50	\$10,949.00	\$0.00	\$36,932.50	\$32,355.50	87.61%	\$4,577.00
2019-D019	Community Gatepath Help Me Grow CAP & FCOP	\$0.00	\$15,570.98	\$48,608.20	\$0.00	\$181,625.38	\$64,179.18	35.34%	\$117,446.20
County					Total:	\$1,675,196.38	\$987,473.95	58.95%	\$687,722.43
Jenifer Clark									
2019-D012	San Mateo County Office of Edu EQ+IP 18-20	\$322,498.66	\$347,563.20	\$322,311.22	\$0.00	\$1,565,000.00	\$992,373.08	63.41%	\$572,626.92
2019-D013	Persimmony International, Inc Grants Mgmt & Data System	\$24,224.00	\$24,224.00	\$24,224.00	\$0.00	\$96,896.00	\$72,672.00	75.00%	\$24,224.00
County					Total:	\$1,661,896.00	\$1,065,045.08	64.09%	\$596,850.92
Karen Pisani									
2019-D001	Peninsula Family Service TCD	\$54,929.43	\$54,567.74	\$71,715.54	\$0.00	\$224,199.99	\$181,212.71	80.83%	\$42,987.28

Budget vs Actual with Invoice Totals

Invoice Period From: 7/1/2018 To: 03/31/2019

Sub-Contractors Excluded From Totals

Grouped By: Contract Manager

Contract #	Agency Program	Q1 Invoice	Q2 Invoice	Q3 Invoice	Q4 Invoice	Annual Budget	Total YTD Expenditures	% Expended	Contract Balance	
2019-D002	Family Connections Thriving Families	\$49,956.00	\$49,956.00	\$51,057.75	\$0.00	\$199,823.99	\$150,969.75	75.55%	\$48,854.24	
2019-D003	StarVista Healthy Homes 18-20	\$267,847.26	\$260,579.00	\$274,646.00	\$0.00	\$1,083,781.00	\$803,072.26	74.10%	\$280,708.74	
2019-D004	San Mateo County Office of Edu ECLDI-FE 18-20	\$42,528.26	\$56,117.68	\$49,690.74	\$0.00	\$214,459.54	\$148,336.68	69.17%	\$66,122.86	
2019-D006	Redwood City 2020 Socios for Success 18-20	\$7,126.40	\$0.00	\$0.00	\$0.00	\$30,000.00	\$7,126.40	23.75%	\$22,873.60	
2019-D007	Puente de la Costa Sur Suenos Unidos PPP 18-20	\$12,733.62	\$13,439.60	\$13,306.06	\$0.00	\$53,276.94	\$39,479.28	74.10%	\$13,797.66	
County						Total:	\$1,805,541.46	\$1,330,197.08	73.67%	\$475,344.38
Michelle Blakely										
2016-D016-	San Mateo County Office of Edu IMPACT SMCOE: Quality	\$24,817.85	\$35,114.96	\$35,652.20	\$0.00	\$184,151.93	\$95,585.01	51.91%	\$88,566.92	
2016-D017	4Cs IMPACT 4Cs	\$5,536.47	\$6,600.08	\$8,386.56	\$0.00	\$60,844.04	\$20,523.11	33.73%	\$40,320.93	
2016-DO16	San Mateo County Office of Edu IMPACT SMCOE: Accountability	\$36,829.51	\$31,433.48	\$27,429.17	\$0.00	\$186,270.79	\$95,692.16	51.37%	\$90,578.63	
2019-D014	Silicon Valley Community Found Close the Gap 18-20	\$15,967.26	\$29,745.98	\$16,891.93	\$0.00	\$105,000.00	\$62,605.17	59.62%	\$42,394.83	
County						Total:	\$536,266.76	\$274,405.45	51.17%	\$261,861.31

Budget vs Actual with Invoice Totals

Invoice Period From: 7/1/2018 To: 03/31/2019

Sub-Contractors Excluded From Totals

Grouped By: Contract Manager

Contract # Program	Agency	Q1 Invoice	Q2 Invoice	Q3 Invoice	Q4 Invoice	Annual Budget	Total YTD Expenditures	% Expended	Contract Balance
				County					
					Grand Total:	\$5,678,900.60	\$3,657,121.56	64.40%	\$2,021,779.04

DATE: June 17, 2019
TO: First 5 San Mateo County Finance and Administration Committee
FROM: Kitty Lopez, Executive Director
RE: Review and Recommend Approval of the Correction to F5SMC's FY 2019-20 Adopted Budget

