

**\* PUBLIC HEARING MEETING NOTICE\***  
**FIRST 5 SAN MATEO COUNTY (F5SMC)**  
**COMMISSION MEETING**

**DATE:** Monday, October 22, 2018  
**TIME:** 4:00 PM – 6:00 PM  
**ADDRESS:** San Mateo County Office of Education (SMCOE)  
101 Twin Dolphin Drive, 1st Floor Conference Room  
Redwood City, CA 94065

AGENDA		
<b>Call to Order and Preliminary Business</b>		
<b>1</b>	<b>Roll Call</b>	4:00 PM
<b>2</b>	<b>CLOSED SESSION</b> <i>(The Commission will adjourn to closed session to consider the following item at this time during the meeting. At the conclusion of closed session, the Commission will reconvene in open session to report on any actions taken for which a report is required by law.)</i> <ul style="list-style-type: none"> <li>o <b>Public Employee Performance Evaluation (California Government Code Section 54957(b))</b> Executive Director, F5SMC</li> </ul>	
<b>3</b>	<b>Report Out of Closed Session</b>	
<b>4</b>	<b>Public Comment</b>	
<b>5</b>	<b>Action to Set Agenda for October 22, 2018 Meeting and Approve Consent Agenda Items</b> <i>(This item is to set the final consent and regular agenda, and for the approval of the items listed on the consent agenda. All items on the consent agenda are approved by one action.)</i>	
<b>6</b>	<b>Commission Announcements</b>	
<b>7</b>	<b>Storytelling: First 5 Work / Impact:</b> Yogita Butani Thakur, DDS, Dental Director, Ravenswood Family Dentistry	
<b>Discussion Items</b>		
<b>8</b>	<b>Proposition 64 – Cannabis/Marijuana Presentation</b> by Moira Kenney, PhD, Executive Director, First 5 Association of California	4:15 PM
<b>9</b>	<b>Quality Counts SMC: Quality Ratings &amp; Improvement System (QRIS) Presentation</b> by Nirmala Dillman, Coordinator, SMC Child Care Partnership Council and QRIS, San Mateo County Office of Education	4:40 PM
<b>Action Items</b>		
<b>10</b>	<b>Approval of 2017 – 2018 Budget Close Out</b> <i>(See Attachments 10)</i>	4:55 PM

11	<b>Approval of Annual Financial Audit and Submission to the California State Controller's Office and First 5 California for FY 2017 - 2018</b> <i>(See Attachments 11)</i>	5:00 PM
12	<b>Approval of FY 2017 – 2018 First 5 San Mateo County Annual Program Report and Submission to First 5 California</b> <i>(See Attachments 12)</i>	5:15 PM
13	<b>Strategic Plan 2020 Recommendation and Adoption</b> by Christina Bath Collosi, Managing Partner, VIVA Strategy and Communications <i>(See Attachments 13)</i>	5:30 PM
<b>Informational Items</b>		
14	<b>Communications Update</b> <i>(See Attachments 14)</i>	5:50 PM
15	<b>Report of the Executive Director</b> <i>(See Attachments 15)</i>	
16	<b>Committee Updates</b> <i>(See Attachments 16)</i>	

\* **Public Comment:** This item is reserved for persons wishing to address the Commission on any Commission-related matters that are as follows: 1) Not otherwise on this meeting agenda; 2) Listed on the Consent Agenda; 3) Executive Director's Report on the Regular Agenda; or 4) Subcommittee Members' Reports on the Regular Agenda. Public comments on matters not listed above shall be heard at the time the matter is called.

Persons wishing to address a particular agenda item should speak during that agenda item. If you wish to speak to the Commission, please fill out a speaker's slip located in the box on the sign in table as you enter the conference room. If you have anything that you wish to be distributed to the Commission and included in the official record, please hand it to Myra Cruz who will distribute the information to the Commissioners and staff. Speakers are customarily limited to two minutes, but an extension may be provided to you at the discretion of the Commission Chair.

The identified times are approximate and are intended to serve as a guide to the public and all First 5 meeting attendees regarding the approximate start times for any one section of the Agenda. The actual start and end times for an agenda item may differ from the noted times.

Public records that relate to any item on the open session agenda for a regular Commission meeting are available for public inspection. Those records that are distributed less than 72 hours prior to the meeting are available for public inspection at the same time they are distributed to all members, or a majority of the members of the Commission. The Commission has designated the First 5 San Mateo County office located at 1700 S. El Camino Real, Ste. 405, San Mateo, CA, 94402, for making those public records available for inspection. The documents are also available on the First 5 Internet Web site at [www.first5.smcgov.org](http://www.first5.smcgov.org).

**IN COMPLIANCE WITH THE CALIFORNIA GOVERNMENT CODE AND THE AMERICANS WITH DISABILITIES ACT:** First 5 San Mateo County Commission meetings are accessible to individuals with disabilities. Contact Myra Cruz at (650) 372-9500 ext. 232, or at [ecruz@smcgov.org](mailto:ecruz@smcgov.org) as soon as possible prior to the meeting, if (1) you need special assistance or a disability-related modification or accommodation, including auxiliary aids or services, in order to participate in this meeting; or (2) you have a disability and wish to receive the meeting notice, agenda packet or other writings that may be distributed at the meeting in an alternative format. Notification in advance of the meeting will enable First 5 San Mateo County to make reasonable arrangements to ensure full accessibility to this meeting and the materials related to it.

First 5 San Mateo County Commission Meeting

**CONSENT AGENDA**

October 22, 2018

All items on the consent agenda are approved by one roll call motion unless a request is made at the beginning of the meeting that an item be withdrawn or transferred to the regular agenda. Any item on the regular agenda may be transferred to the consent agenda.

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- 5.1 Approval of the September 24, 2018 Commission Meeting Minutes  
(See Attachment 5.1)

**First 5 San Mateo County (F5SMC)  
COMMISSION MEETING MINUTES  
September 24, 2018  
San Mateo County Office of Education**

**Call to Order & Roll Call**

**1. Roll Call**

Commission Members: Anne Campbell, David Canepa, Michael Garb,  
Neel Patel, Sandra Phillips-Sved, Nicole Pollack, Louise Rogers

Absent: Rosanne Foust, Pam Frisella,

Staff: Kitty Lopez, Michelle Blakely, Jenifer Clark, Emily Roberts,  
Myra Cruz

County Counsel: Claire Cunningham

A quorum was present. Commissioner Rogers called the meeting to order at 4:03 PM; roll call was taken.

**2. Public comments on items not included in the agenda: None**

**3. Action to Set Agenda for September 24, 2018 Meeting and Approve Consent Agenda Items**

**Approval of Set Agenda for September 24, 2018:**

MOTION: CAMPBELL/ SECOND: POLLACK

AYES: GARB, PATEL, PHILLIPS-SVED, ROGERS

NOES: NONE

ABSTAIN: NONE

Commissioner Canepa was not present during this vote.

**Approval of Consent Agenda with the Correction on the August 27, 2018 Minutes:**

Commissioner Garb made a correction on page 2 of the August 27, 2018 Minutes, item #9 Strategic Plan 2020, that the conservative estimate for community investment amount for 2020-2025 is \$3,780,000 not \$3,780,00.

MOTION: GARB/ SECOND: PHILLIPS-SVED

AYES: CAMPBELL, PATEL, POLLACK, ROGERS

NOES: NONE

ABSTAIN: NONE

Commissioner Canepa was not present during this vote.

Motion approved.

**4. Commission Announcements**

Commissioner Campbell announced that she attended the Build Up Advisory Committee Meeting in September and complimented the First 5 Staff for facilitating & coordinating the meeting. The group is coming together. She also announced that the Child Care Partnership Council is preparing its new Strategic Planning process that would guide it works for the next 5 years. The process would take 5 -6 months.

**5. Storytelling: First 5 Work/Impact**

F5SMC's Executive Director, Kitty Lopez, informed everyone that Commissioner Phillips-Sved's storytelling will be deferred to a future Commission meeting. F5SMC's Administrative Secretary, Myra Cruz, shared her experience as a mother who has a special needs child.

**6. Strategic Planning Indicators and Outcome Presentation**

F5SMC's Evaluation Specialist, Jenifer Clark, presented the draft Strategic Plan 2020 – 2025 Outcomes and Indicators. These will be part of the new Strategic Plan 2020 - 2025 that will be adopted in the October 2018

Commission Meeting. The intent of the presentation is to obtain feedback from the Commission on the Indicators' proposed revisions. She stated the Desired Outcomes will remain the same and explained the considerations that were used for updating the Indicators. Most of the proposed changes are on Population-level indicators. - All indicators were reviewed at the Evaluation Advisory Committee. Clark reviewed the Population-level and Participant-level indicators in Early Learning, Child Health & Development, and Family Engagement and asked for input from the Commission on each of these items. The Commissioners asked questions and provided feedback.

Public Comments: None

The PowerPoint presentation can be found on the [September 24<sup>th</sup> Commission Meeting Presentation](#).

**7. School Readiness (SR) Presentation**

Kitty Lopez introduced Dr. Jaime Peterson, Postdoctoral Fellow, Clinical Instructor, General Pediatrics at Stanford University School of Medicine, and shared Dr. Peterson's background. Dr. Peterson and Commissioner Patel co-authored the article, "Parental Attitudes, Behaviors, and Barriers to School Readiness among Parents of Low Income Latino Children." Dr. Peterson acknowledged Commissioner Patel for assisting her in conducting the study at Fair Oaks Health Center in Redwood City. She shared the lessons learned from the study and highlighted the following:

- o The five domains of school readiness, and SR needs for Latino children.
- o Statistics such as: only half of the children at Fair Oaks are ready for school, and there are ways Pediatricians can help.
- o Parent-reported SR behaviors and barriers.
- o Interventions that were used for the study, results from parent perspectives and limitations.
- o Current landscape of SR in the clinic and a future vision of "A School Ready Clinic."
- o Acknowledged First 5 San Mateo County for supporting the study.

The Commission asked questions and provided comments. Discussion ensued.

Public Comments: None

The PowerPoint presentation can be found on the [September 24<sup>th</sup> Commission Meeting Presentation](#).

**8. Approval of Contract to Community Gatepath for Watch Me Grow Clinic-Based Services in an amount not to exceed \$545,000 for services from July 1, 2018 to June 30, 2020**

Kitty Lopez explained that Attachment #8 memo included in the packet was incorrect. Lopez distributed the correct memo. The accurate memo can be found on the [September 24<sup>th</sup> Commission Meeting Presentation and Memo](#). Lopez highlighted that the amount is pass-through funds coming from the San Mateo Medical Center to Community Gatepath. Lopez asked the Commission for approval of this agenda item. Commission asked questions. Discussion ensued.

MOTION: GARB/ SECOND: PATEL  
 AYES: CANEPA, PHILLIPS-SVED, POLLACK, ROGERS  
 NOES: NONE  
 ABSTAIN: NONE

Commissioner Campbell was not present during this vote.

Motion approved.

Public Comments: None

**9. Approval of Recommendation of the Help Me Grow Centralized Access Point and Family & Community Outreach Component Provider and Authorization for Staff to Negotiate and Approve Contract**

Kitty Lopez explained that Attachment #9 memo included in the packet was incorrect. Lopez distributed the correct memo. The accurate memo can be found on the [September 24<sup>th</sup> Commission Meeting Presentation and Memo](#). Lopez provided a brief background, highlighted that F5SMC went through a procurement process, and

informed the Commission that a Review Panel reviewed all the proposals submitted. The Review Panel recommends funding the proposal submitted by Community Gatepath. Lopez asked the Commission for approval of this agenda item.

MOTION: PHILLIPS-SVED/ SECOND: GARB  
 AYES: CANEPA, POLLACK, ROGERS  
 NOES: NONE  
 ABSTAIN: NONE

Commissioners Campbell and Patel were not present during this vote.  
 Motion approved.

Public Comments: David Fleishman, 4C's Executive Director, congratulated Gatepath for the contract and invited everyone to the 4C's Leadership Awards on October 10<sup>th</sup> at Devil's Canyon Brewing. F5SMC will be receiving a Community Partnership Award.

#### **10. Communications Update**

A Communication's written report was included in the [September 24, 2018 Commission Meeting Packet](#). Kitty Lopez highlighted the following:

- 20 Years of Community Investment Celebration on November 1<sup>st</sup> at San Mateo Event Center.
- Marijuana/Cannabis educational brochure is being developed by our communication firm, RSE.
- Social Media and On-Site Analytics reports were attached.

#### **11. Executive Director's Report**

Kitty Lopez's written report was included in the [September 24, 2018 Commission Meeting Packet](#), and she highlighted the following:

- Build-Up for San Mateo County Children's website is now live.
- Commissioner Patel has been appointed for a Help Me Grow Physician Champion.
- Friday CAFÉ's (Community and Family Engagement) focus for this year is Strong FOR families.
- Submitted support letters for AB 11 and AB 2043 Bills.
- F5SMC participated in the First 5 Association Policy Hack-a-thon on September 18, 2018.
- F5SMC 20 Years of Community Investment Celebration will be held on November 1<sup>st</sup> at San Mateo Event Center, and visit [first5sanmateo.org](http://first5sanmateo.org) to register online.

#### **12. Committee Updates**

[September 24, 2018 Commission Meeting Packet](#)

- A. Program, Operations and Planning (POP) Committee: Commissioner Phillips-Sved reported that the Committee discussed the Emerging Projects update such as Workforce Development, Community Collaborative for Children's Success; Help Me Grow Call Center Process; Local and Regional Children's Fund Efforts. Kitty Lopez added that POP Committee discussed the idea of forming a Policy, Advocacy, and Communication Ad Hoc Committee with few members of the Commission. This Committee would focus on communication efforts and tools to reach various audiences especially for community presentations.
- B. Finance Committee: Commissioner Garb reported that the Committee met, and they reviewed and recommended the approval of FY 2017 – 2018 Budget Close-Out as of June 30, 2018.

Commissioner Garb motioned to adjourn the meeting and seconded by Commissioner Pollack. Motion approved. The meeting was adjourned at 5:50 PM.

**DATE:** October 22, 2018  
**TO:** First 5 San Mateo County Commission  
**FROM:** Kitty Lopez, Executive Director  
**RE:** Approval of the FY 2017-2018 Budget Close-Out as of June 30, 2018

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### ACTION REQUESTED

Approval of the FY 2017-2018 Budget Close-Out as of June 30, 2018

### BACKGROUND

- At the May 22, 2017 Commission Meeting, Commission approved F5SMC FY 2017-2018 Budget.
- At the January 22, 2018 Commission Meeting, Commission approved F5SMC FY 2017-2018 Revised Budget.
- At the September 10, 2018 Finance and Administration Committee Meeting, Finance and Administration Committee members reviewed and recommended approval of the FY2017-2018 Budget Close-Out as of June 30, 2018.

### FY 2017-2018 BUDGET CLOSE-OUT as of June 30, 2018 HIGHLIGHTS

- The FY 2017-2018 Budget Close-Out as of June 30, 2018 is presented in detail in **Attachment 10A** with key highlights presented in the table below:

<b>FY 2017-2018 BUDGET CLOSE-OUT HIGHLIGHTS</b> <i>(July 1, 2017 – June 30, 2018)</i>	
<b>REVENUE</b>	<ul style="list-style-type: none"> <li>• Interest Revenue (\$208K) produces a 67% positive variance or \$83K higher than the planned budget as a result of higher interest earning rate in the County investment pool.</li> <li>• Tobacco Tax Revenue (\$5,262K) produces a net 3% positive variance or \$176K higher than the planned budget due the additional Prop 56 Tax Revenue of \$232K (the \$2 Tobacco Tax bill).</li> <li>• Impact Grant Revenue (\$650K) is 4% below the planned grant budget due to grant timing execution issues.</li> <li>• Additional revenues totaling \$40K from various Non-Prop 10 grants are partially recognized during the fiscal year as these grants start near fiscal year ends; these grant terms span from 2017-2019.</li> <li>• <b>Total Actual Revenues of \$6,161K represents a 3% positive variance or \$177K higher than the planned budget.</b></li> </ul>
<b>EXPENDITURES</b>	<ul style="list-style-type: none"> <li>• Total Program Expenditures (\$7.881M) produce a 13% positive variance or \$1.215M below the planned budget. Major contributions to this positive variance are associated with underspending in the Policy, Advocacy, and Communications (PAC) - Un-Allocated Fund, under spending of various grants at the end of the 3-year grant terms, and timing execution issues of various Non-Prop 10 grants.</li> <li>• Total Administrative Expenditures (\$938K) produce a 13% positive variance or \$134K below the planned budget. Major contributions to this positive variance are associated with underspending in Professional</li> </ul>

	<p>Services, various administrative areas, Audit and County Counsel services charges, and salary savings.</p> <ul style="list-style-type: none"> <li>• <b>Total Expenditures of \$8.819M represents a 13% positive variance or \$1.349M below the planned budget.</b></li> </ul>
<p><b>ENDING FUND BALANCE</b></p>	<ul style="list-style-type: none"> <li>• <b>FY 2017-2018 Ending Fund Balance of \$12.265M represents 14% positive variance or \$1.526M higher than the Ending Fund Balance of the planned budget.</b></li> </ul> <p>Major contributions to this positive variance are associated with higher Interest revenue, Tobacco Tax revenue, and additional revenue sources as well as underspending in both Program and Administrative Appropriations.</p>

**FISCAL IMPACT**

Admin Cost rate of 11% is within the Commission’s approved Admin Cost Rate Policy (15%)

**RECOMMENDATION**

Approval of the FY 2018-2019 Budget Close-Out as of June 30, 2018.

	ORG/ACCT#	FY17-18 Revised Budget	YTD Actuals as of June 30, 2018	Accruals	FY17-18 Budget Close-Out as of June 30, 2018	FY17-18 Budget Close-Out versus FY17-18 Revised Budget (%)	Notes to FY17-18 Budget Close-Out as of June 30, 2018
<b>A. REVENUE</b>							
<b>FUND BALANCE (BEGINNING)</b>		14,922,527	14,922,527		14,922,527	100%	Beginning Fund Balance is adjusted as per the outcome of the FY16-17 Audit Report
Interest	19510-1521	125,002	208,234		208,234	167%	Higher Beginning Fund Balance and higher Interest Earning rate.
Tobacco Tax - Prop 10 & Prop 56	19510-1861	5,086,486	5,262,165		5,262,165	103%	Include \$223K Prop 56 Revenue (\$2 Tobacco Tax)
IMPACT Grant	19510-1861	673,815	218,480	431,742	650,221	96%	
Help me Grow Grant	19510-2643	100,000	6,930		6,930	7%	Partial revenue recognition for the Help Me Grow grant in FY17-18 (\$300K grant with grant term from December 2017 to December 31 2018)
Build-Up Kids (San Bruno)	19510-2643		1,031		1,031		Partial revenue recognition for the Build-Up Kids grant in FY17-18 (\$15,740 grant with grant term from April 2018 to December 31 2018)
IMPACT HUB	19510-2643		32,411		32,411		
Wellness Grant	19510-2545	0	774		774		
Miscellaneous Reimbursements	19510-2647	-	0		0		
<b>Total Revenue</b>		<b>5,985,303</b>	<b>5,730,025</b>	<b>431,742</b>	<b>6,161,767</b>	<b>103%</b>	
<b>Total Available Funds</b>		<b>20,907,830</b>	<b>20,652,552</b>	<b>431,742</b>	<b>21,084,294</b>	<b>101%</b>	<b>Positive variances are associated with adjusted Beginning Fund Balance, higher Interest Revenue and Tobacco Tax Revenue and new revenue funding sources.</b>
<b>B. APPROPRIATIONS</b>							
<b>1. Programs</b>							
Family Engagement	19540-6125	2,428,341	2,247,661		2,247,661	93%	
Kit for New Parent (KNP)	19540-6266	41,000	22,340		22,340	54%	Pending shipments of KNP built in FY17-18; under spending fund is carried over to FY18-19
Child Health & Development	19540-6156	1,808,352	1,538,766		1,538,766	85%	\$60K under spending fund in SHEC contract will be carried-over to FY18-19
Early Learning	19540-6263	2,351,935	2,283,663		2,283,663	97%	
Early Learning - Regional Cost Sharing Project	19540-6263	30,000	0		0	0%	No Early Learning regional cost sharing project with other F5s.
Help Me Grow Grant	19540-6131	85,000	0		0	0%	Timing grant execution issues. Consultant contract starts July 1, 2018
Build-Up Kids	19540-6131		1,441		1,441		Timing grant execution issues.

	ORG/ACCT#	FY17-18 Revised Budget	YTD Actuals as of June 30, 2018	Accruals	FY17-18 Budget Close-Out as of June 30, 2018	FY17-18 Budget Close-Out versus FY17-18 Revised Budget (%)	Notes to FY17-18 Budget Close-Out as of June 30, 2018
IMPACT Grant	19540-6126	623,815	557,891		557,891	89%	Timing grant execution issues in the grant Communication Plan.
Policy, Advocacy, Communications & Systems Changes	19540-6814	505,959	449,812		449,812	89%	
Policy Advocacy, Communications & Systems Changes - Unallocated Fund	19540-6814	371,500	36,622		36,622	10%	\$145K under spending fund (\$100K of the Help Me Grow Call Center and \$45K of the Build-Up Kids) in PAC-Un-Allocated Fund will be carried - over to FY18-19
Other Communications	19540-6814	10,000	0		0	0%	No sponsorship activities during the fiscal year.
<b>Program Salary &amp; Benefits</b>		<b>538,098</b>	<b>477,232</b>		<b>477,232</b>	89%	Saving due to delayed Extra-Help staff hiring.
Evaluation	19540-6265	0			0		
Grant Management and Big Data	19540-6265	147,850	114,649		114,649	78%	Contracts are fully executed.
<b>Evaluation - Salaries &amp; Benefits</b>		<b>154,057</b>	<b>150,812</b>		<b>150,812</b>	98%	
<b>Total Program Appropriations</b>		<b>9,095,907</b>	<b>7,880,889</b>	-	<b>7,880,889</b>	<b>87%</b>	<b>Positive variances are associated with various grant under spending at the end of the grant terms and timing execution issues of various Non-Prop 10 grants.</b>
<b>2. Administration</b>							
<b>Salaries and Benefits</b>		<b>660,222</b>	<b>606,438</b>		<b>606,438</b>	<b>92%</b>	Saving due to delayed staff replacement hiring.
<b>Services and Supplies</b>							
Outside Printing & Copy Svc	19510-5191	4,000	158		158	4%	It is expected to use this budget line for the new strategic plan printing in Oct 2018.
General Office Supplies	19510-5193	11,400	11,581		11,581	102%	
Photocopy Lease & Usage	19510-5196	2,500	1,199		1,199	48%	Under usage of the black and white copier.
Computer Supplies	19510-5211	10,000	1,955		1,955	20%	No purchase of new laptops this year.
County Memberships - (e.g. F5 Assn Dues)	19510-5331	17,500	13,666		13,666	78%	
Auto Allowance	19510-5712	11,000	10,842		10,842	99%	
Meetings & Conference Expense	19510-5721	13,000	6,746		6,746	52%	Parts of staff travel is billed in the FSCA IMPACT grant and SFO IMPACT HUB grant.
Commissioners Meetings & Conference Exp	19510-5723	3,000	2,249		2,249	75%	No special Commission Meeting expenses this year.
Other Business Travel expense	19510-5724	5,000	4,823		4,823	96%	
Dept. Employee Training Expense	19510-5731	5,000	3,649		3,649	73%	No group training provided to agency staff during this fiscal year.
Wellness grant	19510-5856	0	824		824		Partial FY16/17 Wellness grant was spent in FY17/18
Other Professional Services	19510-5858	40,000	40,671		40,671	102%	

	ORG/ACCT#	FY17-18 Revised Budget	YTD Actuals as of June 30, 2018	Accruals	FY17-18 Budget Close-Out as of June 30, 2018	FY17-18 Budget Close-Out versus FY17-18 Revised Budget (%)	Notes to FY17-18 Budget Close-Out as of June 30, 2018
<b>Total - Services &amp; Supplies</b>		<b>122,400</b>	<b>98,362</b>	<b>0</b>	<b>98,362</b>	<b>80%</b>	Major positive variances are associated with under spending in various budget lines.
<b>Other Charges</b>							
Telephone Service Charges	19510-6712	4,000	3,407		3,407	85%	
Automation Services - ISD	19510-6713	48,000	39,776		39,776	83%	
Annual Facilities Lease	19510-6716	96,000	86,279		86,279	90%	\$4K of under spending fund for smaller size office furniture purchase will be carried over to the General Office Supplies budget line of FY18-19.
General Liability Insurance	19510-6725	7,500	6,356		6,356	85%	
Official Bond Insurance	19510-6727	600	222		222	37%	
Human Resources Services	19510-6733	5,350	269		269	5%	No group training for agency staff by HR department during this fiscal year.
Countywide Security Services	19510-6738	500	449		449	90%	
All Other Service Charges	19510-6739	60,000	30,703		30,703	51%	Saving in Audit services cost and under spending in County Counsel services
A-87 Expense	19510-6821	67,700	65,877		65,877	97%	
<b>Total - Other Charges</b>		<b>289,650</b>	<b>233,337</b>	<b>0</b>	<b>233,337</b>	<b>81%</b>	Positive variances are associated with under spending in Audit Services and County Counsel Services charges.
<b>Total Administrative Appropriations</b>		<b>1,072,272</b>	<b>938,137</b>	<b>0</b>	<b>938,137</b>	<b>87%</b>	Positive variances are due to saving in various Administrative budget lines.
<b>Administrative Cost %</b>		<b>11%</b>	<b>11%</b>		<b>11%</b>		
<b>Total Appropriations</b>		<b>10,168,179</b>	<b>8,819,026</b>	<b>0</b>	<b>8,819,026</b>	<b>87%</b>	Positive variances are due to under spending in both Program and Administrative Appropriations
<b>C. FUND BALANCE (ENDING)</b>		<b>10,739,651</b>	<b>11,833,526</b>	<b>431,742</b>	<b>12,265,268</b>	<b>114%</b>	Positive variances are due to higher Revenues and under spending in both Program and Administrative Appropriations
Program		538,098	477,232		477,232	89%	
Evaluation		154,057	150,812		150,812	98%	
Admin		660,222	606,438		606,438	92%	
<b>Total Salaries and Benefits</b>		<b>1,352,377</b>	<b>1,234,482</b>	<b>0</b>	<b>1,234,482</b>	<b>91%</b>	Saving due to delayed staff replacement hiring.

**Date:** October 22, 2018  
**To:** First 5 San Mateo County Commission  
**From:** Kitty Lopez, Executive Director  
**Re:** Approval of First 5 San Mateo County (F5SMC)'s Basic Financial Statements for the Year Ending June 30, 2018 Audit Reports and Its Submission to First 5 California and to California State's Controller Office

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**ACTION REQUESTED**

**Approval of First 5 San Mateo County (F5SMC)'s Basic Financial Statements for the Year Ending June 30, 2018 Audit Reports and Its Submission to First 5 California and to California State's Controller Office**

**BACKGROUND**

In accordance with California Health & Safety Code Sections 130140 and 130150, First 5 County Commissions are required to conduct an audit of their financial operations for each fiscal year and present the audit at a public hearing prior to submitting the report to First 5 California.

Each First 5 County Commission's audit should be performed (1) in accordance with generally accepted auditing standards of Institute of Certified Public Accountants, and (2) generally accepted governmental auditing standards issued by the United States General Accounting Office for financial, and (3) compliance audits. In addition, effective FY2006-2007, all County Commission audits must be in accordance with the California State Controller's Standards and Procedures for Audits of California Counties Participating in the California Children and Families Program.

First 5 County Commission audits must be submitted to both First 5 California and the California State's Controller Office by November 1st of each year.

**New Implementation of Governmental Accounting Standards Board Statements (GASBs)**

For the fiscal year ending June 30, 2018, County of San Mateo (and First 5 San Mateo County) is responsible to implement the following statements, wherever applicable:

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which establishes new accounting and financial reporting for state and local governments by improving the accounting and financial reporting for OPEB plans and provides information obtained by state and local government employers about financial support for OPEB that is provided by other entities.
- GASB Statement No. 85, Omnibus 2017. This Statement addresses a variety of topics related to blended component units, goodwill, fair value measurement, and postemployment benefits.

**Continuing implementation of GASB 68:**

- GASB 68 ushers to the reporting of pension assets and liabilities, requiring immediate recognition of the net long-term liability of future pension benefits in excess of accumulated plan assets.

## **INDEPENDENT AUDITORS' REPORTS - OUTCOMES**

In accordance with the above compliance requirements, an audit of First 5 San Mateo County's Basic Financial Statements for the Year Ending June 30, 2018 was conducted by an independent auditor, R. J. Ricciardi, Inc., San Rafael, California (RJR).

Please see the F5SMC's Basis Financial Statements for the Year Ending June 30, 2018 Audit Reports (**Attachments 11A**) and Communication Letter to the Board of Commissioners attached (**Attachment 11B**). Summary of Independent Auditors' Report Outcomes are as following:

- Independent Auditors' Report on the Financial Statements (pages 1-2): Unmodified opinion (clean opinion).
- Independent Auditors' Report on Internal Control over Financial Reporting and on Compliance and Other Matters based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards (pages 38-39): No deficiencies in internal control, no instances of noncompliance or other matters were identified (clean opinion)
- Independent Auditors' Report on State Compliance (pages 40-41): F5SMC complied in all material respects with the compliance requirements (clean opinion). There were no current year findings.

## **FISCAL IMPACTS**

### **Impacts of GASB 68 implementation:**

- No fiscal impacts to cash flow, contribution rates, and or to the fiscal budget.
- Consider GASB 68 implication to F5SMC's Ending Fund Balance Projection in the F5SMC's Long-Term Financial Plan (LTFP).

## **RECOMMENDATION**

Approval of First 5 San Mateo County (F5SMC)'s Basic Financial Statements for the Year Ending June 30, 2018 Audit Reports and Its Submission to First 5 California and to California State's Controller Office.

**FIRST 5 SAN MATEO COUNTY  
(A DISCRETELY PRESENTED COMPONENT  
UNIT OF THE COUNTY OF SAN MATEO)**

**SAN MATEO, CALIFORNIA**

**BASIC FINANCIAL STATEMENTS**

**JUNE 30, 2018**

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INDEPENDENT AUDITORS' REPORT

Board of Commissioners  
First 5 San Mateo County  
San Mateo, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the major fund of First 5 San Mateo County, a discretely presented component unit of the County of San Mateo, California, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise First 5 San Mateo County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of First 5 San Mateo County as of June 30, 2018, and the respective changes in financial position, and the respective budgetary comparisons included as part of the basic financial statements, thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

**Change in Accounting Principle**

As discussed in Note 2K to the financial statements, during the year ended June 30, 2018, First 5 San Mateo County adopted new accounting guidance, Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Our opinion is not modified with respect to this matter.

As discussed in Note 2K to the financial statements, during the year ended June 30, 2018, First 5 San Mateo County adopted new accounting guidance, GASB Statement No. 85, Omnibus 2017. Our opinion is not modified with respect to this matter.

Other Matters

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 6, the schedule of proportionate share of the net pension liability, the schedule of First 5's contributions - pension plan, the schedule of proportionate share of the net OPEB liability, the schedule of First 5's contributions - OPEB, and the schedule of changes in the net OPEB liability and related ratios on pages 33 through 37, listed as required supplementary information in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2018 on our consideration of First 5 San Mateo County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering First 5 San Mateo County's internal control over financial reporting and compliance.

*R.J. Ricciardi, Inc.*

R.J. Ricciardi, Inc.  
Certified Public Accountants

San Rafael, California  
September 18, 2018

First 5 San Mateo County  
(A Discretely Presented Component Unit of the County of San Mateo)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2018

In November 1998, voters passed a statewide ballot initiative, Proposition 10, to fund programs that promote the physical, cognitive and emotional development of children ages 0-5. Proposition 10 funds are generated by a tax on tobacco products and are intended to facilitate the creation and implementation of an integrated and collaborative system of care for young children in the areas of health, family support and early learning. All revenue generated is collected in the California Children and Families (First 5 California) Trust Fund Account and allocations are made to each of the 58 counties in the State based on the number of births recorded in the relevant county in proportion to the number of births recorded in California. Each county must establish a local First 5 Commission to oversee the use of these funds in accordance with their strategic plan.

This Management's Discussion and Analysis is intended to serve as a narrative overview and analysis of the financial activities of First 5 San Mateo County (First 5) for the year ended June 30, 2018. The information presented should be read in conjunction with the information furnished in the financial statements and notes to the financial statements.

### **Financial Highlights**

During the fiscal year ended June 30, 2018, First 5 contributed over \$7 million in a wide variety of local programs and services for young children and their families.

### **Government-wide Financial Analysis**

- The assets of First 5 exceeded its liabilities as of June 30, 2018 by \$11,742,912 (*net position*). The remaining balance may be used to meet First 5's ongoing obligations to grantees and creditors.

### **Fund Financial Analysis**

- Total fund balance as of June 30, 2018 was \$12,238,968. Of this amount, \$10,835,881 was committed for current executed grants and contracts and for contract amendments not yet executed (obligated); and the remaining \$1,403,087 was set aside for future programs, projects, and activities. All funding awards were in accordance with First 5's Strategic Plan and Long-Term Financial Plan.
- Contributions to local projects increased by \$1,145,410 or 18.8% from the previous fiscal year.

### **Overview of the Financial Statements**

This discussion and analysis serves as an introduction to First 5's basic financial statements which include three components:

1. Government-wide financial statements
2. Fund financial statements
3. Notes to the basic financial statements

**Government-wide financial statements** provide readers with a broad overview of First 5's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of First 5's assets and liabilities, with the difference between the two reported as net position.

First 5 San Mateo County  
(A Discretely Presented Component Unit of the County of San Mateo)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2018

The *statement of activities* presents information showing how First 5's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in a future fiscal period (e.g. earned but unused vacation leave).

The *government-wide financial statements* can be found on pages 7 and 8 of this report.

**Fund financial statements** are groupings of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements; however they focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year.

The *fund financial statements* can be found on pages 9 and 10 of this report.

**Notes to the basic financial statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The *notes* can be found on pages 12 through 32 of this report.

**Government-wide Financial Analysis**

As of June 30, 2018, First 5 assets exceeded liabilities by \$11,742,912.

<b>Net Position</b>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Total assets	\$ 14,894,503	\$ 17,492,146	\$ 18,092,801
Total deferred outflows of resources	\$ 765,504	\$ 599,924	\$ 208,495
Total liabilities	\$ 3,573,356	\$ 3,225,226	\$ 2,632,557
Total deferred inflows of resources	\$ 343,739	\$ 121,355	\$ 21,125
Net position	\$ 11,742,912	\$ 14,745,489	\$ 15,647,614

**Fiscal Year 2018 Compared to Fiscal Year 2017**

- At the end of fiscal year 2018, total assets decreased by \$2,597,643 (14.9%) when compared to fiscal year 2017. The decrease was primarily due to the decrease in cash and cash equivalents for grant and vendor payments made during the year.
- Total deferred outflows of resources increased by \$165,580 (27.6%) due to a change in deferred pension and OPEB actuarial assumptions.
- Total liabilities increased by \$348,130 (10.8%). The increase was mainly due to more deferred grant revenue held at year end.
- Total deferred inflows of resources increased by \$222,384 (183.3%) due to a change in deferred pension and OPEB actuarial assumptions.
- Net position decreased by \$3,002,577 (20.4%). Net position is money received that is set aside for programs, projects, and activities to be conducted in the future according to a documented plan, budget or financial forecast formally approved by First 5. In addition, there was a restatement of \$351,029 related to GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* to adjust the net OPEB liability.

First 5 San Mateo County  
(A Discretely Presented Component Unit of the County of San Mateo)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2018

Fiscal Year 2017 Compared to Fiscal Year 2016

- At the end of fiscal year 2017, total assets decreased by \$600,655 (3.3%) when compared to fiscal year 2016. The decrease was primarily due to the decrease in cash and cash equivalents for grant and vendor payments made during the year.
- Total deferred outflows of resources increased by \$391,429 (187.7%) due to a change in deferred pension actuarial assumptions.
- Total liabilities increased by \$592,669 (22.5%). The increase was mainly due to more grant and vendor payments due and payable at year end.
- Total deferred inflows of resources increased by \$100,230 (474.5%) due to a change in deferred pension actuarial assumptions.
- Net position decreased by \$902,125 (5.8%). Net position is money received that is set aside for programs, projects, and activities to be conducted in the future according to a documented plan, budget or financial forecast formally approved by First 5.
- For the year ended June 30, 2017, the beginning net position has been adjusted by \$55,699 to increase the net position balance as of the beginning of the period. The net pension liability was overstated in the previous year by \$55,699.

**Changes in Net Position**

	2018	2017	2016
Program revenues	\$ 5,953,533	\$ 6,275,018	\$ 6,586,370
General revenues	165,791	392,750	248,706
Program expenses	<u>(8,770,872)</u>	<u>(7,625,592)</u>	<u>(7,480,634)</u>
Change in net position	(2,651,548)	(957,824)	(645,558)
Net position, beginning of period (as restated)	<u>14,394,460</u>	<u>15,703,313</u>	<u>16,293,172</u>
Net position, end of period	<u><u>\$ 11,742,912</u></u>	<u><u>\$ 14,745,489</u></u>	<u><u>\$ 15,647,614</u></u>

Fiscal Year 2018 Compared to Fiscal Year 2017

- Program revenues decreased by \$321,485 (5.1%) and general revenues decreased by \$226,959 (57.8%). The decrease in program revenue was primarily due to decreases in tobacco tax and other grants. The decrease in general revenue was primarily due to a Federal Refund of Child Health Initiative program that was received in 2017 but not in 2018.
- Program expenses increased by \$1,145,280 (15.0%). The majority of the increase was due to an increase in contributions to local projects.
- For the year ended June 30, 2018, the beginning net position has been adjusted by \$351,029 to decrease the net position balance as of the beginning of the period. The net OPEB liability was adjusted in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

First 5 San Mateo County  
(A Discretely Presented Component Unit of the County of San Mateo)  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended June 30, 2018

Fiscal Year 2017 Compared to Fiscal Year 2016

- Program revenues decreased by \$311,352 (4.7%) and general revenues increased by \$144,044 (57.9%). The decrease in program revenue was primarily due to decreases in tobacco tax and other grants. The increase in general revenue was primarily due to a Federal Refund of Child Health Initiative program.
- Program expenses increased by \$144,958 (1.9%). The majority of the increase was due to an increase in contributions to local projects.

**Fund Financial Analysis**

First 5 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. As of June 30, 2018, First 5 reported a fund balance of \$12,238,968, a decrease of \$2,699,702 (18.1%) from the prior year. The decrease was mainly due to spending of First 5's fund balance committed to grantees and contractors through contractual obligations. Of the total, \$10,835,881 of the fund balance was committed to grantees and contractors through contractual obligations in accordance with First 5's Strategic Plan and Long-Term Financial Plan. These plans are reviewed and approved by the First 5 Commission on an annual basis.

**Budgetary Highlights**

First 5 operating budget for FY17-18 totaled \$10.2 million. The budget closeout revealed an estimated savings of \$1.3 million, which is the excess of approved budgeted expenditures compared to actual expenditures. A key factor accounting for the \$1.3 million positive budget variance was contributions to local projects which were attributed to under spending in grantee's contracts.

*The budgetary comparison information can be found on page 11 of this report.*

**Requests for Information**

This financial report is designed to provide a general overview of First 5's finances. Questions concerning any of the information provided in this report, or requests for additional financial information, should be addressed to Kitty Lopez, Executive Director, First 5 San Mateo County, 1700 S. El Camino Real, Suite 405, San Mateo, CA 94402-3050.

First 5 San Mateo County  
(A Discretely Presented Component Unit of the County of San Mateo)

Exhibit A

STATEMENT OF NET POSITION

June 30, 2018

	<u>Governmental Activities</u>
<u>ASSETS</u>	
Cash and cash equivalents	\$ 13,333,998
Intergovernmental receivable, net	1,498,889
Interest receivable, net	<u>61,616</u>
Total assets	<u>14,894,503</u>
 <u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred outflows of resources - NPL	730,367
Deferred outflows of resources - OPEB	<u>35,137</u>
Total deferred outflows of resources	<u>765,504</u>
 <u>LIABILITIES</u>	
Accounts payable	2,299,503
Salaries and benefits payable	48,253
Grants refundable	307,779
Long-term liabilities:	
Net pension liability	716,659
Net OPEB liability	126,906
Compensated absences:	
Payable in less than one year	34,735
Payable in more than one year	<u>39,521</u>
Total liabilities	<u>3,573,356</u>
 <u>DEFERRED INFLOWS OF RESOURCES</u>	
Deferred inflows of resources - NPL	258,981
Deferred inflows of resources - OPEB	<u>84,758</u>
Total deferred inflows of resources	<u>343,739</u>
 <u>NET POSITION</u>	
Unrestricted	<u>11,742,912</u>
Total net position	<u><u>\$ 11,742,912</u></u>

The accompanying notes are an integral part of these financial statements.

First 5 San Mateo County  
(A Discretely Presented Component Unit of the County of San Mateo)

Exhibit B

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2018

	<u>Governmental Activities</u>
Program expenses:	
Salaries and wages	\$ 616,308
Employee benefits	190,926
Pension expenses	379,094
General office supplies	28,380
Professional services	235,018
Other administrative expenses	69,984
Contributions to local projects	<u>7,251,162</u>
Total program expenses	<u>8,770,872</u>
 Program revenues:	
Operating grants and contributions:	
Tobacco tax	5,912,387
Other grants	<u>41,146</u>
Total program revenues	<u>5,953,533</u>
Net program revenues (expenses)	<u>(2,817,339)</u>
 General revenues:	
Investment earnings (losses)	<u>165,791</u>
Total general revenues	<u>165,791</u>
Change in net position	<u>(2,651,548)</u>
Net position, beginning of period, as previously stated	14,745,489
Restatements	<u>(351,029)</u>
Net position, beginning of period, as restated	<u>14,394,460</u>
Net position, end of period	<u>\$ 11,742,912</u>

The accompanying notes are an integral part of these financial statements.

First 5 San Mateo County  
(A Discretely Presented Component Unit of the County of San Mateo)  
GOVERNMENTAL FUNDS BALANCE SHEET  
June 30, 2018

Exhibit C

ASSETS

Cash and cash equivalents	\$	13,333,998
Intergovernmental receivable, net		1,498,889
Interest receivable, net		<u>61,616</u>
Total assets	\$	<u><u>14,894,503</u></u>

LIABILITIES AND FUND BALANCES

Liabilities:

Accounts payable	\$	2,299,503
Salaries and benefits payable		48,253
Grants refundable		<u>307,779</u>
Total liabilities		<u><u>2,655,535</u></u>

Fund balances:

Committed		10,835,881
Assigned		<u>1,403,087</u>
Total fund balances		<u><u>12,238,968</u></u>

Total liabilities and fund balances	\$	<u><u>14,894,503</u></u>
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**Reconciliation of the Governmental Funds Balance Sheet with the Governmental Activities Statement of Net Position:**

Total Governmental Funds Fund Balances	\$	12,238,968
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Amounts reported in the Statement of Net Position are different because:

Long-term assets are not available to pay for current period expenditures, and long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental fund:

Deferred outflows of resources		765,504
Net pension liability		(716,659)
Net OPEB liability		(126,906)
Deferred inflows of resources		(343,739)
Compensated absences		<u>(74,256)</u>

Net Position of Governmental Activities	\$	<u><u>11,742,912</u></u>
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The accompanying notes are an integral part of these financial statements.

(A Discretely Presented Component Unit of the County of San Mateo)

GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES

For the Year Ended June 30, 2018

Revenues:		
Tobacco tax	\$	5,912,387
Investment earnings (losses)		165,791
Other grants		41,146
Total revenues		<u>6,119,324</u>
Expenditures:		
Salaries and benefits		1,234,482
Services and supplies		333,382
Contributions to local projects		7,251,162
Total expenditures		<u>8,819,026</u>
Excess of revenues over (under) expenditures		(2,699,702)
Fund balance, beginning of period		<u>14,938,670</u>
Fund balance, end of period	\$	<u><u>12,238,968</u></u>

**Reconciliation of the Net Change in Fund Balances with the Change in Net Position of Governmental Activities:**

Net Change in Fund Balances	\$	(2,699,702)
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Amounts reported in the Statement of Activities are different because:

Change in long-term portion of assets and liabilities do not provide or require the use of current financial resources and therefore are not reported in the governmental fund:		
Change in net OPEB asset		(165,368)
Change in deferred outflows of resources		165,580
Change in net pension liability		54,322
Change in OPEB liability		(126,906)
Change in deferred inflows of resources		(222,384)
Change in compensated absences		(8,119)
Restatements		351,029
Change in Net Position of Governmental Activities	\$	<u><u>(2,651,548)</u></u>

The accompanying notes are an integral part of these financial statements.