ACTION REQUESTED

Review and Recommend Approval of the Correction to F5SMC's FY 2019-20 Adopted Budget

CORRECTION TO THE F5SMC'S FY 2019-20 Adopted Budget

Commission approved and adopted the F5SMC's FY 2019-20 Draft Budget at the May 20, 2019 Commission Meeting (Attachments 4A and 4B)

1. **Corrected Budget Deficit Amount:** There is one mathematical error in the Budget Deficit amount of \$2,486,370 presented on the Budget Memo of the F5SMC's FY 2019-20 Draft Budget (Attachment 4A), which should be read as **\$3,201,836**. Budget Summary and correction are presented in the following table:

	FY19-20 Adopted Budget Presented on Attachment 4A	Corrected Budget Deficit Amount of FY 19-20 Adopted Budget
Revenues		
• Beginning Fund Balance FY 2019-20 (<i>Fund Balance*</i>)	10,430,525	
• Projected Total Revenues	6,513,223	
• Total Available Funds (<i>Total Sources*</i>)	16,943,748	
Appropriations		
• Total Program Appropriations	8,990,817	
• Total Administrative Appropriations	724,242	
Total Appropriations (<i>Net Appropriations*</i>)	9,715,059	
Ending Fund Balance, FY2019- 20 (<i>Reserves*</i>)	7,228,689	
Surplus / (Deficit) (<i>Total Revenues – Net Appropriations*</i>)	(\$2,486,370)	(\$3,201,836)

2. **Corrected Fiscal Impacts:** As the result of the correction to the Budget Deficit amount, the Corrected Fiscal Impacts should be read as following:
- FY 2019-20 Draft Budget has a budget deficit of **\$3,201,836** due to F5SMC investing in Community with higher fiscal Appropriations than its fiscal Revenue, as per F5SMC's Strategic Plan.
 - F5SMC draws down **\$3,201,836** from Ending Fund Balance (Reserves*) to fund its FY 2019-20 Adopted Budget.
3. Other budget information and FY 2019-20 Budget spreadsheet (Attachment 4B, 4C) are correct.
4. This memo should be read in conjunction with Attachments 4A, 4B, and 4C.

ACTION

Review and Recommend Approval of the Correction to F5SMC's FY 2019-20 Adopted Budget.

DATE: May 20, 2019
TO: First 5 San Mateo County Commission
FROM: Kitty Lopez, Executive Director
RE: Approval of F5SMC's FY 2019-20 Draft Budget and the Use of Ending Fund Balance (Reserves*) to Fund F5SMC's FY 2019-20 Adopted Budget

ACTION REQUESTED

Approval of F5SMC's FY 2019-20 Draft Budget and the Use of Ending Fund Balance (Reserves*) to Fund F5SMC's FY 2019-20 Adopted Budget

BACKGROUND

Finance and Administration Committee met on Monday May 13, 2019. Finance Committee members reviewed the proposed FY 2019-20 Draft Budget presented in both old budget format and in new budget format. Committee members endorsed the Approval of F5SMC's FY 2019-20 Draft Budget.

BUDGET ASSUMPTIONS

- Projected Interest earning rate of 1.5% on the projected Ending Fund Balance of FY 2018-19;
- An official Tobacco Tax Revenue Projection from the California Department of Finance based on the actual birth rate in each county will be released at the end of May 2019;
- Continue contracting of the Strategic Plan Implementation Plan (SPIP) Funding Allocations FY 2018-20, that was approved at the August 27, 2017 Commission Meeting;
- Honor 100% executed contract obligations of the SPIP FY 2018-20 contracts;
- Continue efforts in Policy Advocacy, Communication, and System Changes (PAC) and exploration of new revenue source acquisition;
- Continue execution of F5CA IMPACT Grant, Help Me Grow Grant, Watch Me Grow – Clinic Based Services Grant; Build-Up SMC Children's Facilities Grant;
- Inclusion of 3% COLA as the result of the recent union negotiated changes and 6% healthcare cost increase in staff Salaries and Benefits projections;
- 100% Program and Evaluation Staff's Salaries and Benefits are allocated in the Program Appropriations section as previously guided and approved by the Finance and Administrative Committee and Commission.
- **Shared Operating Budget Allocations (New):** Allocation Rate: 50% Shared Operating Budget and 27% Shared Admin Staff Time to Program Appropriation section.