First 5 San Mateo County  
(A Discretely Presented Component Unit of the County of San Mateo)

Exhibit E

STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

Budget and Actual  
For the Year Ended June 30, 2018

	Original Budget	Final Budget	Actual (Budgetary Basis)	Variance with Final Budget
Revenues:				
Tobacco tax	\$ 5,603,790	\$ 5,760,301	\$ 5,912,387	\$ 152,086
Investment earnings (losses)	105,002	125,002	208,234	83,232
Other grants	-	100,000	41,146	(58,854)
Total revenues	5,708,792	5,985,303	6,161,767	176,464
Expenditures:				
Salaries and benefits	1,352,377	1,352,377	1,234,482	117,895
Services and supplies	422,750	412,050	333,382	78,668
Contributions to local projects	7,907,043	8,403,752	7,251,162	1,152,590
Total expenditures	9,682,170	10,168,179	8,819,026	1,349,153
Excess of revenues over (under) expenditures	\$ (3,973,378)	\$ (4,182,876)	(2,657,259)	\$ 1,525,617
Fund balance, beginning of period			14,922,527	
Fund balance, end of period			\$ 12,265,268	

The accompanying notes are an integral part of these financial statements.

First 5 San Mateo County  
(A Discretely Presented Component Unit of the County of San Mateo)  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

NOTE 1 - GENERAL

Under the authority of the California Children and Families First Act of 1998 and sections 130100, et seq. of the Health and Safety Code, the Children & Families First Commission of San Mateo County (Commission) was established in March 1999. The Commission set up the Children and Families First Trust Fund with the County of San Mateo (County) in March 1999 to account for the receipts and disbursements of California Children and Families Trust Fund allocations to the Commission. On January 7, 2003, the County Board of Supervisors passed an ordinance changing the Commission's name to First 5 San Mateo County (First 5).

The financial transactions of First 5 are accounted for in a special revenue fund, as monies received by it are legally restricted or committed to specific use. Moneys allocated and appropriated to First 5 can be expended only for purposes authorized by the California Children and Families First Act of 1998 (Proposition 10) and in accordance with the First 5 Strategic Plan and Long-Term Financial Plan approved by the First 5 Commission and approved through the County budget process.

The County Board of Supervisors appoints all the members of the First 5 Commission. Therefore, the financial activities of First 5 are included in the basic financial statements of the County as a discretely presented component unit.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Measurement Focus, Basis of Accounting, & Financial Statement Presentation

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) are reported using the *economic resources measurement focus* and the *accrual* basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Contributions to local grantee organizations are recognized as expenditures when criteria for grant payments are met by the grantee organizations. When both restricted and unrestricted net position is available, restricted resources are generally depleted first before the unrestricted resources are used.

The Statement of Net Position presents First 5's financial position in a net position approach. The Statement of Activities report the change in net position in a net program cost format to demonstrate the degree to which the expenses of First 5 are offset by its program revenues - tobacco tax and private grants. First 5 has no business-type activities.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

First 5 San Mateo County  
(A Discretely Presented Component Unit of the County of San Mateo)  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Measurement Focus, Basis of Accounting, & Financial Statement Presentation (concluded)

Governmental fund financial statements, presented after the government-wide financial statements, are reported using the *current financial resources measurement focus* and the *modified accrual* basis of accounting. With this measurement focus, only current assets and current liabilities are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in current assets. Revenues are recognized as soon as they are both measurable and available. “Measurable” means that the amount of the transaction can be determined. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Revenues from reimbursement type programs are considered to be *available* when they are collectible within six months of the end of the current fiscal period in order to properly match revenues with related expenditures. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable.

The emphasis of fund financial statements is on major governmental funds. All remaining governmental funds are aggregated and reported as non-major funds, regardless of their fund type. Major funds are those that have assets, liabilities, revenue or expenditures equal to ten percent of their fund-type total. The General Fund is always a major fund. First 5 may also select other funds it believes should be presented as major funds.

First 5 reports the following major governmental fund types: the General Fund is First 5’s primary operating fund. It is used to account for all activities, except those required to be accounted for in another fund.

B. Program Revenues

Program revenues in the financial statements include tobacco tax and other funding from First 5 California, other grants, and private grants.

C. Net Position

The government-wide financial statements utilize a net position presentation. Net position is categorized as invested in capital assets (net of related debt), restricted and unrestricted.

Invested in Capital Assets, Net of Related Debt - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position - This category presents external restrictions imposed by creditors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents net position of First 5 not restricted for any project or other purpose.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, First 5 recognized deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period and will not be recognized as an outflow of resources (expense/expenditure) until then. First 5 has two such items which are reported in Note 8 and Note 9.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the government that is applicable to a future reporting period and will not be recognized as an inflow of resources (revenue) until then. First 5 has two such items which are reported in Note 8 and Note 9.

E. Use of Estimates

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results based on subsequent events could differ from those estimates.

F. Budgetary Information

First 5 adopts an annual budget, which can be amended by First 5 throughout the year. The basis used to prepare the budget is the same as the basis used to reflect actual revenues and expenditures, except that liability for compensated absences, postemployment benefits other than pensions and unrealized gains and losses are not included in the budget.

G. Other Postemployment Benefits (OPEB)

First 5 employees participate in the defined benefit post employment healthcare plan administered by the County. The County is not obligated to pay for unused sick leave if employees terminate employment prior to retirement, except for those individuals who are laid off. Upon retirement, unused sick leave can be converted to postemployment healthcare benefits. The amount and duration of the County-paid benefits vary, depending on the bargaining units to which the employee belongs. The public safety employees are eligible to retire after attaining age 50 with at least ten years of service or at any age with 20 years of service. Others must retire from the County on or after attaining age 50 with at least ten years of service.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Risk Management

First 5 is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The County of San Mateo, through its self-insurance program, provides First 5 with Worker's Compensation and Employer Liability Insurance. First 5 compensates the County for maintaining such insurance. The County Counsel provides legal representation for any claims or litigation for First 5.

Claims have not exceeded coverage in the past fiscal year and there has not been a significant reduction in coverage in the current fiscal year.

I. Economic Dependency

First 5 has a significant economic dependency on tobacco tax allocations from the State, as these allocations represent a substantial portion of First 5's revenue. During the year ended June 30, 2018, First 5 received \$5,912,387, which amounts to 96% of total revenue for the year. First 5's ability to continue operations depends primarily on the continuance of this funding source. Tobacco tax allocations from the State do not have a termination date but are vulnerable to changes in legislation.

J. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of First 5's pension plan and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by SamCERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

K. Implementation of Governmental Accounting Standards Board (GASB) Statements

GASB Statement No. 75 – Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

In June 2015, the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which establishes new accounting and financial reporting for state and local governments by improving the accounting and financial reporting for OPEB plans and provides information obtained by state and local government employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. GASB Statement No. 75 is effective for First 5's fiscal year ending June 30, 2018.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

K. Implementation of Governmental Accounting Standards Board (GASB) Statements (concluded)

GASB Statement No. 85 – Omnibus 2017

In March 2017, the GASB issued GASB Statement No. 85, Omnibus 2017. This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement is effective for First 5's fiscal year ending June 30, 2018.

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and Cash Equivalents

Cash and cash equivalents are pooled with other funds in the San Mateo County Investment Pool (County Pool). The County Pool includes both voluntary and involuntary participants from external public entities. First 5 is a voluntary participant in the County Pool. Interest earned is received quarterly. Cash and cash equivalents in the County Pool are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. The change in fair value for the year is recorded as unrealized gain or loss and reported as part of investment earnings. Fair value is based on information provided by the County Treasurer.

The County Pool is a governmental investment pool managed and directed by the elected San Mateo County Treasurer (Treasurer). The County Pool is not registered with the Securities and Exchange Commission as an investment company. California Government Code and the County's Investment Policy govern the County Pool activities. The objectives of this policy, in order of priority, are: safety, liquidity, yield, and public trust. The pool attempts to match maturities with planned outlays and maximize the return on investment over various market cycles. Yield is considered only after safety and credit quality have been met, consistent with limiting risk and prudent investment principles. The County Board reviews the County's Investment Policy annually, and all amendments to the policy must be approved by the County Board.

The fair value of cash and cash equivalents of First 5's investment in the County Pool is reported in the accompanying financial statements at amounts based upon First 5's pro-rata share of the fair value provided by the Treasurer for the County Pool portfolio. First 5's cash and cash equivalents in the pool totaled \$13,333,998 as of June 30, 2018. The contractual withdrawal values (book values) were \$13,394,833 as of June 30, 2018.

Fair Value of Investments

First 5 categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

First 5 has the following recurring fair value measurements as of June 30, 2018:

San Mateo County Investment Pool (Level 2 inputs)	<u>\$ 13,333,998</u>
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NOTE 3 - CASH AND CASH EQUIVALENTS (continued)

Authorized Investments of the County Pool

The County's Investment Policy and the California Government Code allow the County Pool to invest in the following, provided the credit ratings of the issuers are acceptable to the County Pool. The following also identifies certain requirements of the County Pool and California Government Code that address interest rate risk, credit risk, and concentrations of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Minimum Credit Quality</u>	<u>Maximum % Allowed in Portfolio</u>	<u>Maximum % Investment in One Issuer</u>
U.S. Treasury obligations	7 years	N/A	100	100
Obligations of U.S. agencies or government sponsored enterprises	7 years	AA or A-1	100	40
U.S. agencies callables	7 years	AA	100	25
Commercial paper	270 days or less	A1/P-1/F1	40	5
Negotiable certificates of deposit	5 years	A1/P-1/F1	30	5
Bankers acceptances	180 days	A1/P-1/F1	15	5
Collateralized time deposits within the State of California	1 year	A1/P-1/F1	15	5
Mortgage backed securities/CMO's	5 years	A or AA	20	5
Asset backed securities	5 years	AAA	20	5
Corporate bonds, medium term notes and covered bonds	5 years	AA/A	30	5
U.S. Instrumentalities	5 years	AA	30	N/A
CA Municipal Obligations	5 years	AA	30	5
Repurchase agreements secured by U.S. Treasury of agency obligation	92 days	A-1	100	See limitation for Treasuries and Agencies above
Local Agency Investment Fund (LAIF)	N/A	N/A	N/A	Up to the current state limit
Shares of beneficial interest	N/A	A1/P1	10	5
Local Government Investment Pools (LGIPs)	N/A	N/A	10	5

At June 30, 2018, the County Pool was invested in the following securities:

<u>Investment Type</u>	<u>Interest Rate</u>	<u>Maturities</u>	<u>Weighted Average Maturity (Years)</u>	<u>Rating</u>
Certificates of deposit	1.70%-2.60%	8/1/18-5/7/20	0.44	A-1, A-1+
Commercial paper	0.00%-2.18%	7/2/18-2/19/19	0.19	A-1, A-1+
LAIF	1.52%	8/1/18	0.17	NR
Repurchase agreements	2.05%	7/2/18	0.08	AA+
U.S. Treasury bills	0.00%	7/12/18-11/15/18	0.23	AA+
U.S. Treasury notes	0.75%-2.13%	7/31/18-10/31/23	2.49	AA+
Federal agency floating rate securities	1.90%-2.09%	3/15/19-12/11/20	1.56	AA+
Federal agency securities	0.00%-2.75%	7/11/18-8/17/21	1.12	AA+
U.S. Instrumentalities	0.00%-2.35%	7/2/18-1/26/22	0.79	AAA
Floating rate securities	1.66%-3.29%	7/30/18-5/16/22	1.87	AA-, A, AA, A+, AA+
Corporate bonds	0.88%-2.15%	7/10/18-4/7/21	1.01	AA-, AA, A+, AA+

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NOTE 3 - CASH AND CASH EQUIVALENTS (concluded)

County Pool: Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County pool manages its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to three years or less in accordance with its investment policy. As of June 30, 2018, the County Pool had a weighted average maturity of 0.91 years and its investment in floating rate securities was \$277 million which are tied to the three-month London Interbank Offered Rate (LIBOR) index.

County Pool: Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. State law and the County's investment policy limit the County's investments in commercial paper to the rating of A-1 or better by Standard & Poor's, or P-1 or better by Moody's Investors Service; and corporate bonds to the rating of A or higher by both Standard & Poor's and Moody's Investors Service. No limits are placed on the U.S. government agency securities and U.S. Treasuries. The County's Investment pool was unrated.

County Pool: Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the County Pool's investment in a single issuer of securities. For each authorized investment type, State law and County Investment Policy restricts the maximum percentages allowed in the portfolio and per issuer. As of June 30, 2018, the investment pool has five percent or more of its total investments with the following issuers: 28.8% in U.S. Treasuries (notes, t-bills and cash management bills), 21.7% in Commercial Paper, 16.9% in Government Agencies, 10.9% in U.S. Instrumentalities, 9.7% in Corporate Securities, and 6.4% in Certificates of Deposit.

County Pool: Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair values of an investment or deposit. The County investment policy does not include specific provisions to address foreign currency risk because the County's investment pool does not invest in foreign securities.

NOTE 4 - INTERGOVERNMENTAL RECEIVABLE

Intergovernmental receivable represents revenues that were received after the fiscal year June 30, 2018:

Proposition 10 allocation - May	\$ 470,428
Proposition 10 allocation - June	323,243
Proposition 56 allocation	233,406
Surplus Money Investment Fund (SMIF)	7,659
Impact Grant	431,742
Impact Hub Grant	<u>32,411</u>
Total	<u>\$ 1,498,889</u>

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NOTE 5 - ACCOUNTS PAYABLE

Accounts payable is comprised of funding due to grantees and amounts due to vendors for services and supplies at the fiscal year ended June 30, 2018:

Funding due to grantees	\$ 2,215,358
Services and supplies	<u>84,145</u>
Total	<u><u>\$ 2,299,503</u></u>

NOTE 6 - COMPENSATED ABSENCES

First 5 accrues for compensated absences in the government-wide financial statements to pay its employees for unused vacation, compensatory time, and holiday. The accrual for compensated absences includes First 5's share of social security and Medicare contributions payable on behalf of the employees. Unused vacation, compensatory, and holiday time are cashed out upon separation.

The changes in the compensated absences balance for the fiscal year ended June 30, 2018 were as follows:

Balance – beginning of year	\$ 66,137
Additions	38,584
Retirements	<u>(30,465)</u>
Balance – end of year	<u><u>\$ 74,256</u></u>
Due within a year	<u><u>\$ 34,735</u></u>

NOTE 7 - GRANTS REFUNDABLE

First 5 received private grants of \$300,000 from the David and Lucile Packard Foundation for support of First 5's Help Me Grow Program and \$15,740 from the San Bruno Community Foundation for the Build-Up Kids Program. Of this amount, \$307,779 (\$293,070 and \$14,709, respectively) was unspent as of June 30, 2018.

NOTE 8 - EMPLOYEES' RETIREMENT PLAN

Plan Description

*General.* The San Mateo County Employees' Retirement Association (SamCERA) is a cost-sharing multiple-employer, defined benefit pension plan that provides benefits for substantially all permanent employees of the County, First 5 and employees of the San Mateo County Library, the Superior Courts of the County of San Mateo, and the San Mateo County Mosquito and Vector Control District. SamCERA was founded in 1944 under the authority granted by Article XVI of the Constitution of the State of California and the County Employees' Retirement Law of 1937 (the 1937 Act), and is not subject to the provisions of the Employee Retirement Income Security Act of 1974. SamCERA is a Pension Trust Fund of the participating employers.

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NOTE 8 - EMPLOYEES' RETIREMENT PLAN (continued)

Management of SamCERA is vested in the Board of Retirement consisting of nine members. SamCERA is governed by the California Constitution, the 1937 Act and the by-laws, procedures, and policies adopted by the Board of Retirement. Pursuant to the County Employees Retirement Law of 1937, board members include the County Treasurer, two general members of SamCERA elected by their peers, four members appointed by the County Board, one member from SamCERA's safety members, and one member from the retired membership.

The Board of Retirement undertakes the administrative and fiduciary responsibility over the pension plan. SamCERA issues a publicly available financial report that can be obtained by writing to the San Mateo County Employees' Retirement Association, 100 Marine Parkway, Suite 125, Redwood Shores, California 94065.

*Benefit Provisions.* SamCERA provides service retirement, disability, and death benefits to plan members and beneficiaries based on defined benefit formulas using final average compensation, years of service, and age factors to calculate benefits payable. SamCERA has seven tiers that cover members classified as general, safety, or probation, and provides annual cost-of-living adjustments upon retirement to members of Tiers 1, 2, 4, 5, 6, and 7. The benefits of Tier 3 are reduced by a portion of Social Security benefits received by the member. The 1937 Act vests the County Board with the authority to initiate benefits, while Government Code Section 31592.2 empowers the Board of Retirement to provide certain ad hoc benefits when the Section 31592 reserve exceeds 1% of assets.

SamCERA has seven tiers covering members classified as general, safety or probation. Members in Tiers 1, 2, 4, 5, and 6 with 10 years of continuous service (permanent part-time employees need equivalent of 5 years of full-time service and 10 years of membership) may retire at age 50. Members in Tier 3 with 10 years of continuous service may retire at age 55. Members in Tier 7 with 5 years of service may retire at age 52.

General members in Tiers 1, 2, 4, 5, and 6 may retire at any age after 30 years of service. Safety members and Probation members may retire at any age after 20 years of service. A member who leaves County service may withdraw his or her contributions, plus any accumulated interest. Members with five years of service, permanent part-time employees with five years of full-time service, or non-contributory members (Tier 3) with 10 years of service, may elect a deferred retirement when terminating their employment with the County.

In addition to the basic member and the cost sharing contributions, certain plan members (except those in Tier 3) are required to make contributions to fund the Cost of Living Adjustments (COLA). Certain members in Tiers 1, 2 and 4 contribute a specific percentage of the retirement COLA cost. All members in Tiers 5 and 6 contribute 50% of the COLA. Members in Tier 7 contribute 50% of the aggregate normal cost rate for their plan.

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NOTE 8 - EMPLOYEES' RETIREMENT PLAN (continued)

*Contributions.* The 1937 Act established the basic obligations for employers and members to make contributions to the pension trust fund. The employer and member contribution rates are based on recommendations made by an independent actuary and adopted by the Board of Retirement. The participating employers are required by statutes to contribute the amounts necessary to fund the estimated benefits accruing to SamCERA members not otherwise funded by member contributions or expected investment earnings. Employer contribution rates for each tier are determined pursuant to Government Code Section 31453 of the 1937 Act. Contribution rates are actuarially determined using the entry age normal method and consist of an amount for normal cost (the estimated amount necessary to finance benefits earned by members during the year) and an amount required to amortize the unfunded actuarial accrued liability. Contributions to the plan from First 5 were \$198,644 for the year ended June 30, 2018.

For the fiscal year ended June 30, 2018, the contributions recognized as part of pension expense for the plan were as follows:

Contributions – employer	\$	198,644
Contributions – employee		55,530

Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2018, First 5 reported \$716,659 of net pension liabilities for its proportionate share of the net pension liability. The net pension liability of the plan is measured as of June 30, 2017, and the total pension liability for the plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017. First 5's proportion of the net pension liability was based on statutory contributions. First 5's proportionate share of the net pension liability was 0.12% as of June 30, 2017, which was an increase of 0.01% from its share measured as of June 30, 2016.

For the year ended June 30, 2018, First 5 recognized pension expense of \$151,505. At June 30, 2018, First 5 reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected pension experience	\$ 38,523	\$ 6,274
Changes in pension-related assumptions	225,305	-
Differences between projected and actual earnings		
on pension investments	205,862	252,229
Change in proportionate share of net pension liability	1,288	-
Difference in actual and proportionate share of		
pension contributions	1,763	478
Pension contributions subsequent to measurement date	<u>257,626</u>	<u>-</u>
Total	<u>\$ 730,367</u>	<u>\$ 258,981</u>

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NOTE 8 - EMPLOYEES' RETIREMENT PLAN (continued)

First 5 reported \$257,626 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended</u>	
6/30/19	\$ 53,748
6/30/20	105,893
6/30/21	65,578
6/30/22	(5,722)
6/30/23	(5,737)
Thereafter	-

The total pension liabilities in the June 30, 2017 actuarial valuation were determined using the information below.

Actuarial Methods and Assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Actuarial Key Assumptions:	
Investment Rate of Return	6.92%
General Wage Increases	3.00%
Inflation	2.50%
Mortality	Various rates based on mortality tables described in the June 30, 2017, actuarial valuation.
Actuarial Experience Study	July 1, 2014 to April 30, 2017
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair market value
Smoothing Period	5 years
Recognition Method	Non-asymptotic
Corridor	80% to 120% of fair value
Amortization Method	Level percentage of projected payroll
Amortization of Unfunded Actuarial Accrued Liability (UAAL)	UAAL as of June 30, 2008, is amortized over a closed 15-year period ending June 30, 2013. Subsequent changes in the UAAL are amortized over separate closed 15-year layers that are determined annually ("layer" amortization).

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NOTE 8 - EMPLOYEES' RETIREMENT PLAN (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block approach in which a median (or expected) geometric rate of return is developed for each major asset class. The median rates are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and estimates of the median geometric rates of return for each major asset class are shown in the table below. The asset class return assumptions are presented on a nominal basis, and all assumptions include a base inflation rate assumption of 2.50%.

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Rate of Return</u>
Equity	42%	6.9%
Fixed Income	21%	3.9%
Alternatives	13%	7.6%
Risk Parity	8%	5.5%
Inflation Hedge	16%	6.7%
Cash	<u>0%</u>	2.2%
Total	<u>100%</u>	

Discount Rate

The investment rate of return assumption used to measure the total pension liability was 6.92%. The projection of cash flows used to determine the discount rate assumed that employer and member contributions will be made at the funding requirements under SamCERA's funding policy and the legal requirements under the County Employees Retirement Law of 1937. In addition, San Mateo County intends to contribute additional amounts over the next 10 years to accelerate the elimination of the unfunded actuarial accrued liability. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return, gross of administrative expenses.

Sensitivity of the Proportionate Share of Net Pension Liability to Changes in the Discount Rate

The following presents First 5's proportionate share of the net pension liability of SamCERA, calculated using the discount rate for SamCERA, as well as what First 5's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease: 5.92%</u>	<u>Current Discount Rate 6.92%</u>	<u>1% Increase: 7.92%</u>
Total pension liability	\$ 6,557,182	\$ 5,729,492	\$ 5,055,256
Fiduciary net position	5,012,833	5,012,833	5,012,833
Net pension liability	1,544,349	716,659	42,423

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NOTE 8 - EMPLOYEES' RETIREMENT PLAN (concluded)

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued SamCERA financial report.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB)

First 5 employees are also participants of the postemployment benefit (OPEB) sick leave conversion Retiree Health Plan (a single-employer defined benefit plan) administered by the County. The County's Retiree Health Plan is being managed through the California Employers' Retiree Benefits Trust (CERBT), an irrevocable trust fund that allows public employers to prefund the future cost of their retiree health insurance benefits and other postemployment benefits for their covered employees or retirees.

The CERBT's administrator, the California Public Employees' Retirement System (CalPERS), issues a publicly available financial report consisting of financial statements and required supplementary information for CERBT in aggregate. The report may be obtained by writing to CalPERS, Lincoln Plaza North, 400 Q Street, Sacramento, CA 95811.

The current funding policy of the County is to contribute the annual required contribution each year. Contribution requirements or amendments for the members and the County are established through negotiations with individual bargaining units. First 5 participates in the County's Retiree Health Plan on a cost-sharing basis, and contributed \$35,137 for the fiscal year ended June 30, 2018.

The following table shows changes in the net OPEB liability:

Net OPEB asset	\$ (165,368)
Restatement	<u>393,837</u>
Balance at June 30, 2017	228,469
Changes for the year:	
Service cost	23,857
Interest on total OPEB liability	40,073
Effect of plan changes	-
Effect of economic/demographic gains or losses	(22,665)
Effect of assumptions changes or inputs	(73,676)
Benefit payments	-
Employer contributions	(42,808)
Member contributions	-
Net investment income	(26,522)
Administrative expenses	178
Changes in benefit terms	<u>-</u>
Balance at June 30, 2018	<u>\$ 126,906</u>

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NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

OPEB Liabilities, OPEB Expenses, and Deferred Outflows/Inflows of Resources Related to OPEB

As of June 30, 2018, First 5 reported \$126,906 of net OPEB liabilities for its proportionate share of the net OPEB liability. The net OPEB liability of the plan is measured as of June 30, 2017, and the total OPEB liability for the plan used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. First 5's proportion of the net OPEB liability was based on statutory contributions. First 5's proportionate share of the net OPEB liability was 0.14% as of June 30, 2017.

For the year ended June 30, 2018, First 5 recognized OPEB expense of \$26,003. At June 30, 2018, First 5 reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 19,560
Changes of assumptions	-	63,583
Net difference between projected and actual earnings	-	1,615
Contributions made subsequent to measurement date	35,137	-
Total	\$ 35,137	\$ 84,758

First 5 reported \$35,137 as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Fiscal Year Ended</u>			
6/30/19		\$	(13,602)
6/30/20			(13,602)
6/30/21			(13,602)
6/30/22			(13,601)
6/30/23			(13,198)
Thereafter			(17,153)

First 5 prefunds benefits through contributions to the trust. The current funding policy is to contribute the Actuarially Determined Contributions calculated by the actuary. The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a closed 30 year period beginning July 1, 2005. The following actuarial methods and assumptions were used to calculate the July 1, 2017 Actuarially Determined Contribution.

First 5 San Mateo County  
(A Discretely Presented Component Unit of the County of San Mateo)  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

First 5's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2017 that was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Methods and Assumptions:

Valuation Timing	Actuarial valuations will be performed annually in future years. The most recent valuation was performed as of June 30, 2017
Actuarial Cost Method	Entry Age Normal
Measurement Date	June 30, 2017
Amortization Method	
Level Percent of Level Dollar	Level percent
Closed, Open, or Layered Periods	Closed
Amortization Period at June 30, 2017	18 years
Amortization Growth Rate	3.00%
Asset Valuation Method	Market value
Inflation	2.75%
Salary Increases	3.00%
Investment Rate of Return	6.73%
Healthcare Cost Trend Rates	7.6% for 2017-2018, gradually decreasing to an ultimate rate of 4.5% for 2073 and beyond.
Retirement	Derived using CalPERS' membership data for all funds
Turnover	
Mortality	

The long-term expected rate of return on OPEB investments was determined using a building-block method in which future real rates of return (expected returns, net of OPEB plan investment expenses and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the table below:

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NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (continued)

The CERBT offers three diversified allocation strategies. By comparison, Strategy 1 has the highest long-term expected rate of return and return volatility, Strategy 2 has a moderate long-term expected rate of return and return volatility, and Strategy 3 has the lowest long-term expected rate of return and return volatility. The following table shows the Board-adopted target asset allocation policy for the three CERBT strategies:

<u>Asset Class</u>	<u>Strategy 1</u>		<u>Strategy 2</u>		<u>Strategy 3</u>	
	<u>Target Asset Allocation</u>	<u>Long-term Expected Rate of Return</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Rate of Return</u>	<u>Target Asset Allocation</u>	<u>Long-term Expected Rate of Return</u>
Global Equity	57%	8.1%	40%	6.7%	24%	5.2%
Global Debt Securities	27%	11.1%	39%	11.2%	39%	11.2%
Inflation Assets	5%	3.9%	10%	3.9%	26%	3.8%
REITs	8%	7.6%	8%	7.6%	8%	7.6%
Commodities	3%	(14.0%)	3%	(14.0%)	3%	(13.9%)
Total	<u>100%</u>		<u>100%</u>		<u>100%</u>	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.73%. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Proportionate Share of Net OPEB Liability to Changes in the Discount Rate

The following presents First 5's proportionate share of the net OPEB liability of CERBT, calculated using the discount rate for CERBT, as well as what First 5's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	<u>1% Decrease:</u> <u>5.73%</u>	<u>Current</u> <u>Discount Rate</u> <u>6.73%</u>	<u>1% Increase:</u> <u>7.73%</u>
Total OPEB liability	\$ 574,151	\$ 523,534	\$ 478,778
Fiduciary net position	396,629	396,629	396,629
Net OPEB liability	177,522	126,906	82,148

First 5 San Mateo County  
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NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS (OPEB) (concluded)

Sensitivity of the Proportionate Share of Net OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents First 5's proportionate share of the net OPEB liability of CERBT, calculated using the health care cost trend rate for CERBT, as well as what First 5's proportionate share of the net OPEB liability would be if it were calculated using a health care cost trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	1% Decrease: 6.60%	Current Healthcare Cost Trend Rates 7.60%	1% Increase: 8.60%
Total OPEB liability	\$ 585,207	\$ 523,534	\$ 471,175
Fiduciary net position	396,629	396,629	396,629
Net OPEB liability	188,578	126,906	74,545

Additional information relating to the County's Retiree Health Plan and required OPEB disclosures can be obtained from the County's publicly available Comprehensive Annual Financial Report that may be obtained by writing to County of San Mateo Office of the Controller, 555 County Center, 4th Floor, Redwood City, California 94063.

NOTE 10 - FUND BALANCE

As prescribed by GASB Statement No. 54, governmental funds report fund balance in classifications based primarily on the extent to which First 5 is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. First 5's fund balances were comprised of the following:

Restricted Fund Balance - includes amounts that can be spent only for specific purposes stipulated by external resources providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of the resource provider.

Committed Fund Balance - includes amounts that can only be used for specific purposes determined by a formal action of First 5's highest level decision-making authority, the First 5 Commission. Commitments may be changed or lifted only by First 5 taking the same formal action that originally imposed the constraint.

Assigned Fund Balance - comprises amounts intended to be used by First 5 for specific purposes that are neither restricted nor committed. Intent is expressed by (1) First 5's Commission or (2) a body (for example: a budget or finance committee) or official to which First 5's Commission has delegated the authority to assign amounts to be used for specific purposes.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is depleted in the order of restricted, committed and assigned.

First 5 San Mateo County  
(A Discretely Presented Component Unit of the County of San Mateo)  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

NOTE 10 - FUND BALANCE (concluded)

At fiscal year-end, fund balance reported on the Statement of Revenues, Expenditures and Changes in Fund Balance includes:

**Committed**

Contracts and amendments to executed contracts:

Grantees	\$ 10,114,504
Others	721,377

**Assigned**

Total fund balance	<u>1,403,087</u> <u>\$ 12,238,968</u>
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NOTE 11 - REVENUES

Tobacco Tax and Other Funding

First 5 receives a proportionate share of Proposition 10 money from First 5 California (formerly California Children and Families Commission) based on the number of live births in the county in comparison to the number of live births statewide. Proposition 10 money received by First 5 also includes Surplus Money Investment Fund allocations, the Impact Grant allocations by First 5 California, and Proposition 56 funds.

The Surplus Money Investment Fund allocations represent distributions of interest accrued on statewide Proposition 10 money.

Tobacco tax and other revenues are comprised of:

Proposition 10:

Monthly allocations	\$ 5,021,101
Surplus Money Investment Fund	7,659
Impact Grant	650,221
Proposition 56	<u>233,406</u>
Total	<u>\$ 5,912,387</u>

Other Grants

Other grants are comprised of:

David and Lucile Packard Foundation	\$ 6,930
San Bruno Community Foundation	1,031
Impact Hub Grant	32,411
Wellness Grant	<u>774</u>
Total	<u>\$ 41,146</u>

First 5 San Mateo County  
(A Discretely Presented Component Unit of the County of San Mateo)  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

NOTE 11 - REVENUES (concluded)

Investment Earnings (Losses)

Investment earnings of \$165,791 for the year ended June 30, 2018, comprise of quarterly interest received from the County Treasurer on investments made by First 5 in the County Pool and the change in fair value of the investments. Interest is recorded in the year earned and is available to pay current liabilities.

Interest on investments	\$ 208,234
Change in fair value of investments	(42,443)
Total	\$ 165,791

NOTE 12 - PENSION EXPENSES

Pension expenses are comprised of:

County retirement contribution	\$ 201,586
Pension expense (changes in net pension liability)	151,505
OPEB expense (changes in net OPEB liability)	26,003
Total	\$ 379,094

NOTE 13 - CONTRIBUTIONS TO LOCAL PROJECTS

Starting in FY 2009-10, First 5 awarded \$20,167,000 in Cycle One funding to local projects. Cycle One has a three-year term from FY 2009-10 to FY 2011-12. First 5 awarded \$26,188,072 in Cycle Two funding to local projects. Cycle Two has a three-year term from FY 2011-12 to FY 2013-14 and has been extended through December 31, 2015. During the year ended June 30, 2016, First 5 awarded \$16,767,506 in Cycle Three funding to local projects. Cycle Three funding has been increased to \$31,503,543. Cycle Three has a five-year term from FY 2015-16 to FY 2019-20.

First 5 San Mateo County  
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NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

NOTE 13 - CONTRIBUTIONS TO LOCAL PROJECTS (concluded)

Grant contributions for the year ended June 30, 2018 include:

Cycle Three Funding:

Child Care Coordinating Council (IMPACT)	\$ 148,661
Community Gatepath (Special Needs Family Eng. Project)	49,192
Community Gatepath (Watch Me Grow)	1,066,219
Daly City Peninsula Partnership (SHEC Community Host Agency)	49,141
Faith in Action Bay Area (SHEC Consultation Services)	22,943
Family Connections (Nurturing Family Intensive Supports)	130,109
Family Connections (Parent Participatory Preschool TA to Puente Program)	20,160
Family Connections (Nurturing Pre-K Families)	86,564
Family Health Services (Staffing for Oral Health System Planning)	50,000
Peninsula Family Services (Therapeutic Child Development Centers)	282,305
Puente de la Costa Sur (Suenos Unidos Parent Participatory Preschool)	43,276
Ravenswood Family Health Center - South (Oral Health Services)	278,633
Redwood City (Socios for Success)	23,752
San Mateo County Office of Education (EQ+IP)	2,131,252
San Mateo County Office of Education (IMPACT)	311,135
San Mateo County Office of Education (Family Eng. Prof Development)	267,015
San Mateo County Office of Education (IMPACT - Leadership Support for FE)	21,350
San Mateo County Office of Education (IMPACT HUB T&TA)	27,236
Silicon Valley Community Foundation (PreK-3 <sup>rd</sup> Grade Articulation and Alignment)	220,363
Star Vista (Parents as Teachers)	95,602
Star Vista (Early Childhood Services - Healthy Homes)	1,248,239
Contractors:	
Dental Elite (Kit For New Parents)	13,850
Lafrance Associate (Mental Health System)	43,475
Lafrance Associate (Trauma Informed Systems Planning Consultation)	24,222
Francesca Wright (SMC Child Care Wages & Benefits Survey)	14,549
Persimmony International (Online Grant Mgt and Client Data Collection)	93,170
Runyon Saltzman (Communications Consultation Services)	178,054
Sarah Kinahan Consulting (San Bruno Mapping Project)	1,031
Sarah Kinahan Consulting (Build Up for SMC's Kids Facilities Consultation)	37,813
Silicon Valley Community Foundation (Choose Children 2018)	15,000
The Leland Stanford Jr. University (Big Data Project)	20,936
Viva Strategy + Communications (QRIS Communications Consultation)	152,011
Viva Strategy + Communications (Strategic Consultation)	38,321
Other	45,583
Total	<u>\$ 7,251,162</u>

NOTE 14 - GRANT COMMITMENTS

First 5's commitments to grantees as of June 30, 2018 were as follows:

Cycle Three Funding	<u>\$ 10,114,504</u>
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First 5 San Mateo County  
(A Discretely Presented Component Unit of the County of San Mateo)  
NOTES TO BASIC FINANCIAL STATEMENTS  
June 30, 2018

NOTE 15 - PROGRAM EVALUATION

First 5 spent \$264,918 on program evaluation during the fiscal year ended June 30, 2018.

NOTE 16 - LEASE OBLIGATIONS

First 5 leases office facilities and other equipment categorized as noncancelable operating leases expiring on October 31, 2021. Total costs for such leases were \$84,566 for the year ended June 30, 2018. The future minimum lease payments for the office facilities lease are as follows:

Fiscal year ending June 30, 2019	\$	87,103
Fiscal year ending June 30, 2020		89,716
Fiscal year ending June 30, 2021		92,408
Fiscal year ending June 30, 2022 (through October 31, 2021)		<u>31,105</u>
Total	\$	<u><u>300,332</u></u>

NOTE 17 - BUDGETARY ACCOUNTING AND ENCUMBRANCES

First 5 adopts an annual operating budget, which can be amended by First 5 throughout the year. The basis used to prepare the budget is the same as the basis used to reflect actual revenues and expenditures, except the budget excludes unrealized gains and losses and changes to the liabilities for compensated absences and postemployment benefits other than pensions (OPEB). The financial statements record unrealized gains and losses, compensated absences, and OPEB as required by generally accepted accounting principles (GAAP).

First 5 uses an encumbrance system in the County’s general ledger system, IFAS, to assist in controlling expenditures. Purchase orders, contracts, and other commitments for the expenditures of monies are recorded under this system in order to reserve applicable appropriations. Any encumbrances outstanding at year-end are included in committed fund balance as they do not constitute expenditures or liabilities.

The net change in fund balance under budgetary basis on page 11 is reconciled to the net change in fund balance under GAAP basis on page 10 as follows:

Deficiency of revenues over expenditures/net change in fund balance – budgetary basis	\$	2,657,259
Changes in unrealized (gain)/loss on cash equivalents		<u>42,443</u>
Deficiency of revenues over expenditures/net change in fund balance – GAAP basis	\$	<u><u>2,699,702</u></u>

NOTE 18 - RESTATEMENTS

For the year ended June 30, 2018, the beginning net position has been adjusted by \$351,029 to decrease the net position balance as of the beginning of the period. The net OPEB liability was adjusted in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

(A Discretely Presented Component Unit of the County of San Mateo)

**REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF PROPORTIONATE SHARE

OF THE NET PENSION LIABILITY

For the Year Ended June 30, 2018

	<u>2018</u>
First 5's proportion of the collective net pension liability (asset)	0.12%
First 5's proportionate share of the collective net pension liability (asset)	\$ 716,659
First 5's covered-employee payroll* (2017)	\$ 808,645
First 5's proportionate share of the collective net pension liability as a percentage of covered payroll	88.62%
Plan fiduciary net position as a percentage of the total pension liability	87.49%
	<u>2017</u>
First 5's proportion of the collective net pension liability (asset)	0.11%
First 5's proportionate share of the collective net pension liability (asset)	\$ 770,981
First 5's covered-employee payroll* (2016)	\$ 756,154
First 5's proportionate share of the collective net pension liability as a percentage of covered payroll	101.96%
Plan fiduciary net position as a percentage of the total pension liability	83.25%
	<u>2016</u>
First 5's proportion of the collective net pension liability (asset)	0.10%
First 5's proportionate share of the collective net pension liability (asset)	\$ 572,419
First 5's covered-employee payroll* (2015)	\$ 598,404
First 5's proportionate share of the collective net pension liability as a percentage of covered payroll	95.66%
Plan fiduciary net position as a percentage of the total pension liability	87.53%
	<u>2015</u>
First 5's proportion of the collective net pension liability (asset)	0.10%
First 5's proportionate share of the collective net pension liability (asset)	\$ 409,823
First 5's covered-employee payroll* (2014)	\$ 623,983
First 5's proportionate share of the collective net pension liability as a percentage of covered payroll	65.68%
Plan fiduciary net position as a percentage of the total pension liability	88.88%

The schedules present information to illustrate changes in First 5's proportionate share of the net pension liability over a ten year period when the information is available.

\*In accordance with Statement No. 82 of the GASB, Covered Employee Payroll is the payroll on which contributions are based. Thus, these amounts may be different than shown in fiscal year ended 2016 and earlier reports.

(A Discretely Presented Component Unit of the County of San Mateo)

**REQUIRED SUPPLEMENTARY INFORMATION**  
SCHEDULE OF FIRST 5'S CONTRIBUTIONS - PENSION PLAN

For the Year Ended June 30, 2018

	<u>2018</u>
Contractually required contribution	\$ 198,644
Contributions in relation to the contractually required contribution	<u>198,644</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll*	\$ 806,833
Contributions as a percentage of covered payroll	24.62%
	<u>2017</u>
Contractually required contribution	\$ 176,870
Contributions in relation to the contractually required contribution	<u>176,870</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll*	\$ 808,645
Contributions as a percentage of covered payroll	21.87%
	<u>2016</u>
Contractually required contribution	\$ 182,614
Contributions in relation to the contractually required contribution	<u>182,614</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll*	\$ 756,154
Contributions as a percentage of covered payroll	24.15%
	<u>2015</u>
Contractually required contribution	\$ 170,517
Contributions in relation to the contractually required contribution	<u>170,517</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll*	\$ 598,404
Contributions as a percentage of covered payroll	28.50%
	<u>2014</u>
Contractually required contribution	\$ 178,665
Contributions in relation to the contractually required contribution	<u>178,665</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll*	\$ 623,983
Contributions as a percentage of covered payroll	28.63%

The schedules present information to illustrate changes in First 5's contributions over a ten year period when the information is available.

\*In accordance with Statement No. 82 of the GASB, Covered Employee Payroll is the payroll on which contributions are based. Thus, these amounts may be different than shown in fiscal year ended 2016 and earlier reports.

(A Discretely Presented Component Unit of the County of San Mateo)

**REQUIRED SUPPLEMENTARY INFORMATION**

SCHEDULE OF PROPORTIONATE SHARE

OF THE NET OPEB LIABILITY

For the Year Ended June 30, 2018

	<u>2018</u>
First 5's proportion of the collective net OPEB liability (asset)	14.30%
First 5's proportionate share of the collective net OPEB liability (asset)	\$ 126,906
First 5's covered-employee payroll (2017)	\$ 808,645
First 5's proportionate share of the collective net OPEB liability as a percentage of covered payroll	15.69%
Plan fiduciary net position as a percentage of the total OPEB liability	75.76%

The schedules present information to illustrate changes in First 5's proportionate share of the net OPEB liability over a ten year period when the information is available.

(A Discretely Presented Component Unit of the County of San Mateo)

**REQUIRED SUPPLEMENTARY INFORMATION**  
SCHEDULE OF FIRST 5'S CONTRIBUTIONS - OPEB

For the Year Ended June 30, 2018

	<u>2018</u>
Actuarially determined contribution	\$ 42,808
Contributions in relation to the actuarially determined contribution	<u>42,808</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered payroll	\$ 806,833
Contributions as a percentage of covered payroll	5.31%

The schedules present information to illustrate changes in First 5's contributions over a ten year period when the information is available.

(A Discretely Presented Component Unit of the County of San Mateo)

**REQUIRED SUPPLEMENTARY INFORMATION****SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS**

For the Year Ended June 30, 2018

Measurement Period	2017
Total OPEB Liability	
Service cost	\$ 23,857
Interest on total OPEB liability	40,073
Effect of plan changes	-
Effect of economic/demographic gains or losses	(22,665)
Effect of assumptions changes or inputs	(73,676)
Benefit payments	(30,731)
Net change in total OPEB liability	(63,142)
Total OPEB liability, beginning	586,692
Total OPEB liability, ending (a)	<u>\$ 523,550</u>
Plan Fiduciary Net Position	
Benefit payments	\$ (30,731)
Employer contributions	42,808
Member contributions	-
Net investment income	26,522
Administrative expenses	(178)
Net change in plan fiduciary net position	38,421
Plan fiduciary net position, beginning	358,223
Plan fiduciary net position, ending (b)	<u>\$ 396,644</u>
Net OPEB liability, ending (a)-(b)	<u>\$ 126,906</u>
Plan fiduciary net position as a percentage of the total OPEB liability	75.76%
Covered-employee payroll	\$ 808,645
Net OPEB liability as a percentage of covered-employee payroll	15.69%

The schedules present information to illustrate changes in First 5's changes in the net OPEB liability over a ten year period when the information is available.