PROPOSED FY 2019-20 DRAFT BUDGET

The Proposed FY 2019-20 Draft Budget is presented in **Attachment 4B** (new budget format) and Shared Operating Budget is presented in Schedule 1 of **Attachment 4C**. Increases and decreases in the Proposed Budget reflect all approved contracts and SPIP funding allocations.

*Please read the memo in conjunction with the Budget Spreadsheets.

- A. Revenues Budget is \$6.513 M** or a net decrease of \$345K or 5% decrease.

Major contributions to the net decreases in Revenue budget are associated with the decreases in Interest Revenue and Tobacco Tax Revenue, and the sunset of various Non-

Tobacco Tax Grants that offset the increases in F5CA Impact Grant Revenue and the Watch Me Grow – Clinic Based Services Grant Revenue.

B. Program Appropriations Budget is \$8.991 M or a net increase of \$826K or 10% increase.

Major contributions to the net increases in Program Appropriations are associated with honoring 100% of executed contract obligations, continuing contracting of the approved PIP 18-20 funding allocations, increase execution of the Watch Me Grow - Clinic Based Services grant, increases in Program Staff salaries and benefits, and allocation of Shared Operating Budget.

C. Administrative Appropriations Budget is \$724K or \$373K net decrease or 22% decrease.

Major contributions to the net decreases in Administrative Appropriations are associated with the allocation of Shared Operating Budget and Admin Staff time to Program section.

D. Shared Operating Budget is \$396K or \$29K net decrease or 7% decrease

Services & Supplies is \$144K or \$5K net decrease or 3% decrease.

Major contributions to the net decreases in Services and Supplies budget are associated with combined decreases in various Administrative Budget Lines.

Other Charges is \$251K or \$24K net decrease or 9% decrease.

Major contributions to the net decreases in Other Charges budget are associated with the decrease in the A-87 County Indirect Cost allocation.

\$198K Shared Operating Budget is allocated to Program, allocation rate 50%

\$198K Shared Operating Budget is allocated to Admin, allocation rate 50%

E. Salaries and Benefits Budget is \$1.502 M or \$77K increase or 5% increase.

Major contributions to net increases in Salaries and Benefits area associated with 3% COLA inclusion and 6% of healthcare cost increase projections.

Inclusion in the Salaries and Benefits Budget, there are:

- ✓ \$80K of Salaries and Benefits Budget or 0.5FTE equivalent position that will be funded from the F5SMC's Base Layer Funding of the F5CA IMPACT Grant and the Help Me Grow Grant
- ✓ \$195K or 27% Shared Admin Staff time is allocated to Program, allocation rate 27%

F. FY 2019-20 ENDING FUND BALANCE (Reserves*):

Ending Fund Balance (Reserves*) is \$7.229 M or 27% decrease or \$2.633 M decrease.

Major contributions to the net decreases in Ending Fund Balance (Reserves*) are associated with higher Community Investments than agency fiscal Revenue, as per the F5SMC's Strategic Plan Implementation.

I. FY 2019-20 DRAFT BUDGET SUMMARY

FY 2019-20 Draft Budget is presented in **Attachment 4B** and is summarized as following:

	FY19-20 Draft Budget	Variances vs FY18-19 Revised Budget
REVENUE		
• Beginning Fund Balance FY 2019-20 (<i>Fund Balance*</i>)	10,430,525	-15%
• Projected Total Revenues	6,513,223	-5%
• Total Available Funds (<i>Total Sources*</i>)	\$16,943,748	-11%
PROGRAM APPROPRIATIONS		
• Program Appropriations	7,817,140	15%
• Program staff's salaries and benefits	607,381	3%
• Evaluation staff's salaries and benefits	173,784	8%
• Shared Operating Budget	197,800	
• Shared Admin Staff time	194,712	
• Total Program Appropriations	\$8,990,817	10%
ADMINISTRATIVE APPROPRIATIONS		
• Shared Operating Budget	197,800	
• Admin Salaries and Benefits	526,442	-22%
• Total Administrative Appropriations	\$724,242	-22%
TOTAL APPROPRIATIONS (<i>Net Appropriations*</i>)	\$9,715,059	5%
ENDING FUND BALANCE, FY2018-19 (<i>Reserves*</i>)	\$7,228,689	-27%
SURPLUS / (DEFICIT) (<i>Total Revenues – Net Appropriations*</i>)	(\$2,486,370)	

- *Total Sources*, Net Appropriations*, Reserves*, Total Requirements* are budget terminologies used by the County of San Mateo. Since March 2018, F5SMC have added budget terminologies used by the County to F5SMC Budget*

II. ISSUE TO CONSIDER

- We anticipate having FY 2019-20 Budget Revision in February 2020 once (1) all funding of Cycle 4 contracts are fully executed and (2) FY 2018-19 under spending funds of various grants become available after FY 2018-19 financial audit completion.