INDEPENDENT AUDITORS' REPORT ON  
INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS

Board of Commissioners  
First 5 San Mateo County  
San Mateo, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the major fund of First 5 San Mateo County, a discretely presented component unit of the County of San Mateo, California, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise First 5 San Mateo County's basic financial statements as listed in the table of contents, and have issued our report thereon dated September 18, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered First 5 San Mateo County's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of First 5 San Mateo County's internal control. Accordingly, we do not express an opinion on the effectiveness of First 5 San Mateo County's internal control.

A *deficiency in internal control* 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 and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether First 5 San Mateo County's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*R.J. Ricciardi, Inc.*

R.J. Ricciardi, Inc.  
Certified Public Accountants

San Rafael, California  
September 18, 2018

INDEPENDENT AUDITORS' REPORT ON  
 STATE COMPLIANCE

Board of Commissioners  
 First 5 San Mateo County  
 San Mateo, California

Compliance

We have audited First 5 San Mateo County's compliance with the requirements specified in the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office, applicable to First 5 San Mateo County's statutory requirements identified below for the year ended June 30, 2018.

Management's Responsibility

Management is responsible for compliance with the requirements of the laws and regulations applicable to the California Children and Families Act.

Auditor's Responsibility

Our responsibility is to express an opinion on First 5 San Mateo County's compliance with the requirements referred to above based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office. Those standards and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the requirements referred to above that could have a direct and material effect on the statutory requirements listed below occurred. An audit includes examining, on a test basis, evidence about First 5 San Mateo County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of First 5 San Mateo County's compliance with those requirements. In connection with the audit referred to above, we selected and tested transactions and records to determine First 5 San Mateo County's compliance with the state laws and regulations applicable to the following items:

<u>Description</u>	<u>Audit Guide Procedures</u>	<u>Procedures Performed</u>
Contracting and Procurement	6	Yes
Administrative Costs	3	Yes
Conflict-of-Interest	3	Yes
County Ordinance	4	Yes
Long-range Financial Plans	2	Yes
Financial Condition of the Commission	1	Yes
Program Evaluation	3	Yes
Salaries and Benefit Policies	2	Yes

Opinion

In our opinion, First 5 San Mateo County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2018.

*R.J. Ricciardi, Inc.*

R.J. Ricciardi, Inc.  
Certified Public Accountants

San Rafael, California  
September 18, 2018

September 18, 2018

Board of Commissioners  
First 5 San Mateo County  
San Mateo, California

We have audited the financial statements of the governmental activities and the major fund of First 5 San Mateo County for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated July 24, 2018. Professional standards also require that we communicate to you the following information related to our audit.

**Qualitative Aspects of Accounting Practices**

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by First 5 San Mateo County are described in Note 2 to the financial statements. As described in Note 2K to the financial statements, First 5 San Mateo County changed accounting policies related to the following:

- In June 2015, the GASB issued GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which establishes new accounting and financial reporting for state and local governments by improving the accounting and financial reporting for OPEB plans and provides information obtained by state and local government employers about financial support for OPEB that is provided by other entities. This Statement replaces the requirements of Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions* and Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. GASB Statement No. 75 is effective for First 5's fiscal year ending June 30, 2018.
- In March 2017, the GASB issued GASB Statement No. 85, Omnibus 2017. This Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). This Statement is effective for First 5's fiscal year ending June 30, 2018.

We noted no transactions entered into by First 5 San Mateo County during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. We evaluated the key factors and assumptions used to develop the accounting estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

**Difficulties Encountered in Performing the Audit**

We encountered no significant difficulties in dealing with management in performing and completing our audit.

**Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

**Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

**Management Representations**

We have requested certain representations from management that are included in the management representation letter dated September 18, 2018.

**Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to First 5 San Mateo County's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

**Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as First 5 San Mateo County's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

**Other Matters**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board of Commissioners and management of First 5 San Mateo County and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*R. J. Ricciardi, Inc.*

R.J. Ricciardi, Inc.  
Certified Public Accountants

**Date:** October 22, 2018  
**To:** First 5 San Mateo County Commission  
**From:** Kitty Lopez, Executive Director  
**Re:** Approval of First 5 San Mateo County's FY 2017-18 Annual Program Report and Submission to First 5 California

---

## **BACKGROUND**

As part of First 5 California's (F5CA) Annual Report requirements, all First 5 County Commissions provide detailed information on fiscal and programmatic progress to the First 5 State Commission each year. Client data and program expenditure information from the First 5 San Mateo County (F5SMC) Annual Report for FY 2017-18 will be presented at today's meeting.

This year, the State Commission has revised its reporting requirements. It has restructured the expenditure and service categories to emphasize the types of organizations that receive First 5 funding and to gather some limited information on evidence-based assessments and service models in use across the state. It has also begun to request that county commissions provide an estimate of the unduplicated count of clients served, in addition to service counts.

## **CONSIDERATIONS**

- F5SMC's Annual Report to First 5 California summarizes our annual activities in the format required by the State Commission. The report includes Finance, Evaluation, and Funded Strategy information on all First 5 San Mateo County projects.
- F5SMC is required to report fiscal and programmatic information based on F5CA's four Service Result Areas: Child Development, Child Health, Family Functioning and Improved Systems of Care.
- The F5SMC Service Result Areas spreadsheet and Evaluation Narrative are attached to this memo (**See Attachments: 12A FY 17-18 AR-1 Reports, 12B FY 17-18 AR2 Reports, and 12C Evaluation Narrative**).
- The financial information included in this report was developed based on our annual audit.
- This report was reviewed by the Early Childhood Evaluation Advisory Committee at its meeting on October 15<sup>th</sup>, and recommended for approval by the full Commission.
- The report is due to First 5 California by November 1, 2018, and will be submitted online to the State Commission after approval by the F5SMC Commission at its meeting on October 22, 2018.

## **FISCAL IMPACT**

None.

## **RECOMMENDATION**

Approve First 5 San Mateo County's FY 2017-18 Annual Program Report and Submission to First 5 California.



**Annual Report AR-1**  
**San Mateo Revenue and Expenditure Summary**  
**July 1, 2017 - June 30, 2018**

**Revenue Detail**

<b>Category</b>	<b>Amount</b>
Tobacco Tax Funds	\$5,262,166
First 5 Impact Funds	\$650,221
Small County Augmentation Funds	\$0
DLL Pilot Funds	\$0
Donations	\$0
Revenue From Interest Earned	\$208,234
Grants	\$41,146
Other Funds	\$0
<b>Total Revenue</b>	<b>\$6,161,767</b>

## Improved Family Functioning

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
General Family Support	Internal	<ul style="list-style-type: none"> <li>• Other</li> </ul>	0	2832	0	\$41,000
General Family Support	County Office of Education/School District	<ul style="list-style-type: none"> <li>• Other</li> </ul>	0	0	110	\$267,015
General Family Support	CBO/Non-Profit	<ul style="list-style-type: none"> <li>• Benefits enrollment (CalFresh)</li> <li>• Other</li> </ul>	795	1469	293	\$168,546
Intensive Family Support	CBO/Non-Profit	<ul style="list-style-type: none"> <li>• Parents as Teachers</li> <li>• Other</li> <li>• Parental Stress Index</li> </ul>	802	745	68	\$1,790,493
<b>Total</b>						<b>\$2,267,054</b>

## Improved Child Development

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
Quality Early Learning Supports	County Office of Education/School District	<ul style="list-style-type: none"> <li>• CLASS</li> <li>• CSEFEL</li> <li>• DRDP</li> <li>• ERS</li> <li>• Facility Grants</li> <li>• PITC</li> <li>• Other</li> </ul>	0	0	482	\$1,610,463
Quality Early Learning Supports	Higher Education	<ul style="list-style-type: none"> <li>• Business Supports</li> <li>• Other</li> </ul>	0	0	1678	\$149,680
Quality Early Learning Supports	CBO/Non-Profit	<ul style="list-style-type: none"> <li>• Other</li> </ul>	71	91	142	\$360,996
Quality Early Learning Supports	Research/Consulting Firm	<ul style="list-style-type: none"> <li>• DRDP</li> <li>• PITC</li> </ul>	0	0	19	\$13,386
Quality Early Learning Supports	R & R (COE or Non-Profit)	<ul style="list-style-type: none"> <li>• Business Supports</li> <li>• CLASS</li> <li>• DRDP</li> <li>• ERS</li> <li>• Other</li> </ul>	60	36	100	\$346,275
Quality Early Learning Supports	Other Private/For Profit	<ul style="list-style-type: none"> <li>• Other</li> </ul>	0	1058	143	\$131,599
<b>Total</b>						<b>\$2,612,399</b>

## Improved Child Health

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
General Health Education and Promotion	CBO/Non-Profit	<ul style="list-style-type: none"> <li>• Other</li> </ul>	0	91	0	\$72,084
Oral Health Education and Treatment	CBO/Non-Profit	<ul style="list-style-type: none"> <li>• Other</li> </ul>	656	0	0	\$278,633
Early Intervention	R & R (COE or Non-Profit)	<ul style="list-style-type: none"> <li>• Other</li> </ul>	56	6	0	\$3,816
Early Intervention	County Health & Human Services	<ul style="list-style-type: none"> <li>• Other</li> </ul>	120	66	8	\$13,981
Early Intervention	Hospital/Health Plan	<ul style="list-style-type: none"> <li>• Other</li> </ul>	324	0	42	\$344,285
Early Intervention	CBO/Non-Profit	<ul style="list-style-type: none"> <li>• Other</li> <li>• Group Therapy</li> <li>• Mental Health Services</li> </ul>	756	929	347	\$704,137
					<b>Total</b>	<b>\$1,416,936</b>

## Improved Systems Of Care

<b>Service</b>	<b>Grantee</b>	<b>Program(s)</b>	<b>Amount</b>
Policy and Public Advocacy	Other Private/For Profit	<ul style="list-style-type: none"> <li>• Other</li> </ul>	\$15,000
Policy and Public Advocacy	Research/Consulting Firm	<ul style="list-style-type: none"> <li>• Other</li> </ul>	\$383,458
Policy and Public Advocacy	Internal	<ul style="list-style-type: none"> <li>• Other</li> </ul>	\$134,238
Programs and Systems Improvement Efforts	Research/Consulting Firm	<ul style="list-style-type: none"> <li>• Health Systems</li> <li>• Trauma-Informed Care/ACES</li> </ul>	\$67,697
Programs and Systems Improvement Efforts	County Health & Human Services	<ul style="list-style-type: none"> <li>• Health Systems</li> <li>• Other</li> </ul>	\$50,000
Programs and Systems Improvement Efforts	Other Private/For Profit	<ul style="list-style-type: none"> <li>• Other</li> </ul>	\$220,363
Programs and Systems Improvement Efforts	CBO/Non-Profit	<ul style="list-style-type: none"> <li>• Family Strengthening Systems</li> </ul>	\$20,160
Programs and Systems Improvement Efforts	County Office of Education/School District	<ul style="list-style-type: none"> <li>• Other</li> </ul>	\$27,236
Programs and Systems Improvement Efforts	Internal	<ul style="list-style-type: none"> <li>• Other</li> </ul>	\$203,007
<b>Total</b>			<b>\$1,121,159</b>

## Expenditure Details

Category	Amount
Program Expenditures	\$7,417,548
Administrative Expenditures	\$1,136,560
Evaluation Expenditures	\$264,918
Total Expenditures	\$8,819,026
Excess (Deficiency) Of Revenues Over (Under) Expenses	(\$2,657,259)

## Other Financing Details

Category	Amount
Sale(s) of Capital Assets	\$0
Other	\$0
<b>Total Other Financing Sources</b>	<b>\$0</b>

## Net Change in Fund Balance

Category	Amount
Fund Balance - Beginning	\$14,922,527
Fund Balance - Ending	\$12,265,268
Net Change In Fund Balance	(\$2,657,259)

## Fiscal Year Fund Balance

Category	Amount
Nonspendable	\$0
Restricted	\$0
Committed	\$10,835,881
Assigned	\$1,403,087
Unassigned	\$26,300
Total Fund Balance	\$12,265,268

## Expenditure Note

There are several different estimates of our ending fund balance in our audit, depending on the assumptions and any adjustments made. Consistent with our past practice, F5SMC reports actuals (budgetary basis) to F5CA (details on page 11 of the audit), which results in an ending fund balance of \$12,265,268. However, the components of the fund balance that are "Committed" and "Assigned" are calculated using the Governmental Funds Balance Sheet, which shows an ending fund balance of \$12,238,968 (details on page 9 of the audit). For purposes of submitting the Annual Report to F5CA, our Fiscal Manager has reconciled this difference of \$26,300 by adding this amount to the "Unassigned" fund balance.

## Small Population County Funding Augmentation

Category	Amount	Comment
Administration	\$0	
Evidence Based Programs	\$0	
Evidence Informed Programs	\$0	
Funded Programs	\$0	
Professional Development, Training and Technical Assistance	\$0	
Evaluation	\$0	
Other (Please Explain)	\$0	
<b>Total</b>	<b>\$0</b>	
If unspent funds occurred during the FY, please list amount and provide explanation.	\$0	



**Annual Report AR-2**  
**San Mateo Demographic Worksheet**  
**July 1, 2017 - June 30, 2018**

**Population Served**

<b>Category</b>	<b>Number</b>
Providers	2,593
Children Less than 3 Years Old	988
Children from 3rd to 6th Birthday	1,413
Children – Ages Unknown (birth to 6th Birthday)	766
Primary Caregivers	4,118
<b>Total Population Served</b>	<b>9,878</b>

## Primary Languages Spoken in the Home

Category	Number of Children	Number of Adults
English	785	686
Spanish	1,451	2,612
Cantonese	22	38
Mandarin	27	40
Vietnamese	1	0
Korean	0	2
Unknown	881	740
<b>Totals</b>	<b>3,167</b>	<b>4,118</b>

## Race/Ethnicity of Population Served

Category	Number of Children	Number of Adults
Alaska Native/American Indian	0	6
Asian	198	221
Black/African-American	22	22
Hispanic/Latino	1,812	2,899
Native Hawaiian or Other Pacific Islander	31	25
White	120	149
Two or more races	143	145
Unknown	841	651
<b>Totals</b>	<b>3,167</b>	<b>4,118</b>

## Duplication Assessment

Category	Data
Degree of Duplication	5%
Confidence in Data	Somewhat confident
Additional Details (Optional)	<p>I did not include our Kit for New Parents numbers in the AR2, as there is no way to verify whether families who received a Kit also received other services. In programs where clients went through an intake and triage process that resulted in different services or service intensities, I used numbers from intake/triage or the least-intensive service level and did not include data reported for intensively-served clients. Past duplication assessments have found rates from 2-11%.</p>

First 5 San Mateo County  
Evaluation Summary FY 2017-18

**A. Description of Evaluation Activities:**

In FY 2017-18, First 5 San Mateo County (F5SMC) supported various research and evaluation activities, and re-instituted detailed individual-level data collection for clients participating in intensive services such as home visiting, care-coordination, and two-generation interventions at early learning centers. Activities included:

- **Client Data Collection:** During this fiscal year, all grantees reported aggregated service numbers for different service modalities by child age, and by child and parent race/ethnicity, and language. In addition, programs providing intensive services (e.g. home visiting, care coordination, two-generation wrap-around services at early learning centers) collected detailed individual-level data on socioeconomic indicators, risk factors, child development, and parenting self-confidence at intake and at six-month intervals thereafter.
- **The Early Childhood Education Teacher Compensation Study:** In partnership with the County Office of Education and our Local Planning Council, F5SMC supported a detailed study of wages and benefits for the early learning workforce in San Mateo County. Well-qualified and compensated staff are a critical component of high quality early learning environments; in fact, 1 out of every 3 early learning programs that would like to expand in San Mateo County cite a lack of available staff as a barrier to achieving this goal. Findings from the ECE Teacher Compensation Study are discussed below.
- **Qualitative Study of Access to Early Learning Opportunities for Children with Special Needs:** Enrolling and maintaining children with special needs in appropriate early learning environments can be a struggle for both parents and providers. The Inclusion Specialist at our local child care resource & referral agency often calls 50 providers in order to identify 5 that are willing to even consider enrolling a child, and only 10% of children served are successfully placed. F5SMC has begun a qualitative study to get a better understanding of local barriers to access and possible solutions to this problem. The study will include key informant interviews, focus groups with parents and with providers, and a literature review.
- **Network Analysis of Collaborative Efforts:** Work conducted through cross-agency, cross-sector collaborations requires specialized evaluation to assess the changing nature of relationships between organizations and how those relationships improve systems' abilities to support high-quality service delivery as well as client outcomes. Network Analysis is a method of examining collaborative ventures by looking at the characteristics of the relationships between the various participating organizations. By operationalizing collaboration in this way, we can examine questions such as:
  - What are the quantity and quality of relationships in the collaborative?
  - Do gaps, vulnerabilities, and inefficiencies exist among partnerships?
  - How do collaborations function when partner organizations cross multiple sectors?
  - Which aspects of collaborations are considered most valuable in supporting the partnership and driving outcomes?

This year, F5SMC began exploring a network analysis tool called PARTNER. F5SMC is interested in using PARTNER with several of the collaboratives we support, and are initially piloting the tool with our Watch Me Grow Roundtable. A medical-legal collaboration for case-management

of children with complex needs, the Roundtable is a long-standing and tightly-focused efforts of this type and thus a good choice for piloting network analysis.

## B. Selected Evaluation Findings

### Results of local Quality Rating and Improvement System (QRIS)

Over 1,300 early learning providers and preschool teachers were funded by F5SMC to participate in our local QRIS program, receiving services including program assessments and ratings, consultation and coaching, training/workshops and technical assistance, and unit-bearing coursework.

#### Provider Characteristics:

Asian: 19%  
Black/African-American: 2%  
Hispanic/Latino: 46%  
Pacific Islander: 1%  
White: 14%  
Multiracial: 3%  
Other: 5%  
Unknown: 10%

English: 33%  
Spanish: 35%  
Cantonese: 1%  
Mandarin: 4%  
Vietnamese: 1%  
Tagalog/Filipino: 4%  
Other: 17%  
Unknown: 5%

As of July 2018, 105 San Mateo County early learning programs (including licensed center-based care, licensed family child-care homes, and license exempt migrant programs and parent co-ops) are participating in the Bay Area Quality Counts QRIS initiative. Each year since the inception of QRIS in our county, F5SMC has successfully increased the percentage of early learning programs participating in this critical work. Out of the approximately 930 licensed and license-exempt programs in San Mateo County in 2018, 11.3% participated in QRIS. This is an increase from 5.9% of programs participating in 2015.

One-hundred and two (102) programs have received an initial rating. At this baseline, programs fell into the following QRIS Tiers:

#### Programs in Each QRIS Rating Tier at Baseline (n=102):

Highest Rating	Tier 5: 7 (7%)
	Tier 4: 47 (46%)
	Tier 3: 32 (31%)
	Tier 2: 16 (16%)
	Tier 1: 0 (0%)

Seventy-five (75) programs have received a second rating, conducted after two years of quality improvement activities including coaching, technical assistance, professional development, and peer learning communities. In FY 17-18, early learning providers received 3,742 hours of coaching and 268 professional development trainings. Teacher-Child Interaction and the CLASS tool was by far the most frequently-covered topic, with 52% of all quality support services addressing this area. The next two most common topics were Program Environment/ERS (18% of all services) and Child Observations/DRDP (9% of services). After participating in quality support services and receiving a second rating, programs achieved the following QRIS tiers:

Programs in Each QRIS Rating Tier at Second Rating (n=75):

Highest Rating	Tier 5: 15 (20%)
	Tier 4: 41 (55%)
	Tier 3: 14 (19%)
	Tier 2: 5 (7%)
	Tier 1: 0 (0%)

The proportion of programs in the highest tiers of quality (4 and 5) increased to 75% at the second rating, from a starting point of 53%. Between FY 14-15 and FY 17-18, this represents an increase of more than 1,500 children who spend hours every day in early learning environments that support their optimal cognitive and social-emotional development.

Results of the ECE Teacher Compensation Study:

Average Wages (hourly/annual full-time)

- Aides: \$15.47/ \$32,177
- Asst/Assoc Teachers: \$17.35/\$36,088
- Lead Teachers: \$22.07/\$45,906
- Supervisors/Directors: \$27.11/\$56,389

According to the 2018 California Self-Sufficiency Standard (Insight CCED), the income required for a single adult to attain self-sufficiency in San Mateo County is \$29.43 hourly/\$62,147 annually.

Percentage of ECE Employers that offer Benefits (full-time/part-time)

- Paid sick days: 93%/82%
- Paid vacation: 91%/49%
- Partially paid health insurance: 60%/21%
- Employee-financed retirement plan: 40%/26%

The study found high turnover among the workforce, with effective replacement rates of 12-24% depending on the position.

Additional interesting findings from the study include:

- ECE programs that participate in QRIS have turnover rates that are 4-13 percentage points lower than non-QRIS sites.
- ECE teachers who belong to unions make 16-25% more per hour than non-represented teachers, and have replacement rates that are 11-18 percentage points lower.

### C. Policy Impact of Research & Evaluation Activities

During the past several years, F5SMC has supported research and evaluation activities touching on topics such as the early learning facilities shortage, compensation for child care and preschool teachers, family stressors (such as social isolation, depression, substandard housing, food insecurity, domestic violence, and substance use), trauma, developmental screening and surveillance practices in pediatric settings, and the challenge of enrolling and maintaining children with special needs in appropriate early learning settings. The accumulation of evidence from all of these studies has enabled F5SMC to play an important role in emerging cross-sector efforts at creating wide-scale change for children and families at risk due to low income or lack of opportunity.

For example, while F5SMC has always been a driver of local efforts to increase access to quality early learning environments, until fairly recently those conversations have been held among partners in the early childhood sector. Now, however, we are in discussions that locate this issue within the larger context of the living wage, housing affordability, and transportation crises in our region. We are working with city planning councils, developers, and affordable housing advocates to identify and implement solutions that jointly address these intertwined issues.

Similarly, in the past we have funded discrete service delivery models such as home visiting, developmental screening, care coordination, or parent education. While we maintain this funding approach when appropriate for pilot projects or distinct geographies, we are now focusing on multi-system, cross-sector initiatives that put the needs of children and families first and create partnerships between agencies that might have traditionally envisioned themselves as having disparate missions. For example, we support the incorporation of oral health services, mental health services, parent education and support, and home visiting into early learning environments, and partner with county health clinics and non-profits to co-locate secondary developmental screenings, resource and referral, and intensive care coordination in pediatric settings. We are working with the County Manager's Office and the non-profit sector to ensure that all children ages 0-5 are counted as a part of Census 2020.

As F5SMC grows into our role as community partner, children's champion, and agent of change, we believe that this work will deepen and expand. Our goal is for the best interests of young children and the families and communities that nurture them to be at the forefront of discussions around policy, resource allocation, and our societal values.

### D. Improved Systems of Care Narrative

*Who is the primary audience for this service?*

Some activities in the Policy & Public Advocacy area target local and state-level policymakers, and others aim to educate the general public about early brain development and build widespread support for investing in early childhood. Targets in the Systems Improvements area include the Mental Health System, Oral Health System, and preschools and early-elementary grades in districts with low rates of 3<sup>rd</sup> grade reading proficiency.

*What were the types of services provided?*

Activities in the Policy & Advocacy area included: an Early Learning Workforce Survey; the Choose Children Campaign to educate gubernatorial candidates on the importance of prioritizing young children and families; and advocacy on QRIS and Early Learning Facilities projects. Systems Improvement services included: a needs assessment and planning process around trauma-

informed mental health systems; efforts at PreK-3<sup>rd</sup> grade articulation and alignment in school districts; and staffing for the County's Oral Health Strategic Plan.

*What was the intended result of the service? What was the community impact of the service?*

While there were various intended results and impacts of the many services discussed above, the Choose Children Campaign was perhaps the most public activity undertaken this year. This advocacy work focused on several of the most plausible candidates for Governor of California. In an effort to inform the candidates about the importance of investing in early childhood and secure their public commitment to do so, F5SMC partnered with other funders to support town hall meetings, debates, white papers, and policy discussions during the run-up to the June primaries. The impact of this work has been widely recognized, as candidates made campaign promises and ran television ads touting their commitment to investing in California's children, explicitly mentioning prenatal care and support for infants and toddlers as central to their policy goals. These developments have fostered a sense of hope and momentum among early childhood stakeholders as we plan for the next administration.

**Date: October 22, 2018**

**To: First 5 San Mateo County Commission**

**From: Kitty Lopez, Executive Director**

**Re: Adoption of the 2020-2025 First 5 San Mateo County Strategic Plan**

---

## **BACKGROUND**

All First 5 County Commissions are required by Proposition 10 Statute to adopt a strategic plan that guides its investments and activities. The strategic plan proposed for adoption meets the requirements of the statute. The current plan will continue to guide the Commission's work until it expires June 30, 2020. At that point, the proposed strategic plan for adoption will then replace and guide the Commissions efforts from July 1, 2020 - June 30, 2025.

## **DECISION REQUESTED**

Approval of the July 1, 2020 – June 30, 2025 First 5 San Mateo County Strategic Plan.  
(Attachment 13.1)

## **ISSUES TO CONSIDER**

The 2020-2025 Strategic Plan presented for adoption was the result of a revision of the Commission's current strategic plan (2015-2020). The revised plan is the result of work completed over the past seven months. The process included the following activities:

- A Community Forum for members of the public to share their experiences, perspectives and priorities
- A Partnership Breakfast with public agency systems partners to identify areas for collaboration
- An ad-hoc committee of F5SMC Commissioners that met regularly over seven months
- Two strategic planning sessions held as part of Commission meetings that included dialogue among Commissioners, community members, and First 5 San Mateo County staff.

The information gathered from these discussions served as guidance for the strategic planning process and informed the Commission's deliberations and ultimate decisions on the Strategic Plan.

Due to the financial considerations of reduced program funding (estimated at average 39%) starting July 1, 2020, the Commission chose to begin its strategic plan process earlier than usual. The purpose of this timeline aimed to provide ample time for grantees and community partners to engage with the Commission and prepare for changes well in advance.

## **RECOMMENDATION**

Approval of the July 1, 2020 – June 30, 2025 First 5 San Mateo County Strategic Plan

## **FISCAL IMPACT**

None

**First 5 San Mateo County Strategic Plan: July 1, 2020 – June 30, 2025**

**Vision:** Success for every child.

**Mission:** First 5 San Mateo County promotes positive outcomes for young children and their families through strategic investments, community leadership, and effective partnerships.

**Desired Outcomes:**

The First 5 San Mateo County Commission (F5SMC) adopted the following desired outcomes to guide its efforts during the 2020-2025 Strategic Plan:

1. San Mateo County will give priority to young children and their families
2. Communities provide a safe and healthy environment for young children
3. Children have access to high-quality early care and education settings
4. Families feel connected to and supported by their community and able to nurture their children's health and development
5. Children have healthy attachments to their parents and caregivers
6. Children have access to and are utilizing appropriate health care services to meet their health and developmental needs

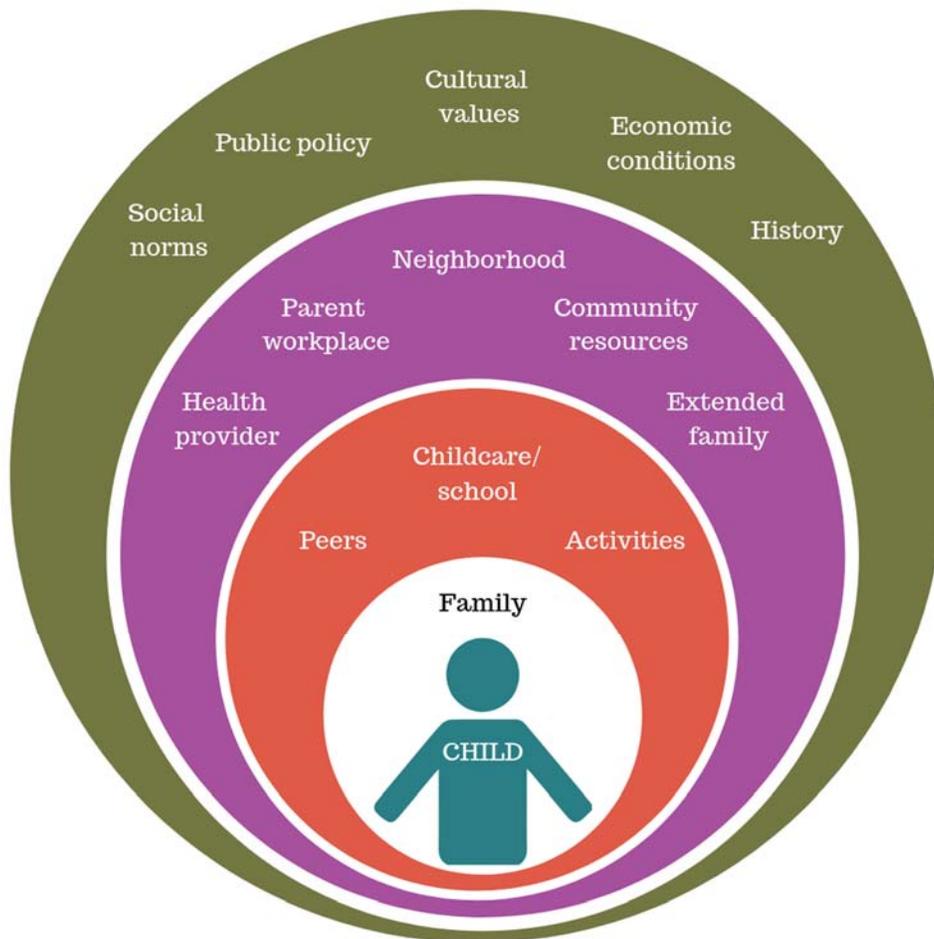
**Preparing Children for lifelong Success:**

By the time children reach their sixth birthday, they should be poised to achieve their potential in all areas. This is frequently labeled “school readiness” and measured using standardized tests; however, the work of the First 5 San Mateo County Commission goes far beyond success in school settings. F5SMC’s vision is for children to succeed in all aspects of their lives.

The foundations for physical, emotional, cognitive, and behavioral health are laid during the first years of life. Children develop these capacities through interactions with responsive and loving caregivers in safe environments. Stable, nurturing relationships literally build children’s brains in ways that foster healthy emotional expression, self-regulation and impulse control, and social interactions. Parents and other caregivers are better able to build warm and consistent relationships with children if they themselves feel secure in their lives. Parents who are experiencing mental health issues, substance abuse, violence, social isolation, or the stress of being unable to meet their family’s basic needs face more barriers to providing a nurturing environment for their children.

Research has identified four major building blocks that contribute to a child's likelihood of thriving in school and beyond: behavioral and emotional health, physical health, social skills, and academic skills. Children who arrive in elementary school well prepared in all four of these building blocks are over three times more likely to be reading at grade level in third grade than children who need additional support in all areas. In fact, healthy behavioral and emotional development at kindergarten entry is just as important as academic skills in predicting future success. Given our charge to foster optimal development for children prenatally through age 5, F5SMC can play a unique role in ensuring that communities prioritize the needs of young children and their families.

Our approach to supporting children’s success is aligned with **Bronfenbrenner's Ecological Systems Theory**, which was first published in 1979. This theory emphasizes environmental factors as central context to development. In this approach, the child is at the center of what can be visualized as concentric circles including other systems and influences, such as family, community, and public policy.



Many of these systems and influences have been studied in research on social determinants of health, including physical environment, housing, employment opportunities, wages, education, community safety, and social connections. These factors influence the health, cognitive and social-emotional development, well-being, and long-term success of children and their caregivers. Each child’s development and opportunity to thrive is thus shaped by the distribution of and access to resources and power ([www.who.int/social\\_determinants/en/](http://www.who.int/social_determinants/en/)). Understanding the complexity of achieving health and well-being, we strive to work broadly and proactively to create, support, and sustain the social, physical, and economic conditions for children’s success.

**History of First 5 Children and Families Commissions:**

In November 1998, California voters passed the California Children and Families First Act (Prop 10). This groundbreaking legislation added a 50-cent tax on all tobacco products. The purpose of this funding is to create “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.”

The Act established the Children and Families Commissions, subsequently called First 5 Commissions, in each of the state’s 58 counties. It also created a State Children and Families Commission (First 5 California) that focuses on statewide initiatives, media communications, public education, and research and evaluation functions.

Funds from the Children and Families First Act are distributed to each county based upon the number of births in that county. County Commissions are responsible for developing strategic plans that guide funding decisions to meet local strategic priorities, consistent with the legislative intent of the Act.

For the last 20 years, First 5 County Commissions have funded a wide variety of programs and services that address the needs of children in the prenatal stage through age 5 and their families. Investments were made in the areas of early childhood development and education, health care, and parent education and support. Additionally, investments have been made to improve capacity and quality of services provided to young children and their families. These local efforts have been complemented by an array of investments by First 5 California.

In recent years, many Commissions have been faced with the issue of declining revenues. While First 5 dollars were never able to meet all of the need for children 0-5 and their families, the decrease in funding has resulted in five related trends in Commission investments:

- 1) Endorsing practices with evidence of effectiveness
- 2) Focusing on prevention and early identification
- 3) Targeting populations most at risk
- 4) Shifting the balance from funding primarily direct services to efforts that contribute to broader systems change
- 5) Considering the contextual landscape at the local, state, and federal level by examining the policy and budget landscape, partnership opportunities, and other funding and sustainability considerations

As outlined in its 2015-2020 Strategic Plan, F5SMC is prioritizing partnerships with entities that are achieving both direct impact and positive systemic change. This approach fosters sustainable improvement within agencies and systems, and allows families beyond the direct service reach to benefit. Many of our investments serve present needs as well as examining and improving the underlying systems.

#### **About the First 5 San Mateo County Commission:**

The First 5 San Mateo County Commission was established in March 1999. It consists of nine Commissioners appointed by the San Mateo County Board of Supervisors. Since its inception, First 5 San Mateo County has invested more than \$150 million in local programs and has served nearly 100,000 children from birth through age five. Each year, more than 8,000 parents and primary caregivers receive F5SMC services.

#### **Roles of the First 5 San Mateo County Commission:**

First 5 San Mateo County is fortunate to be a part of a community with a history of collaboration and partnership within and across our publicly funded service sectors and community-based organizations. In light of the Commission's declining revenues, as well as expanding opportunities for partnership, the First 5 San Mateo County Commission reaffirmed that its desired role in the community is to maximize positive impacts for children, families, and the community. For the duration of the 2020-2025 Strategic Plan, F5SMC will focus on three primary community roles: Strategic Financial Investor, Community Partner in aligned efforts, and Systems Leader to advocate for the prioritization of young children and their families in decision-making processes.

- **Strategic Financial Investor:** The Commission's role as an investor is to make positive movement toward its desired outcomes in critical areas of need for young children and their families. Specifically, these investments aim to make a unique contribution to

specific family needs that are currently unable to be addressed by other entities. Strategic investments will also target quality improvement and enhancements within and across organizations and professionals serving children 0-5 and their families.

- **Community Partner:** The Commission's role as a community partner may be as a leader, initiating collaborative efforts aligned to its vision and mission; as a partner in existing efforts for which the leadership is provided or shared; or as a champion of community efforts, encouraging the efforts of others better resourced to make a positive impact. First 5 San Mateo County prioritizes partnerships that are results-driven, action-oriented, and likely to achieve measurable results and community impact.
- **Systems Leader:** As the County's only organization legislated exclusively to achieving positive outcomes for children 0-5 and their families, the Commission will vigorously advocate for their needs and priorities. Using appropriate and respectful channels, this leadership aims to ensure that the unique health and developmental needs of young children are known, discussed, and integrated into community solutions for families.

### **Prioritizing San Mateo County's Young Children Through Policy, Advocacy, and Building Awareness:**

Lasting improvements to the well-being of the County's youngest residents are possible when community organizations, policy makers, businesses, and residents understand the importance of supporting young children and their families, and work together to mobilize resources.

Voicing the need to prioritize young children and those who care for them is especially important in light of the stark inequalities of opportunity for the children of San Mateo County. While San Mateo County overall has some of the best health outcomes in the state (<http://www.countyhealthrankings.org/app/california/2018/rankings/san-mateo/county/outcomes/overall/snapshot>), these experiences are not shared equally. San Mateo County has greater income inequality than any other county in California (<https://epi.org/147963>), with the average income of the top 1% being nearly 50 times greater than the average income of the bottom 99%.

This inequality manifests itself in the stress experienced by parents and caregivers, and the opportunities available for young children to reach their potential. Children living in low-income families are less likely to visit the dentist, attend preschool, be read to daily, and have access to enrichment activities, and they are more likely to be diagnosed with a developmental disability and to have a parent dealing with depression.

Children's health and development outcomes follow a social gradient: the further up the socioeconomic spectrum, the better the outcomes. Inequitable access to supports and services has the potential to maintain or increase inequities for children during their early years, because those families most in need of services are typically least able to access them. Reducing inequities during early childhood requires a multi-level, multi-faceted response.<sup>1</sup>

First 5 San Mateo County strives to create the conditions that will allow all young children to prosper socially, emotionally, and economically. Ensuring that all children can achieve their potential is a significant undertaking and will require a community solution that is not possible

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<sup>1</sup> Moore, T., McDonald, M. & McHugh-Dillon, H. (2014). Early childhood development and the social determinants of health inequities: A review of the evidence. Parkville, Victoria: Centre for Community Child Health at the Murdoch Children's Research Institute and the Royal Children's Hospital.

with funding alone. This effort will require common understanding, shared ownership, willingness to change, and commitment to providing equitable opportunities for all children.

An example of this work is the Early Childhood Policy Cabinet, which was convened as part of the strategic planning process in 2015-2020. The Cabinet consisted of a cross-section of large agencies in San Mateo County, including the County Office of Education, Human Services Agency, Probation, Housing, and others. The leadership of these agencies quickly identified opportunities for alignment and maximization of positive outcomes while better meeting family needs. This work will continue as part of First 5 San Mateo County's 2020-2025 Strategic Plan.

Additional activities to promote the prioritization of young children in San Mateo County are listed below:

1. **Leadership on Early Childhood Advocacy & Policy Development:** Identify strategic partners and align leadership and resources to promote optimal child and family outcomes. Activities may include: convening high-level, multi-agency policy conversations that keep early childhood priorities and the impact of early childhood in the forefront of decision making; development and implementation of a Policy and Practices Platform that advances First 5 San Mateo County's vision of *Success for every child*; and partnering with elected officials, community leaders, and other stakeholders to promote an early childhood agenda.
2. **Community Partnership:** Foster cross-agency and multidisciplinary partnerships to better serve children 0-5 and their families. Activities may include: facilitation of partnerships and collaborative efforts that increase the capacity and quality of services to children 0-5 and those that care for them; and hosting facilitated opportunities for multidisciplinary cross-training and networking for both funded and unfunded partners.
3. **Community Education:** Increase understanding about foundational early childhood topics such as early brain development. In coordination with other efforts, build public and political will to invest in the well-being and success of our young children. Activities may include: development and implementation of a Communications Plan highlighting the importance of a child's early years, the needs and circumstances of families with young children in San Mateo County, and opportunities for stakeholders to act in ways that maximize positive outcomes for this population.

### **Early Childhood Research:**

The Children and Families First Act was based on research that a child's brain develops more during the first five years than at any other time and that a child's experiences and relationships during these years will impact a child for the rest of his or her life.

Since that time, a wealth of research has supported and expanded upon these earlier findings. This newer research provides First 5 Commissions additional information about types of early childhood programs and services that make the greatest difference, as well as demographic targets that will achieve the greatest benefit.

Among the primary findings are:

- The brain undergoes its most rapid development from the prenatal period through three years old. In the first few years of life, 700 new neural connections are formed every second.
- During these early sensitive periods of development, healthy emotional and cognitive development is shaped by responsive, dependable interaction with adults.

- Conversely, stress experienced early in life can result in physiological changes to the brain and have a cumulative toll on a child's physical, emotional, and cognitive development.
- The more adverse experiences in childhood, the greater the likelihood of developmental delays and lifelong problems in learning, behavior, and physical and mental health.

The impact of experiences on brain development is greatest during the earliest years of a child's life. It is easier and less costly to form strong brain circuits during the early years than it is to intervene later. However, it is important to remember that the brain remains flexible and capable of building new pathways throughout life. Therefore, while prevention of early childhood trauma is ideal, intervention after stressors have occurred can also be significantly beneficial to children.

### **Children and Families in San Mateo County**

Located in the heart of the Silicon Valley, San Mateo County has a highly educated population with a median family income of \$125,227. It is home to over 55,000 children age five and under. Latino/Latinx children are the majority population in the county at 33.9%, followed by Caucasian (31.9%) and Asian-American (22.6%). Other ethnic populations include: Multiracial (11.1%), African-American (1.8%), and Pacific Islander (1.7%).<sup>2</sup>

Approximately 10% of all children 0-5 are living at or below federal poverty standards. Compared to the overall population of children 0-5 in the county, Latino/Latinx and African-American children are much more likely to be living in poverty than all other children. In fact, 31% of all African-American children 0-5 and 20% of all Latino/Latinx children 0-5 live in poverty.<sup>3</sup>

While the median annual income for families in the county was \$125,227 in 2016, the Self-Sufficiency Standard for California estimates that a San Mateo County family of two adults and two children (one infant/toddler and one preschooler), would need an annual income of \$146,005 to make ends meet without assistance. Although a relatively small proportion of families in the county live below the Federal Poverty Line, 39% of families with children are below the Self-Sufficiency Standard.<sup>4</sup> At the same time, high housing prices continue to make owning a home – or even finding affordable rentals – difficult for most families, as the median value of housing units is almost double that of the state.

According to the 2013 Silicon Valley Parent Story Project,<sup>5</sup> approximately one-third of parents in San Mateo and Santa Clara Counties experienced depressive symptoms. Low-income parents reported higher frequency of depressive symptoms compared to middle-to-high income parents. The study also brought to light several other troubling disparities between low-income or Latino/Latinx parents and their middle-to-high income and non- Latino/Latinx peers. These included:

- Low-income parents reported lower levels of both personal and neighborhood support;
- Latino/Latinx preschool-age children were less likely to be enrolled in preschool and less likely to participate in enrichment activities outside of school;

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<sup>2</sup> -2016 American Community Survey, 5-year estimates for San Mateo County.

<sup>3</sup> - Ibid.

<sup>4</sup> Sources: 2016 American Community Survey, 5-year estimates for San Mateo County, and 2018 Self Sufficiency Standard for California, San Mateo County estimate.

<sup>5</sup> - Silicon Valley Parent Story, WestEd, 01-Jan-2014

- Low-income parents were more likely to encounter problems finding childcare and identified cost and inconvenient hours or locations as barriers to selecting child care options; and
- Low-income parents engaged in language development activities less frequently with their infants/toddlers than middle-to-high income parents.

The Parent Story Project also presented findings that illustrated strengths among low-income and Latino/Latinx parents. These included that they:

- Were more likely to help their children with homework;
- Were more likely to have family meals together than middle-to-high income parents; and
- Reported a greater ability to deal with stress compared to non-Latino/Latinx parents.

### **Core Values & Guiding Principles:**

The First 5 San Mateo County Commission has established the following Core Values and Principles to guide this Strategic Plan.

#### **Core Values:**

We believe that our work must:

- **Support the whole child within the whole family:** We understand that young children's social, emotional, physical, and cognitive development are interdependent, and that children grow and learn within their family relationships and the larger community.
- **Build connections between the many systems that serve young children and their parents and caregivers:** We recognize the importance of smooth transitions for children and families as they grow from infancy through toddlerhood and preschool, and enter elementary school.
- **Embrace the importance of fathers and male role models in the healthy development of children:** We expect intentional inclusion of fathers/male role models and consideration of their needs within the structure and delivery models of family services and supports.
- **Promote positive development in infants and toddlers, and focus on prevention and early intervention:** We know that 75% of a child's brain develops before the third birthday, and that it is therefore critical to support pregnant women and to help mothers, fathers, and caregivers establish and maintain stable and loving relationships with their infants and toddlers.
- **Include children of diverse abilities:** We support the right of all children to live, grow, and learn in their communities.
- **Respect and engage parents and families:** We acknowledge the strength of individual familial structures and cultures, and respect the desire and ability of parents to nurture their children and act as their first teachers.
- **Honor cultural, ethnic, and linguistic diversity:** We believe that all services should be delivered in a culturally and linguistically appropriate way.
- **Appreciate strengths:** We build upon the positive qualities of children, families, and communities in the design and delivery of programs.
- **Enlarge community capacity:** We invest in our community's understanding of and ability to support the healthy development of all children.