III. FISCAL IMPACT

- Admin cost rate of 9% is within the current approved Admin Cost Rate Policy.
- FY 2019-20 Draft Budget has a budget deficit of \$2,486,370 due to F5SMC investing in Community with higher fiscal Appropriations than agency fiscal Revenue, as per F5SMC's Strategic Plan.
- F5SMC draws down \$2,486,370 from Ending Fund Balance (Reserves*) to fund its FY 2019-20 Adopted Budget.

ACTION




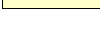
Approval of F5SMC's FY 2019-20 Draft Budget and the Use of Ending Fund Balance (Reserves*) to Fund F5SMC's FY 2019-20 Adopted Budget.

	ORG/ACCT#	FY18-19 Revised Budget	FY19-20 Draft Budget	FY19-20 Draft Budget (+/-) vs FY18-19 Revised Budget (\$)	FY19-20 Draft Budget (+/-) vs FY18-19 Revised Budget (%)	Notes to FY19-20 Draft Budget
REVENUE						
FUND BALANCE BEGINNING (BEGINNING RESERVES*)		12,265,268	10,430,525			Based on projected Ending Fund Balance FY18-19
Interest	19510-1521	231,958	156,458	(75,500)	-33%	Conservative Interest Earning Rate projection of 1.5% on lower Beginning Fund Balance
Tobacco Tax Revenue	19510-1861	5,344,804	5,254,000	(90,804)	-2%	
F5CA IMPACT Grant	19510-1861	524,000	575,000	51,000	10%	Last year of the 5-year grant
F5SF IMPACT HUB TA FY18-19	19510-2643	70,903		(70,903)	-100%	Grant ends 6.30.2019
David Lucile Packard Foundation - Help Me Grow Grant	19510-2643	285,000	100,000	(185,000)	-65%	Pending no cost extension of the Grant.
San Bruno Community Foundation - Build-Up Kids Grant	19510-2643	14,709		(14,709)	-100%	Grant ends 6.30.2019
Peninsula Healthcare District - Help Me Grow Call Center Grant	19510-2643	25,000		(25,000)	-100%	Grant ends 6.30.2019
San Mateo County Health System - WMG Clinic Based Services Grant	19510-2643	181,383	362,765	181,382	100%	
GILEAD - Build Up Kids Facilities Grant	19510-2643	50,000		(50,000)	-100%	
San Mateo County Human Services Agency - Build Up Kids Facilities Grant	19510-2643	130,000	65,000	(65,000)	-50%	
F5SMC Wellness Grant	19510-2658	777		(777)	-100%	
TOTAL REVENUES		6,858,534	6,513,223	(345,311)	-5%	Various grants end and decrease of Interest Revenue due to lower Beginning Fund Balance.
TOTAL AVAILABLE FUNDS (TOTAL SOURCES*)		19,123,802	16,943,748	(2,180,054)	-11%	

APPROPRIATIONS						
1. Program						
Family Engagement	19540-6125	1,775,541	1,712,067	(63,474)	-4%	Last year of 2-year funding cycle.
Child Health & Development	19540-6156	1,563,670	1,744,041	180,371	12%	Last year of 2-year funding cycle.
SPIP 15-18 Carry Over	19540-6156	100,000		(100,000)		F5SMC leverage funding for the HMG will be paid out in FY19-20
Early Learning	19540-6263	1,628,259	1,665,000	36,741	2%	Last year of 2-year funding cycle.
Policy Advocacy, Communications & Systems Change	19540-6814	559,905	800,502	240,597	43%	Last year of 2-year funding cycle. Sponsorship budget \$10K.
SPIP 15-18 Carry Over	19540-6814	40,000	0	(40,000)	-100%	
Other Communications - Sponsorship	19540-6814	10,000		(10,000)		
Emerging Projects	19540-6814	200,000	334,600	134,600	67%	Last year of 2-year funding cycle.
Kit for New Parent KNP (KNP)	19540-6814	62,000	42,000	(20,000)	-32%	Build only 3000 KNP
Regional Cost Sharing	19540-6814	45,000	45,000	0	0%	Place holder
Program Salary & Benefits		591,149	607,381	16,232	3%	
Grant Management and Big Data	19540-6265	100,000	194,896	94,896	95%	
Other Evaluation Projects	19540-6265	145,000	290,000	145,000	100%	
Evaluation - Salaries & Benefits		161,632	173,784	12,152	8%	
David Lucile Packard Foundation grant - Help Me Grow Grant	19540-6131	255,000	100,000	(155,000)	-61%	Pending Help Me Grow grant no cost extension request and approval.
Help Me Grow - Centralized Access Point and Family and Community Outreach Providers	19540-6131		0		#DIV/0!	
Help Me Grow - Healthcare Provider Liaison	19540-6131		0			
Help Me Grow Call Center Grant - Peninsula Healthcare District	19540-6131	25,000		(25,000)	-100%	Grant ends 6.30.19
Watch Me Grow Clinic Based Services Grant	19540-6131	181,383	362,765	181,382	100%	x
San Bruno Community Foundation grant - Build-Up Kids	19540-6131	14,709		(14,709)	-100%	Grant ends 6.30.19
GILEAD - Build Up Kids Facilities Grant	19540-6131	50,000		(50,000)	-100%	Grant ends 6.30.19
San Mateo County Human Services Agency - Build Up Kids Facilities Grant	19540-6131	130,000	65,000	(65,000)	-50%	
F5SF IMPACT HUB TA FY18-19	19540-6126	65,231		(65,231)	-100%	Grant ends 6.30.19
F5CA IMPACT Grant	19540-6126	461,266	461,269	3	0%	
Allocated Shared Operating Budget			197,800	197,800		Allocation rate: 50% to Program

	ORG/ACCT#	FY18-19 Revised Budget	FY19-20 Draft Budget	FY19-20 Draft Budget (+/-) vs FY18-19 Revised Budget (\$)	FY19-20 Draft Budget (+/-) vs FY18-19 Revised Budget (%)	Notes to FY19-20 Draft Budget
Allocated Shared Admin Staff Time			194,712	194,712		Allocation rate to Program: 27%
Subtotal Program Appropriations		8,164,745	8,990,817	826,072	10%	Honor 100% executed contract obligations and continuing contracting of the approved SPIP 18-20 funding allocation.
2. Administrative						
Salaries and Benefits		672,719	526,442	(146,277)	-22%	Allocation rate to Program: 27%
Allocated Shared Operating Budget		424,577	197,800	(226,777)		Allocation rate: 50% to Admin
Subtotal Administrative Appropriations		1,097,296	724,242	(373,054)	-22%	
Administrative Cost Rate %		12%	9%			
TOTAL APPROPRIATIONS (NET APPROPRIATIONS*)		9,262,041	9,715,059	453,018	5%	Positive variances due to pending planning and contracting of various SPIP budget lines and delayed billing from various contractors
ENDING FUND BALANCE (ENDING RESERVES*)		9,861,761	7,228,689	(2,633,072)	-27%	Positive variances due to higher interest revenue and Prop 56 disbursement and under spending in both Program and Administrative Appropriations

Color code

Shared Budget/Shared Cost	
Revenue ; Fund Balance	
Appropriations	
Salaries & Benefits	

Note 1:

At the March 26, 2018 Commission Meeting, Commission reviewed and approved the use of Reserves* to fund the approved FY17-18 Revised Budget. At the same time moving forward, F5SMC will add budget terminologies used by the County to F5SMC Budget for a comparable reading with County internal budget system.

*Total Sources, Net Appropriations, Reserves, Total Requirements with asterisk * are budget terminologies used by the County of San Mateo.