**Guiding Principles:**

In our work on behalf of young children, we strive to:

- **Create value**: Invest in approaches that add social and economic value to the landscape of supports for all children and families; and build upon, integrate, and collaborate with existing services to improve quality and provide efficient service delivery.
- **Promote equity**: Ensure that all children, regardless of circumstance, have the opportunity to reach their full potential, and include families as partners in decisions that affect their service provision.
- **Foster excellence**: Expect excellence and allow for innovation in the development and implementation of initiatives and programs.
- **Demonstrate effectiveness**: Consider the existing evidence of impact when designing and supporting activities, and evaluate our investments to monitor results and inform continuous quality improvement.
- **Achieve sustainable change**: Use Commission investments to effect long-term policy, institutional, funding, and systemic changes that extend the reach and impact of First 5 San Mateo County activities.

**Developing the Strategic Plan - The Planning Process:**

In March 2018, the First 5 San Mateo County Commission began its strategic planning revision process to guide future community investments. The process included the following activities:

- A Community Forum for members of the public to share their experiences, perspectives and priorities
- A Partnership Breakfast with public agency systems partners to identify areas for collaboration
- An ad-hoc committee of F5SMC Commissioners that met regularly over seven months
- Two strategic planning sessions held as part of Commission meetings that included dialogue among Commissioners, community members, and First 5 San Mateo County staff.

Across the input processes, five themes emerged as central to F5SMC efforts moving forward.

1. *Convener and Collaborator*: Helping local funded and unfunded stakeholders tap into collaborative opportunities.
2. *Resource Maximization*: Leveraging, aligning, and blending funding as well as ensuring available public funds are maximized before F5SMC funding is utilized.
3. *Impact Investor*: Focus investments on prevention and target interventions to children with the very highest needs.
4. *Systems Catalyst*: Striking the right balance between program investments and systems improvements through cross-sector initiatives and effective partnership.
5. *Advocate and Champion*: Impacting local and regional decision makers, including community business leaders, to prioritize young children.

The information gathered from these discussions served as guidance for the strategic planning process and informed the Commission's deliberations and ultimate decisions on the Strategic Plan.

**Framework for the 2020-2025 Strategic Plan:**

The 2020-2025 Strategic Plan is consistent with the focus and intent of the Children and Families Act, building on what has been learned and accomplished locally and providing a framework for the Commission and the community for how Proposition 10 funds will be strategically invested over the next five years.

Central to the success of these investments is a strong foundation that adequately prioritizes early childhood systems and services in San Mateo County. These foundational improvements will be furthered with investments in three core focus areas: Quality Care and Education, Healthy Children, and Resilient Families.

### **Focus Area: Quality Care and Education**

Early learning settings—including infant and toddler care, family child care homes, and center-based preschool programs—play a critical role in nurturing children’s social, emotional, and cognitive development and are an essential component of any strategy to promote school readiness and success in all aspects of life. In San Mateo County, 69% of children ages 0-5 live in families where all parents work (American Community Survey, 2012-2016 5 year estimates), and 81% of kindergartners attend preschool in the year before entering elementary school (2012 San Mateo County School Readiness Assessment). The benefits of a continuum of high-quality early learning, beginning in infancy and with smooth transitions into toddler care, preschool, and elementary school, has been well researched and is a priority for the Commission.

Quality matters when providing early care and education services. Programs that participate in continuous quality improvement efforts are more likely to prepare students for success in school and beyond. Children who participate in high-quality early childhood education programs show long-term impacts on their ability to learn and interact with the world around them, including increased language and math skills, positive peer relationships, decreased rates of grade repetition, fewer referrals to special education services, and higher levels of cognitive and social development.<sup>6</sup>

Central to providing a quality early care and education experience for children is a well-compensated, well-educated, and well-respected workforce. Studies have found that teachers’ specialized knowledge about child development and instruction for young children is particularly important.<sup>7</sup> A highly skilled, educated, and compensated workforce is necessary for high-quality early education. Professionalizing the early care and education field reduces teacher vacancies and turnover. (San Mateo County Teacher Compensation Study, Davis Consulting 2017).

The long-term economic benefit of children attending high-quality preschool programs is well documented, particularly for children living in low-income households. These “return on investment” studies differ on level of return depending on the population served, length of the program, and quality enhancements. One of the most widely studied programs is The Perry Preschool Program, a high-quality, half-day preschool targeted to very low-income children. Evaluations of this program document that the program returned seven dollars for every dollar invested.<sup>8</sup>

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<sup>6</sup> Reynolds, A.J. and Wolfe, B. (1997). School achievement, early intervention, and special education: New evidence from the Chicago Longitudinal Study. *Focus* 19, 3, 25-28. Available online at: [www.worldbank.org/children/why/18.htm](http://www.worldbank.org/children/why/18.htm)

<sup>7</sup> Bueno, M., Darling-Hammond, L., and Gonzales, D. *Preparing Teachers for Pre-K: What Policymakers Should Know and Be Able to Do* (Washington, DC: Pre-K Now, 2008).

<sup>8</sup> National Institute for Early Education Research. Economic benefits of quality preschool education for America’s 3- and 4-year olds. <http://nieer.org/resources/facts/index.php?FastFactID=6>

Parents of children with special needs and parents of infants and toddlers consistently report difficulty finding appropriate child care settings for their children. According to the 2017 San Mateo County Child Care Needs Assessment conducted by the Child Care Partnership Council, only 60% of the demand for infant and toddler care can be met with the available supply, and only 13% of the need for subsidized infant/toddler care is met.<sup>9</sup> The 2014 assessment estimated that the parents of 1,956 children ages 0-5 with identified special needs are looking for an early learning program that will enroll their child. While the 2017 report did not provide a numerical estimate of the number of children with special needs who are seeking child care, it noted that the overall numbers of children served through the Golden Gate Regional Center and school district special education programs is similar to what has been found in prior assessments. High-quality early learning programs can also provide an early identification process to assess young children for special needs. Early interventions for children at high risk can improve their social competence and cognitive abilities prior to school entry.<sup>10,11</sup> These programs adapt to meet the needs and strengths of their students, to ensure that students with physical, sensory, or cognitive disabilities can learn some or all of the same lessons as other students.

In order to enroll their children in high-quality early learning programs, parents must be able to find understandable, user-friendly, reliable information about the quality of specific programs. Under the collaborative leadership of First 5 San Mateo County, San Mateo County Office of Education, and 4Cs of San Mateo County, San Mateo County began its Quality Rating and Improvement System (QRIS), which is called Quality Counts San Mateo County.

Quality Counts San Mateo County supports the quality improvement efforts of early learning programs to help make the care and education they provide even better. It is part of a state and national movement to raise early learning quality. Quality Counts rates early learning programs using statewide, evidence-based standards for high quality care and education. The ratings help programs identify where they want to improve; Quality Counts gives the programs helpful resources and training based on their ratings. Quality Counts also gives parents information to help find and select the best early learning program for their child.

The strategies for investments listed below link to and build upon the foundation of Quality Counts.

### **Strategy for Investment:**

- 1. Quality Improvement:** In partnership with existing community efforts, support formal quality improvement frameworks in early learning environments, and provide the services required to help providers and programs improve their quality as measured by these frameworks. Such services may include: coaching/consultation, including reflective practice and consultation to support children with social-emotional needs or who are at risk for expulsion and/or reduced hours; peer mentoring; program quality assessments; facility enhancements; early learning provider training; and technical assistance. Recruiting, retaining, and

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<sup>9</sup>San Mateo County Child Care and Preschool Needs Assessment. (2017) [http://www.smcoe.org/assets/files/learning-and-leadership/child-care-partnershipcouncil/Needs%20Assessment%202017/CCPC\\_Full\\_Report\\_Needs\\_Assessment\\_11-17.pdf](http://www.smcoe.org/assets/files/learning-and-leadership/child-care-partnershipcouncil/Needs%20Assessment%202017/CCPC_Full_Report_Needs_Assessment_11-17.pdf)

<sup>10</sup> Karoly, L., Greenwood, P.W., Everingham, S.S., Hoube, J., Kilburn, M.R., Rydell, C.P., Sanders, M. and Chiesa, J. (1998). Investing in Our Children: What We Know and Don't Know about the Costs and Benefits of Early Childhood Education. Santa Monica, CA: RAND Corporation. Available online at: [www.rand.org/publications/MR/MR898](http://www.rand.org/publications/MR/MR898).

<sup>11</sup> Reynolds, A.J. and Wolfe, B. (1997). School achievement, early intervention, and special education: New evidence from the Chicago Longitudinal Study. Focus 19, 3, 25-28. Available online at: [www.worldbank.org/children/why/18.htm](http://www.worldbank.org/children/why/18.htm)

educating the early learning workforce is vital to creating and sustaining high-quality early learning programs.

- 2. Expand Access to Early Learning Settings for Children with Special Needs:** Support families' ability to access appropriate early learning experiences for their children with special needs. Such efforts may include: enhanced referrals matching children with appropriate placements, training and technical assistance to providers who enroll children with special needs, and/or policy approaches supporting inclusion.

#### **Population-level Indicators:**

These indicators have community baseline data and are impacted by many efforts and agencies. The Commission will monitor the following indicators to inform its work:

- The percentage of children ages 3-5 who are enrolled in preschool prior to Transitional Kindergarten/Kindergarten entry
- The available supply of infant and toddler care relative to the need
- The number/percent of early learning programs that enroll and maintain children 0-5 with special needs
- The percentage of all early learning programs participating in the QRIS

#### **Participant-level Indicators:**

These indicators will be measured by First 5 San Mateo County grantees, as applicable, for participants in services:

- The percentage of children ages 3-5 who are enrolled in quality preschool prior to Transitional Kindergarten/Kindergarten entry (note: availability of information on the quality of programs is limited)
- The percentage of early learning programs that improve their overall rating on the QRIS matrix
- The percentage of families of children with special needs and of infants/toddlers reporting ability to access appropriate early care for their children

#### **Focus Area: Healthy Children**

Children's optimal health and development is influenced by many factors, from the environments in which children live and are cared for to their access and utilization of preventive health services. F5SMC has a strong history of supporting collaborative health efforts, particularly those that focus on prevention and early intervention.

Preventive health care can help minimize threats to healthy development and provide early detection and intervention for problems that emerge.<sup>12</sup> In San Mateo County, 98.5% of children are covered by health insurance (CHIS). Health coverage and utilization of preventive care benefits has been and continues to be an advocacy priority for the First 5 San Mateo County Commission.

Given that there are limited resources to address the numerous important inputs that impact health, F5SMC is intentionally focusing on three areas that are not adequately supported in the current landscape of healthcare: oral health access and utilization, integrated systems for children with special needs and their families, and enhanced mental health systems.

#### **Oral Health Access and Utilization**

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<sup>12</sup> Center on the Developing Child at Harvard University (2007). A Science-Based Framework for Early Childhood Policy: Using Evidence to Improve Outcomes in Learning, Behavior, and Health for Vulnerable Children. <http://www.developingchild.harvard.edu>

Tooth decay is the most common chronic condition for children in the United States. Untreated decay can have negative implications for children's development, including problems with eating and speaking, as well as poor self-esteem. Additionally, dental problems are one of the leading causes of school absenteeism, which is associated with lower academic achievement (CDC website). Preventive dental visits for children save 10 times the cost of more invasive dental treatment and help to avoid the negative physical, socio-emotional, and academic consequences of poor dental health (<https://www.childrennow.org/issue-areas/health/oral-health/oral-health-cont/>).

One-third of California children are low income and subsequently qualify for Denti-Cal. Children on Denti-Cal experience inadequate access to dental care. In 2016, the Little Hoover Commission issued a scathing report detailing the reasons for the poor utilization rates, including dismal reimbursement rates and the lack of providers willing to accept the state insurance provision (<https://lhc.ca.gov/report/follow-study-concerning-denti-cal>). According to 2017 data from the California Department of Health Care Services, only 41% of eligible children on Medi-Cal ages 1-20 in San Mateo County received an annual dental visit in the year prior. These rates differ significantly from those of children with private insurance<sup>13</sup> Denti-Cal reimbursement rates, administration of the Medi-Cal dental provision, and higher no-show rates are cited as significant barriers for dental providers to accept Medi-Cal patients<sup>14</sup>

### **Integrated Systems for Children with Special Needs and Their Families**

Early identification and treatment of special needs during the first five years of life is critical because this is the time when a child's brain, body, and behavior are most malleable. Early detection is critical for the 12 to 16 percent of all children in the U.S. who experience developmental or behavioral problems<sup>15</sup>. Although developmental delays pose risks for all children, delays that are prevalent among low-income children are more likely to be missed. Although the national average for all children to receive an autism diagnosis is four years of age, the average age of diagnosis for low-income children varies by race, with white low-income children diagnosed on average at six years of age, and their black and Latino/Latinx peers diagnosed at eight and nine years, respectively (HMG CA). In California, 70% of children with developmental delays go undetected until kindergarten (HMG CA, 2018). Undetected developmental problems in young children may cause delays in acquiring speech and language, inability to maintain relationships, and serious impediments to school learning.

Screening for developmental delays using a validated tool has been shown to detect credible concerns that are otherwise missed by primary care physicians and other child-serving professionals who rely instead on surveillance methods. Although the American Academy of Pediatrics recommends that pediatricians implement universal screening for their patients three times before a child's third birthday, only 29% of children in California receive timely developmental screenings (HMG CA). California ranks 30<sup>th</sup> among all 50 states for screening of infants and toddlers (HMG CA). Early data in San Mateo County mirror the statewide data, indicating that each year 4,000 children under age six are not receiving critical early intervention services for which they may qualify<sup>16</sup>.

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<sup>13</sup> <http://healthpolicy.ucla.edu>

<sup>14</sup> <https://lhc.ca.gov/sites/lhc.ca.gov/files/Reports/230/Report230.pdf>

<sup>15</sup> Boyle CA, Boulet S, Schieve LA, et al. Trends in the prevalence of developmental disabilities in U.S. children, 1997–2008. *Pediatrics* 2011;127:1034–42.

<sup>16</sup> Source for FY 2017: Part C Early Intervention Numbers and Percentages 2016. Retrieved from <https://www2.ed.gov/programs/osepidea/618-data/static-tables/2016-2017/part-c/child-countand-settings/1617-cchildcountandsettings-1.xlsx> Citation Source for Part B Child and Adolescent Health Measurement Initiative, Data Resource Center for Child and Adolescent Health, National Survey of Children with Special Health Care Needs (Dec. 2012). downloaded from Kids Data: Lucile Packard Foundation for Children's Health: [www.kidsdata.org/topic/65/special-needs-special-education-participation](http://www.kidsdata.org/topic/65/special-needs-special-education-participation)

Families and providers need support to understand and navigate the complex array of community-based services and supports available to promote children's optimal health and wellness (Citation #8, HMG RFQ). However, California ranks 46<sup>th</sup> in the nation on effective care coordination for children with special health care needs, and families in our state are more likely than families in every other state to cut back or stop working due to their child's condition (Data source: 2009/10 National Survey of Children with Special Health Care Needs. Data Resource Center for Child and Adolescent Health. [www.childhealthdata.org](http://www.childhealthdata.org))

### **Enhanced Mental Health Systems**

Trauma is increasingly recognized as a significant contributing factor to overall health and well-being. Trauma can affect individuals, families, and communities immediately and long term, even over generations. It can have particularly negative developmental impacts on young children (See citations from TRISI one-pager- Center for Collective Wisdom and SAMHSA). When young children are exposed to trauma, they can experience feelings of helplessness, uncertainty about whether there is continued danger, and a general fear that extends beyond the traumatic event (National Child Traumatic Stress Network, 2013. <http://www.nctsn.org/>).

Trauma refers to the effects of an event, series of events, and/or ongoing circumstances that are experienced as physically or emotionally harmful. For children, this can include abuse and neglect, as well as living in a household affected by substance abuse, mental illness, domestic violence, or incarceration. These conditions are often also referred to as Adverse Childhood Experiences, or ACEs. ACE scores are highly correlated with future health outcomes and opportunities, including greater risk of nearly every major disease or condition. People with high ACE scores are more likely to die decades before their counterparts with lower ACE scores<sup>17</sup>.

Given the increase of knowledge regarding the critical role that ACEs play in overall health and well-being, equal attention is also being paid to the importance of child- and family-facing services being mindful and attentive to trauma, a concept that has been coined "trauma-informed". Similarly, the recognition that systems that are intended to serve children and families in supportive ways can often unintentionally exacerbate the trauma of their clients has led to a new body of knowledge focused on promoting "trauma-informed organizations". This work encourages organizations to recognize the importance of trauma and its impacts, plan and implement trauma-informed practices at the organizational level, and adapt for the ongoing and evolving needs of those they serve.

### **Strategies for Investment:**

**1. Oral Health Access and Utilization:** Partnerships to improve young children's utilization of preventive oral health care and advocating for policies and practices that increases dental utilization for children on Medi-Cal.

**2. Integrated Systems for Children with Special Needs and their Families:** Bolster the continuum of care to identify and treat children with special needs, and the ongoing efforts to address systemic issues that impact access to and quality of these services. Activities may include: promoting universal social-emotional and developmental screening services for children 0-5; embedding screenings, assessments, and care coordination into pediatric clinics, early learning settings, or family support services; and supporting linkages and timely access to care coordination, assessment, and services for children and families requiring additional assistance.

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<sup>17</sup> "[Relationship of Childhood Abuse and Household Dysfunction to Many of the Leading Causes of Death in Adults](#)," published in the *American Journal of Preventive Medicine* in 1998, Volume 14, pages 245–258

**3. Early Mental Health Systems and Infrastructure Enhancements:** Partnerships to support trauma- and resiliency-informed practices and policies in child- and family-serving organizations.

**Population-level Indicators:**

These indicators have community baseline data and are impacted by many efforts and agencies. The Commission will monitor the following indicators to inform its work:

- The number and/or percentage of children ages 0-5 who live in areas of High Community Need, as defined by the Community Collaboration for Children's Success Project.
- Maintenance of universal or near-universal health insurance rates for children ages 0-5 (at or above 98.5% of children 0-5 insured)
- The number or capacity of dental providers who serve children on public insurance
- The number or percentage of pediatric health providers who provide access to developmental screening as a part of routine well-child visits

**Participant-level Indicators:**

These indicators will be measured by First 5 San Mateo County grantees, as applicable, for participants in services:

- The percentage of children with the appropriate number of well-child visits for their age in the past 12 months, calculated using the Academy of Pediatrics schedule
- The percentage of children ages 1-5 who have seen the dentist for a routine check-up in the past year
- The percentage of parents reporting difficulty accessing services for mental health, developmental, or behavioral concerns

**Focus Area: Resilient Families**

Secure, stable, and supportive relationships with caring adults significantly contribute to a child's healthy brain development.<sup>18</sup> A loving and caring environment within the parent-child relationship is associated with many positive outcomes including higher self-esteem, increased communication, and fewer psychological and behavioral problems.<sup>19</sup> Furthermore, lower levels of parenting stress may serve as a protective factor of the social-emotional health of their children. The early childhood field has gained tremendous knowledge in recent years about the ways in which families should be engaged in children's healthy development. Strength-based approaches that authentically affirm different cultures, languages, and family structures are accepted by the field as the best way to partner with families to achieve positive outcomes for children. Research on family engagement has repeatedly demonstrated that the majority of parents want the best for their children but may lack the knowledge and resources to promote development in the critical early years.

Data gathered from First 5 San Mateo County's research and evaluation efforts has identified social isolation, especially during the infant and toddler years, as a common struggle for parents. Between 2009 and 2015, more than one of every four parents participating in F5SMC

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<sup>18</sup> Schorr, L. B., & Marchand, V. (2007). "Pathway for Children Ready for School and Succeeding at Third Grade." Harvard University, Cambridge, MA.

<sup>19</sup> Cox, M. Parent-child relationships. In M. Bornstein, L. Davidson, C. Keyes, and K. Moore (Eds.), *Well-being: positive development across the lifespan*. Hillsdale, NJ: Lawrence Erlbaum.

services reported a lack of social support. This mirrors one of the key findings of the 2013 Silicon Valley Parent Story Project, which found that 37% of low-income families could not count on anyone in their neighborhood for help. Similarly, 24% of high-needs families reported they did not have friends to help them in their role as parents. Mothers' or fathers' groups can help parents network with other parents from similar backgrounds. Effective parent support groups are led by individuals who have similar life experiences and have a deep understanding of the socio-cultural backgrounds of the group participants.

Families in greatest need of support, for example, parents with mental health or substance abuse problems, parents experiencing domestic violence or incarceration, and especially those dealing with more than one serious issue benefit from focused services that are targeted to their particular source of stress. The cumulative effects of toxic stress can have damaging effects on learning, behavior, and health across the lifespan. Supporting families with multiple stressors diminishes the effects of trauma and promotes resilience by providing a more stable foundation for lifelong learning and success.

It is critical that parents and caregivers feel able to nurture their child's optimal development, because positive home learning environments contribute significantly to children's school achievement.<sup>20</sup> When parents act as their child's advocate and are involved in their child's education, it is more likely that their child will have increased school attendance and higher academic achievement.<sup>21</sup> Effectively partnering with parents in promoting their child's optimal development also results in better lifelong outcomes and reduces costs to society for special education, welfare, criminal justice, and health. By working with parents as equal partners in their child's healthy development, as well as acknowledging parents, schools, and communities as collectively responsible for the success of children, we promote reciprocal relationships that exponentially benefit children.

Authentic family engagement is the shared responsibility of families, providers, and communities to all collaborate in meaningful ways to support children's optimal development and learning. One barrier to family engagement for service providers and early childhood educators is a lack of knowledge and/or skills to effectively develop family engagement strategies. A key ingredient of effective family engagement is developing the capacity of providers through professional development (Mapp & Kurtner, 2013). A focus should be placed on building capacity of staff and families in four keys areas (Alvara & Kluge, 2015): Capabilities (skills and knowledge), Connections (networks), Cognition (beliefs, values), and Confidence (self-efficacy). Service sector leaders (i.e. executive directors, supervisors, and decision makers) must have a fundamental understanding of early brain development and the parent-child relationship, as well as an understanding of the importance of family engagement for child development. This is critical to guard against decision makers implementing practices/approaches/policies that unwittingly burden families and/or the family-serving system. Having a fundamental understanding of child development is key to positively impacting children. Without such knowledge and information, service providers will struggle to reach children in a positive light. (National Association for the Education of Young Children (NAEYC)).