Schedule 1 - Shared Operating Budget FY19-20

	ORG / ACCT#	FY18-19 Revised Budget	FY19-20 Draft Budget	FY19-20 Draft Budget (+/-) vs FY18-19 Revised Budget (\$)	FY19-20 Draft Budget (+/-) vs FY18-19 Revised Budget (%)	Notes to FY19-20 Draft Budget
I. Services and Supplies						
Outside Printing & Copy Svc	19510-5191	2,000	2,000	0	0%	
General Office Supplies	19510-5193	12,500	7,500	(5,000)	-40%	Reduce color ink cartridge purchase will offset the higher lease cost of a color photocopier.
Photocopy Lease & Usage	19510-5196	2,000	4,000	2,000	100%	Lease color photocopier
Computer Supplies	19510-5211	13,000	18,000	5,000	38%	7 new laptop purchase after 5-year services lives (\$15K) and software licenses (\$3K)
County Memberships - (e.g. F5 Assn Dues)	19510-5331	15,000	15,000	0	0%	
Auto Allowance	19510-5712	11,000	11,000	0	0%	
Meetings & Conference Expense	19510-5721	12,000	12,000	0	0%	
Commissioners Meetings & Conference Exp	19510-5723	8,000	5,000	(3,000)	-38%	
Other Business Travel Expense	19510-5724	5,000	5,000	0	0%	
Dept. Employee Training Expense	19510-5731	8,000	5,000	(3,000)	-38%	
Wellness grant	19510-5856	777		(777)	-100%	
Other Professional Services	19510-5858	60,000	60,000	0	0%	Place holder
Sub Total - Services & Supplies		149,277	144,500	(4,777)	-3%	
II. Other Charges						
Telephone Service Charges	19510-6712	4,000	3,500	(500)	-13%	
Automation Services - ISD	19510-6713	48,000	45,000	(3,000)	-6%	
Annual Facilities Lease	19510-6716	92,000	95,000	3,000	3%	
General Liability Insurance	19510-6725	7,500	7,500	0	0%	
Official Bond Insurance	19510-6727	600	600	0	0%	
Human Resources Services	19510-6733	2,000	2,000	0	0%	
Countywide Security Services	19510-6738	500	500	0	0%	
All Other Service Charges	19510-6739	53,000	50,000	(3,000)	-6%	
A-87 Expense	19510-6821	67,700	47,000	(20,700)	-31%	County indirect cost allocation reduction.
Sub Total - Other Charges		275,300	251,100	(24,200)	-9%	
Total Shared Operating Budget		\$ 424,577	\$ 395,600	(28,977)	-7%	
Allocated Shared Operating Budget to Program			\$ 197,800			Allocation rate to Program: 50%
Allocated Shared Operating Budget to Admin			\$ 197,800			Allocation rate to Admin: 50%

Schedule 2 - Salaries & Benefits Budget FY19-20

Program Staff & Shared Admin Staff	591,149	802,093	210,944	36%	
Evaluation Staff	161,632	173,784	12,152	8%	
Admin Staff	672,719	526,442	(146,277)	-22%	
Total Salaries and Benefits	\$ 1,425,500	\$ 1,502,319	76,819	5%	

Color code

Shared Budget/Shared Cost

Revenue ; Fund Balance

Appropriations

Salaries & Benefits

DATE: June 17, 2019

TO: First 5 San Mateo County Finance and Administration Committee

FROM: Kitty Lopez, Executive Director

RE: Review and Recommend Approval of F5SMC's Long-Term Financial Plan (LTFP) from FY 2019-20 through FY 2024-25 (FY18/19 Update)

ACTION REQUESTED

Review and Recommend Approval of F5SMC's Long-Term Financial Plan (LTFP) from FY 2019-20 through FY 2024-25 (FY18/19 Update)

KEY MESSAGES

Long-Term Financial Plan (LTFP) is a snapshot in time with unknown financial information that continues to evolve. The Commission has the opportunities to review and approve updated LTFP every year.

Revenues:

Additional Revenue opportunities that staff are currently working on with grant finalization to become available late in June 2019 through December, 2019 as well as early 2020:

- First 5 California Grants through competitive grant application processes;
- Non-Tobacco Tax Grant Opportunities;
- Any underspend from contracting of SPIP FY18-20 funding allocations.

Expenditures

- Any additional reductions in operational spending will be evaluated and made.

Organizational Structure

- Working with County HR Dept. First 5 is conducting job classification/job analyses studies to evaluate the current work and job descriptions. This information will help us determine more accurately the workload and any restructuring that might need to happen after 2020 and that will still support the new revised Strategic Plan, 2020-2025.
- Comparing F5SMC current operations with First 5's of similar size and revenue, F5SMC has a very lean organizational structure (8.3 equivalent FTEs); F5 San Francisco (14 FTEs), F5 Ventura (9-12 FTEs), F5 San Joaquin (11 FTEs).

F5SMC'S LTFP FROM FY 2019-20 THROUGH FY 2024-25 (FY18/19 Update)

F5SMC's LTFP from FY 2019-20 through FY 2024-25 (FY18/19 Update) is presented in **Attachments 5A and 5B** and is updated with:

- (1) F5CA Tobacco Tax Revenue Projections FY 2019-24, released May 21, 2019;
- (2) FY 2017-18 Audited Financial Information;
- (2) FY 2018-19 Year-End Projections
- (3) FY 2019-20 Adopted Budget;
- (4) Approved Strategic Plan Implementation Plan (SPIP) FY 2018-20 Funding Allocations; and
- (5) FY 2020-25 Funding Allocation Level approved during the strategic planning process.

I. REVENUES

- A. **Interest Revenue:** projected 1% Interest Earning Rate on the Beginning Fund Balance.

B. Tobacco Tax Revenues

- Tobacco Tax Revenues include Prop 10 and Prop 56 Tax Revenues that are allocated to F5 Commissions based on actual birth rate in each County.
- F5CA Tobacco Tax Revenue Projections FY 2019-24, released May 20, 2019, reflects Tobacco Tax Revenues are declining at a faster rate than 2018 projection; adjusted declining rate increases to 2.9% from 2.2%.

C. Other Grant Revenues from F5CA Other Grants and Other Non-Tobacco Tax Grants through competitive grant application processes.

- FY 2019-20: include Revenues of executed F5CA IMPACT Grant, Help Me Grow Grant, and Watch Me Grow – Clinic Based Services Grant, HSA- Build Up for SMC Children’s Initiative.
- FY 2020-25: projected \$200K Other Grant Revenues each fiscal year. This projection is made on a conservative estimate of historical trend (i.e. a combined \$4.318M of additional Other Grant Revenues acquired over 5-year period FY 2015-20 or \$1.1M annual average), trusted relationships with existing funders, and leverage funding opportunities with F5SMC’s strategic plan.

Potential Other Grant Revenue Sources include:

C1. Pending Grant MOU and or Grant Finalization: \$650K estimate

- ✓ Sequoia Healthcare District: Special Needs, Virtual Dental Home, Trauma Informed.
- ✓ Mental Health Services Act MHSA – Prop 63: Mental Health programs

C2. Repeating Grant Opportunities: \$375K estimate

- ✓ First 5 California
- ✓ David Lucile Packard Foundation
- ✓ Peninsula Healthcare District

II. PROGRAM APPROPRIATIONS

D. Strategic Plan Investment SPIP

- FY 2019-20: include SPIP FY2018-20 executed contracts and SPIP Funding Allocations and contracting.
- FY 2020-25: Strategic Plan – Cycle 4 investments are projecting an even investment level of \$3.780M each fiscal year; said investment level was previously approved by the Commission during the strategic planning process, 2017-2018.

E. Other Grants

- FY 2019-20: Include Appropriations of executed F5CA IMPACT Grant, Help Me Grow Grant, Watch Me Grow - Clinic Based Services Grant, HSA- Build Up for SMC Children’s Initiative.
- FY 2020-25: Include projected \$150K/year pass-through contracts from projected Other Grant Revenues of \$200K/year.

F. Program Operations: for consistent presentation and reading across F5SMC’s Budget and F5SMC’s LTFP, the Program Operations section includes:

- Evaluation and Program Staff Salaries and Benefits
- Shared Admin Staff Time working on Program activities: Allocation rate of 27%
- Shared Operating Budget: Allocation rate of 50%

III. ADMIN APPROPRIATIONS

G. Shared Operating Budget: Allocation rate of 50%

H. Admin Staff Salaries and Benefits: Allocation rate of 73%

IV. PENSION LIABILITY AND OPERATIONAL RESERVES

- Commission has approved in previous LTFPs a \$1M Pension Liability and 6 months of Operational Reserves. The Pension Liability and Operational Reserves are Restricted Fund and are set aside for its intended restricted uses.

V. ENDING FUND BALANCE

- Commission has guided and approved the Ending Fund Balance after Pension Liability and Operational Reserves equal to or approximate 6 months of said fiscal year revenue for safety cash flow management after FY 2020.
- At the end of FY 2024, Projected Ending Fund Balance after Pension Liability and Operational Reserves is \$3.052 M which is approximate to 6.2-month equivalent of FY 2024 fiscal Revenue.
- At the end of FY 2025, Projected Ending Fund Balance after Pension Liability and Operational Reserves is \$2.024 M which is approximate to 4.2-month equivalent of FY 2025 fiscal Revenue. We are working on plans to increase this amount.

VI. FISCAL IMPACT

- Admin Cost Rate: projected 7% for period FY 2019-20 and 13% for period FY 2020-25.
- FY 2019-20: Projected Budget Deficit of \$3.153 M in FY 2019-20 with draw down of Ending Fund Balance (Reserves*) to fund higher community investments, per the current Strategic Plan Implementation Plan (SPIP).
- FY 2020-25: Projected Budget Deficit of \$3.353 M over the 5-year period. We will continue to draw down funds to cover this annual deficit from the Ending Fund Balance.
- It is anticipated that from FY 2025 forward, Total Appropriations would be in line with Total Fiscal Revenues.

RECOMMENDATION

Review and Recommend Approval of F5SMC's Long-Term Financial Plan (LTFP) from FY 2019-20 through FY 2024-25 (FY18/19 Update).



LONG-TERM FINANCIAL PLAN LTFP FY2019-2025 (Update FY18/19)

	CYCLE 3					CYCLE 4					Notes
	FY 15-16 Actual	FY16-17 Actual	FY 17-18 Actual	FY 18-19 Year-End Projections	FY 19-20 Budget	FY20-21 Projection	FY21-22 Projection	FY22-23 Projection	FY23-24 Projection	FY24-25 Projection	
BEGINNING FUND BALANCE (Beginning Reserves*)	16,205	15,457	14,922	12,264	10,430	7,277	6,932	6,458	5,828	4,952	
A. Interest Revenue	136	156	208	232	156	109	104	97	87	74	
B. Tobacco Tax Revenue	6,098	5,846	5,262	5,301	5,303	5,129	4,992	4,843	4,606	4,468	
C. Other Grant Revenues											
F5CA Other Grants / IMPACT Grant	219	428	650	578	575						
Other Non-Tobacco Tax Grants	289	263	41	747	528	200	200	200	200	200	
Total Revenues	6,742	6,693	6,161	6,858	6,562	5,438	5,296	5,140	4,893	4,742	
TOTAL AVAILABLE FUND (Total Sources*)	22,947	22,150	21,083	19,122	16,992	12,715	12,228	11,598	10,722	9,694	
PROGRAM APPROPRIATIONS											
D. SPIIP Average Step Down (%)		-20%		4.65%				-39%			
D. SPIIP Average (\$)		6,046		6,327				3,780			
D. Strategic Plan Investment SPIIP (excl. E. Other Grants)	5,663	5,781	6,694	5,826	6,828	3,780	3,780	3,780	3,780	3,780	
Community Investments (FE, CH&D, EL)	5,392	5,261	6,092	5,018	5,121						
Evaluation	88	182	115	100	485						
Policy, Advocacy, & Communications (PAC)	183	338	486	708	1,222						
E. Other Grants	360	326	559	1,017	989	150	150	150	150	150	
F5CA Other Grants / IMPACT Grant	10	326	558	461	461						
Non-Tobacco Tax Grants (RTT, DLP, HMG, SBCF)	350		1	556	528	150	150	150	150	150	
F. Program Operations	426	585	628	752	1,174	1,125	1,125	1,125	1,125	1,125	
Shared Operating Budget					198	215	215	215	215	215	
Program Staff S&B including Shared Admin Staff Time	426	585	628	752	976	910	910	910	910	910	
Total Program Appropriations (D+E+F)	6,449	6,692	7,881	7,595	8,991	5,055	5,055	5,055	5,055	5,055	
ADMIN APPROPRIATIONS											
G. Shared Operating Budget	314	300	331	424	198	228	215	215	215	215	
H. Admin Staff S&B	730	626	607	673	526	500	500	500	500	500	
Total Admin Appropriations (G+H)	1,044	926	938	1,097	724	728	715	715	715	715	
TOTAL APPROPRIATIONS (Net Appropriations*)	7,492	7,618	8,819	8,692	9,715	5,783	5,770	5,770	5,770	5,770	
Surplus / (Deficit) (Total Revenues - Total Appropriations)	(750)	(925)	(2,658)	(1,834)	(3,153)	(345)	(474)	(630)	(877)	(1,028)	
ENDING FUND BALANCE before Pension Liability and Operational Reserves (Ending Reserves*before Pension Liability and Operational Reserves)	15,455	14,532	12,264	10,430	7,277	6,932	6,458	5,828	4,952	3,924	
Pension Liability and Operational Reserves (previously labled as Reserves)	1,640	1,850	1,850	1,900	1,900	1,900	1,900	1,900	1,900	1,900	Restricted Fund set aside
ENDING FUND BALANCE after Pension Liability and Operational Reserves (Ending Reserves* after Pension Liability and Operational Reserves)	13,815	12,682	10,414	8,530	5,377	5,032	4,558	3,928	3,052	2,024	Approximate 4.2 months of fiscal year Revenues



LTFP (FY18/19 Update)