### **Strategies for Investment:**

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<sup>20</sup> Duncan, G.J. and Magnuson, K. (2003). Promoting health development of young children. In Sawhill, I. [ed.], *One Percent for the Kids: New Policies, Brighter Futures for America's Children*. Washington, DC: Brookings Institution Press.

<sup>21</sup> Caspe, M., Traub, F., and Little, P. (2002). *Beyond the Head Count: Evaluating Family Involvement in Out-of-School Time*. Harvard Family Research Project. Cambridge, MA.  
<http://www.gse.harvard.edu/hfrp/projects/afterschool/resources/issuebrief4.html>

1. **Intensive Support for Families with Multiple Risk Factors:** Provide ongoing, individualized, professional support to children and parents in families experiencing multiple challenges, such as: homelessness, low income, domestic violence, incarceration, mental illness, or substance abuse. Activities may include: home visiting, care coordination, case management, family needs assessments, social-emotional screening, and therapeutic services, as well as wrap-around services such as parent support/parent education groups.
2. **Parent Connectivity:** Support informal or semi-formal social networks to promote parental resilience and reduce social isolation. Activities may include: mothers' or fathers' groups; paraprofessional- or peer-led support groups; social media networking opportunities; father involvement efforts; family cafés; father cafés; developmental playgroups; and partnering with parents to identify parent leaders who understand and share knowledge about attachment and early child development among their peers.
3. **Family Engagement Capacity Building:** Increase the understanding of early brain development, the parent-child relationship and culturally responsive practices among service providers from sectors whose decisions affect family functioning, and to promote the appropriate application of that knowledge within their work. Activities may include: training and learning communities (Friday Cafés) to create a culture of awareness, learning and sharing; building the capacity of both service sector leaders and direct service staff on early childhood development, adverse early childhood experiences, the 5 Protective Factors, and related subjects; systematized data sharing; and promotion of family-centric practices. Target service sectors include: child- and family-serving organizations.

#### **Population-level Indicators:**

These indicators have community baseline data and are impacted by many efforts and agencies. The Commission will monitor the following indicators to inform its work:

- The percentage of children ages 0-5 reunified with their families within 12 months of entering out-of-home care
- The percentage of children ages 0-5 re-entering the child welfare system
- The percentage of parents who regularly read, sing, and/or count with their children ages 0-5
- Increase in percentage of parents who report feeling connected to a support network.

#### **Participant-level Indicators:**

These indicators will be measured by First 5 San Mateo County grantees, as applicable, for participants in services:

- The number and/or severity of risk factors reported by parents, such as inadequate food, inadequate housing, depression, domestic violence, and substance abuse
- The percentage of parents reporting that they are able to access the services their family needs
- The percentage of parents who report feeling connected to a support network
- The percentage of parents reporting confidence in their ability to nurture their children and support their development
- The percentage of parents who regularly read, sing, and/or count with their children ages 0-5

#### **Accountability and Evaluation:**

First 5 San Mateo County Commissioners are responsible for ensuring that First 5 funds are used as voters intended when the California Children and Families First Act ( Proposition 10) was passed in 1998. Commissioners work with First 5 staff to create and implement internal policies and procedures in order to help guide decision-making that is both consistent with the law and that respects and honors families with young children. In addition, Commissioners serve on committees such as: Finance & Administration; Program, Operations, & Planning; and Evaluation. Committee work facilitates in-depth discussions on internal and external activities and responsibilities. Reports from committee meetings are a part of each Commission meeting.

Organizations that receive First 5 San Mateo County funds report financial, program, and evaluation data in order to ensure contractual compliance. The fiscal reporting structure of the First 5 San Mateo County Commission was developed in accordance with the First 5 Financial Management Guide. This guide is a result of a cooperative project of the First 5 Association, First 5 California, and the Government Finance Officers Association of the United States and Canada (GFOA). Each year, F5SMC reports financial and program data to First 5 California for inclusion in the statewide Annual Report. In addition, F5SMC completes a comprehensive external audit annually. Together, these measures serve to ensure the public that Proposition 10 funds are being used as they were intended.

**Evaluation:**

Starting in 2009, First 5 San Mateo County used a Comprehensive Evaluation approach to track its impact and identify effective strategies for achieving its desired outcomes using common indicators and data collection protocols across funded partners. The Comprehensive Evaluation has provided the Commission with a more complete picture of the families and providers we serve, and the benefits they gain from F5SMC-funded programs. For example, among families who received home visiting or care coordination services:

- 80% lived in households with annual incomes of less than \$30,000
- 78% were Latino/Latinx, and 70% spoke primarily Spanish
- 69% of parents had a high school education or less
- 66% of parents read to their children at least 3 times per week
- 57% of children were breastfed for at least six months
- 35% of the children had developmental concerns identified at screening, and 12% had been diagnosed with a developmental disability
- 51% of parents worried about inadequate housing
- 44% of children ages 1-5 had never been to the dentist
- 35% of children had two or more hours of screen time per day
- 25% of parents needed help with their sadness or depression

While F5SMC is continuing common data collection for clients who participate in intensive services through our funded programs, different types of data collection may be required as we shift towards partnership, policy, and systems-level interventions. Collective impact models of community change require common data collection and data sharing procedures. Such efforts require that all partners build deeper connections to align, share, and use the data we collect on behalf of the children and families we serve. Regional, statewide, or national efforts typically have their own data collection and evaluation requirements, which we must map onto our local efforts. Work conducted through cross-agency, cross-sector collaborations also requires specialized evaluation to assess the changing nature of relationships between organizations and how those relationships improve systems' abilities to support high-quality service delivery as well as client outcomes.

**Status of Young Children Countywide:**

In addition to evaluating the impact of its funded programs, F5SMC has an interest in tracking the overall status of the young children and families of San Mateo County. Partnering with local and regional funders to collect and analyze information about the status of young children allows all those who care about the wellbeing of our youngest residents to monitor trends, identify emerging issues, and inform program and policy development. To further these ends, the Commission will continue to partner with other funders in support of countywide research projects such as school readiness assessments, parent surveys, or service participation analyses.

**Conclusion:**

It is with tremendous gratitude for our fellow investors, leaders, and partners that F5SMC celebrates its contribution to the increased well-being of children ages birth through five and their parents in our County. It is also satisfying that as Proposition 10's funding has decreased, the impact of First 5 continues to be significant.

F5SMC's pivot from primarily serving as a direct-service grant maker to a strategic investor, leader, and partner has set up its enduring relevance and the championing of young children for years to come. Now at its 20-year anniversary as an organization, the maturation of F5SMC, its leadership, and community partners facilitated the ability to rethink the strategies used to make the most impact. Rather than perceiving the funding decline as a fiscal cliff from which one should recoil, it was embraced as an opportunity to seek out new opportunities for leverage and significance. This creative and opportunity-based approach has yielded profound impact for young children and their families, and reinvigorated F5SMC as a community investor, partner, and leader.

**First 5 San Mateo County Commissioners:**

Pam Frisella, Public Member, Commission Chair  
Louise Rogers, Chief, San Mateo County Health, Commission Vice-Chair  
Anne E. Campbell, County Superintendent of Schools  
David J. Canepa, Board of Supervisors  
Michael Garb, Public Member  
Rosanne Foust, Public Member  
Neel Patel, M.D., Public Member  
Sandra Phillips-Sved, Public Member  
Nicole Pollack, Director, San Mateo County Human Services Agency

**First 5 San Mateo County Staff:**

Kitty Lopez, Executive Director  
Michelle Blakely, MA, Program and Planning Director  
Khanh Chau, Fiscal Management Analyst  
Myra Cruz, Administrative Secretary III  
Jenifer Clark, Evaluation Program Specialist  
Karen Pisani, Family Support Program Specialist  
Emily Roberts, MSW, MPH, Child Health and Development Program Specialist  
Mai Le, Program Associate III  
Mey Winata, Fiscal Office Specialist

**Acknowledgements:**

The Commission would like to thank and acknowledge:

- Community members and leaders who took part in the strategic planning process. The time, expertise, and insight provided by our community partners were invaluable and

played a significant role in shaping the focus and direction of the 2020-2025 Strategic Plan;

- First 5 San Mateo County strategic planning ad-hoc members which includes the following Commissioners: Pam Frisella, Louise Rogers, Nicole Pollack, and Michael Garb;
- First 5 San Mateo County staff for their thoughtful and tireless work, and dedication to San Mateo County's youngest children and families; and
- VIVA Strategy + Communications for their wise counsel and facilitation of the strategic planning process.

**DATE:** October 22, 2018  
**TO:** First 5 San Mateo County Commission  
**FROM:** Kitty Lopez, Executive Director  
**RE:** Communications Update

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**ACTION REQUESTED**

None; this agenda item is for information only.

**COMMUNICATIONS**

- **20 Years of Community Investment Celebration** – First 5 San Mateo County (F5SMC) will be celebrating its 20 Years of Community Investment Celebration on Thursday, November 1<sup>st</sup>, 2018, from 10:00 am – 1:00 pm at **San Mateo Event Center**. Currently, 90 adults, parents, guests and 25 children are registered for this event. The event is free. To register, visit [http://www.first5sanmateo.org/event/20\\_years\\_of\\_community\\_investment\\_celebration](http://www.first5sanmateo.org/event/20_years_of_community_investment_celebration)

In addition to the fun-filled activities such as Magic Show by Senator Jerry Hill, the First 5 Express Van, and the appearance of Potter the Otter mascot, there will be a poster gallery of F5SMC milestones and achievements for the last 20 years, and we will also show new F5SMC video. RSE is developing the milestone materials.

A second celebration will be held on December 17, 2018 at San Mateo City Hall Atrium after the Commission Meeting. Everyone is invited to attend.

- **“Think Bigger” Newsletter Volume II** was sent out on September 28, 2018. (See *Attachment 14.1*)
- RSE is developing marijuana/cannabis educational brochure and campaign materials for use by F5SMC and partners.

**SOCIAL MEDIA**

- See September 2018 Social Media Report and On-Site Analytics Report (*Attachment 14.2*)

**Myra Cruz**

**From:** FIRST5\_smc  
**Sent:** Friday, September 28, 2018 2:54 PM  
**To:** FIRST5\_smc  
**Subject:** Think Bigger- First 5 San Mateo County Newsletter September 2018

Volume II | September 2018

# THINK BIGGER

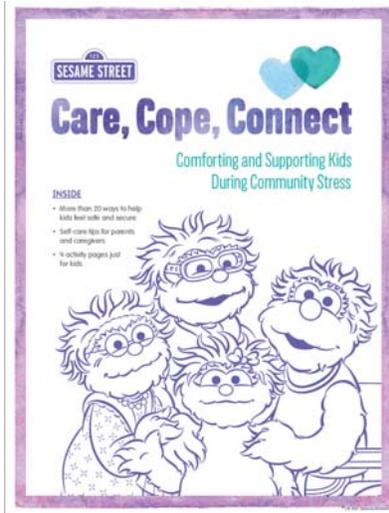


## Big Topic

We're devoting this issue to the timely and critical topic of trauma-informed care and resiliency. Our world is shifting at an incredibly rapid pace, so how do we make sure that our youngest children are being cared for appropriately when trauma enters their lives? Immigration fears and family separation, experiencing violence in their environments, maternal mental health challenges and structural inequities - there are so many reasons trauma-informed and culturally responsive care must be incorporated in all the work we do with children ages 0 to 5 and their families.

### Here's some of what's happening in our community to support resilient families:

- We convened a steering committee who recommended a trauma-informed initiative be developed with the goal of embedding trauma-informed policies and practices at every level of organizations that serve young children and families. [Learn more about this newly launched initiative!](#)
- Many people in San Mateo County are working hard to support families dealing with trauma. First 5 SMC funds Star Vista's Healthy Homes program, which provides county-wide comprehensive family support services to pregnant women and families who are facing a variety of stressors in their lives. [Read about one family's success story on our blog.](#)
- The First 5 Association worked with Sesame Street Workshop to develop engaging evidence-based tools and resources related to community stress. [Check them out on the First 5 Association's website.](#)



## News to Use

Check out this great video from Child Aware America and the Center for the Study of Child Care Employment at UC Berkeley. It clearly answers a question we get a lot, "Why do parents pay so much and providers don't get paid enough?".



## First 5 Turns 20

This November marks two decades since California voters approved Proposition 10, the California Children and Families First Act!

On November 1, First 5 San Mateo County will be celebrating 20 years of prioritizing children with an event for the whole family. Please join us for the High 5 Leadership Awards, a magic show by Senator Jerry Hill, fun with the First 5 Express Van, face painting, giveaways and many more fun activities.

For more information or to RSVP for this free event, click [here](#).



## Community Input Needed

***On behalf of our partners at the San Mateo County Community Collaboration for Children's Success (CCCS) initiative, First 5 SMC would like to share an opportunity for community input. Please consider passing this information through your networks.***

The San Mateo County Community Collaboration for Children's Success (CCCS) is working with community members in North Fair Oaks and South San Francisco to identify policies, programs, and other strategies that will improve the support available to children and youth who live here.

### **We would love to have you participate in a 10-min survey for San Mateo County.**

We want to hear from parents and caregivers of children and youth 0-24 and from youth (13-24) about what changes you want to see that would increase support for young people in North Fair Oaks/Redwood City.

People who take the survey can enter a raffle for \$50 and \$25 gift cards. Participate here: <http://www.getthehealthysmc.org/survey>.

San Mateo County Community Collaboration for Children's Success (CCCS) está trabajando con miembros de la comunidad de North Fair Oaks y South San Francisco para identificar pólizas, programas, y otras estrategias que mejoraran el soporte disponible para niños y jóvenes que viven aquí.

Nos encantaría que participara en una encuesta de 10 minutos para el Condado de San Mateo.

Queremos escuchar las opiniones de padres y cuidadores de niños y jóvenes entre 0-24 años y de jóvenes entre 13-24 años acerca de los cambios que podrían aumentar el apoyo para los jóvenes de North Fair Oaks/Redwood City.

Las personas que completan la encuesta pueden inscribirse en una rifa de tarjetas de regalo de \$50 y \$25. Participe aquí: <http://www.getthehealthysmc.org/survey>.

We'll be bringing you more news on topics like maternal mental health, early learning workforce development, oral health and more in the next edition of Think Bigger newsletter.

Visit our Website

First 5 San Mateo County | 1700 S. El Camino Real, Suite 405, San Mateo, CA 94402

STAY CONNECTED



First 5 San Mateo County | 1700 S. El Camino Real, Suite 405, San Mateo, CA 94402

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# First 5 San Mateo County September 2018



### Overview

This month, Instagram saw strong follower growth, and Facebook performance was strong with over 3.5K impressions for the month. With the 20<sup>th</sup> Anniversary event on the horizon, RSE will be exploring paid content that highlights First 5 San Mateo County successes and promotes the Nov. 1 event.

### Activity by Platform

The following report provides engagement statistics by social media platform.



**1,305** Followers (+1 follower from last month)  
**3,503** Impressions  
**189** Total Engagements (Likes and Comments)

### Facebook

Facebook organic performance was strong over the month of September. The post with highest reach reached 635 people in addition to a strong 34 post clicks. Below are the posts with the highest reach and engagement.

### Highlights:

**Performance for Your Post**  
635 People Reached  
29 Reactions, Comments & Shares

22	12	10
Like	On Post	On Shares
1	1	0
Sad	On Post	On Shares
0	0	0
Comments	On Post	On Shares
6	5	1
Shares	On Post	On Shares
34		
Post Clicks		
0	21	13
Photo Views	Link Clicks	Other Clicks

**NEGATIVE FEEDBACK**  
0 Hide Post  
0 Report as Spam  
0 Unlike Page

Reported stats may be delayed from what appears on posts

Get More Likes, Comments and Shares  
Boost this post for \$20 to reach up to 11,000 people.

635	29	34
People Reached	Engagements	Clicks

Boost Post

Nancy Sirker, Emily Roberts and 11 others  
5 Shares

**Performance for Your Post**  
239 People Reached  
17 Reactions, Comments & Shares

11	6	5
Like	On Post	On Shares
2	0	2
Love	On Post	On Shares
0	0	0
Comments	On Post	On Shares
4	4	0
Shares	On Post	On Shares
9		
Post Clicks		
0	0	9
Photo Views	Link Clicks	Other Clicks

**NEGATIVE FEEDBACK**  
0 Hide Post  
0 Report as Spam  
0 Unlike Page

Reported stats may be delayed from what appears on posts

Get More Likes, Comments and Shares  
Boost this post for \$20 to reach up to 11,000 people.

239	17	9
People Reached	Engagements	Clicks

Boost Post

Erika Nevarez, Michelle Benitez and 4 others  
4 Shares

# First 5 San Mateo County September 2018



Twitter

**435** Followers  
**37** Total Engagements- Retweets/Likes/Mentions  
**3.3K** Tweet Impressions (85% more than last month)

Throughout the month of September, Twitter saw a great tweet impression amount with over 3.3K impressions. The account continues to be mentioned in content and tweets from other influencers in the early childhood space. The most popular tweets were related to event sharing.

Some highlighted tweets from the month are shown below:



# First 5 San Mateo County September 2018



276  
45

Followers (+13 from last month)  
Total Engagements (Likes and Comments)

Instagram

The Instagram account saw a follower increase of 13 during the month of September. Followers continue to include parents, teachers, early education and health community organizations, other First 5's and public officials. We published three posts this month, which totaled to 45 engagement including likes and comments. The two most popular posts are shown below.

The screenshot shows an Instagram post with a purple background. On the left, there is a black silhouette of an adult lifting a child. Below this, the text reads "Be your child's play date!". In the bottom right corner of the image area is the San Mateo County logo. To the right of the image is the post's text: "first5sanmateo • Follow", "first5sanmateo Be your child's play date! Let them decide what they want to play and follow their lead. Getting enough playtime, especially time playing with parents, is essential to their development. #First5CA #babies #playtime", and "crhkids ❤️👍". At the bottom of the post, it shows "18 likes", "SEPTEMBER 19", and an "Add a comment..." field.

The screenshot shows an Instagram post with a photograph of a woman reading a book to two young children. The text of the post reads: "first5sanmateo • Follow", "first5sanmateo 90% of your baby's brain grows in the first 5 years. Everyday interactions determine how brain cells form and connect. Free and fun activities like talking, reading and singing make all the difference! #First5CA", and "honest intervention playing with your child makes all the difference because children learn through play.". At the bottom of the post, it shows "9 likes", "SEPTEMBER 24", and an "Add a comment..." field.

# First 5 San Mateo County September 2018



### LinkedIn

RSE continued to post content during the month of September to the First 5 San Mateo County LinkedIn business page. RSE and F5SMC will continue to work together to find ways to engage internal staff and other county individuals on this platform.

 **First 5 San Mateo County**  
29 followers  
2w

California is one of 11 states that “thoroughly tests candidates’ knowledge of the science of reading.” Read the article here.



California gets high grade in measuring teachers’ reading instruction skills 

edsource.org

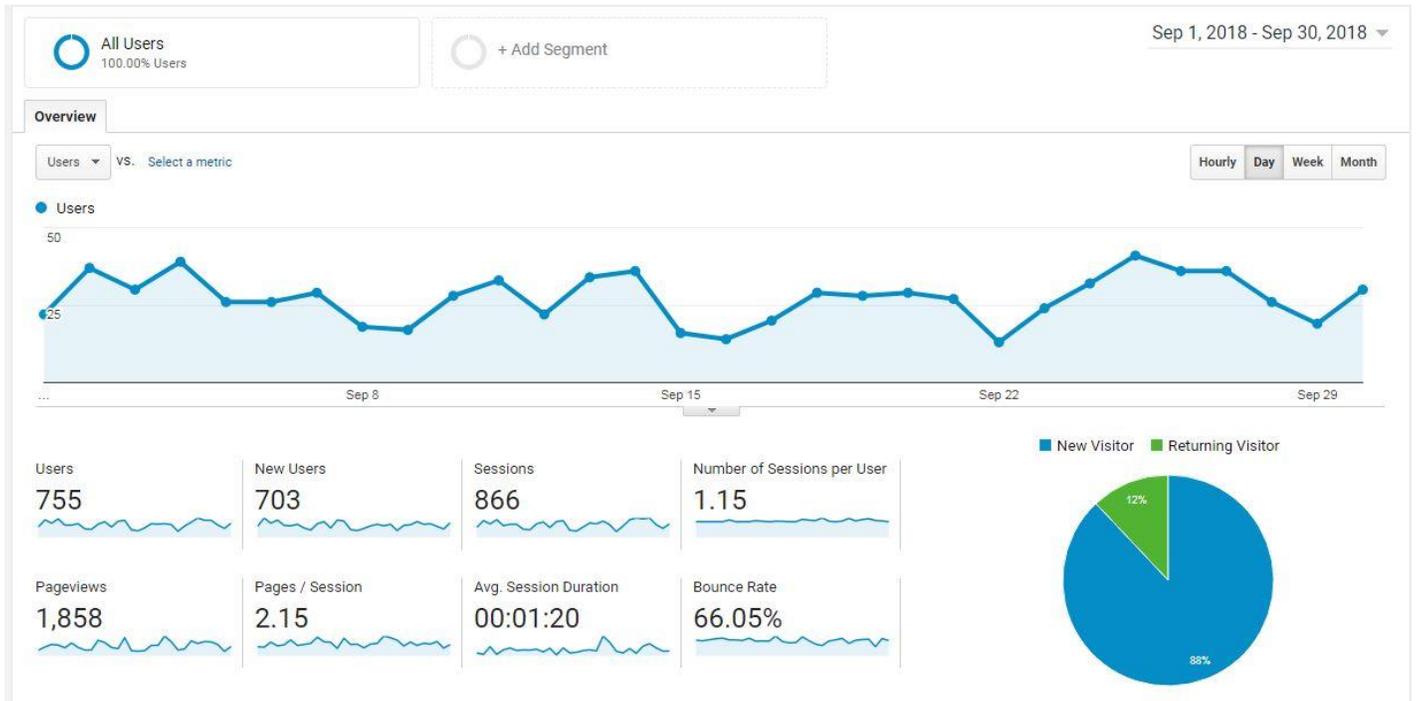
 Like  Comment

# First 5 San Mateo County September 2018

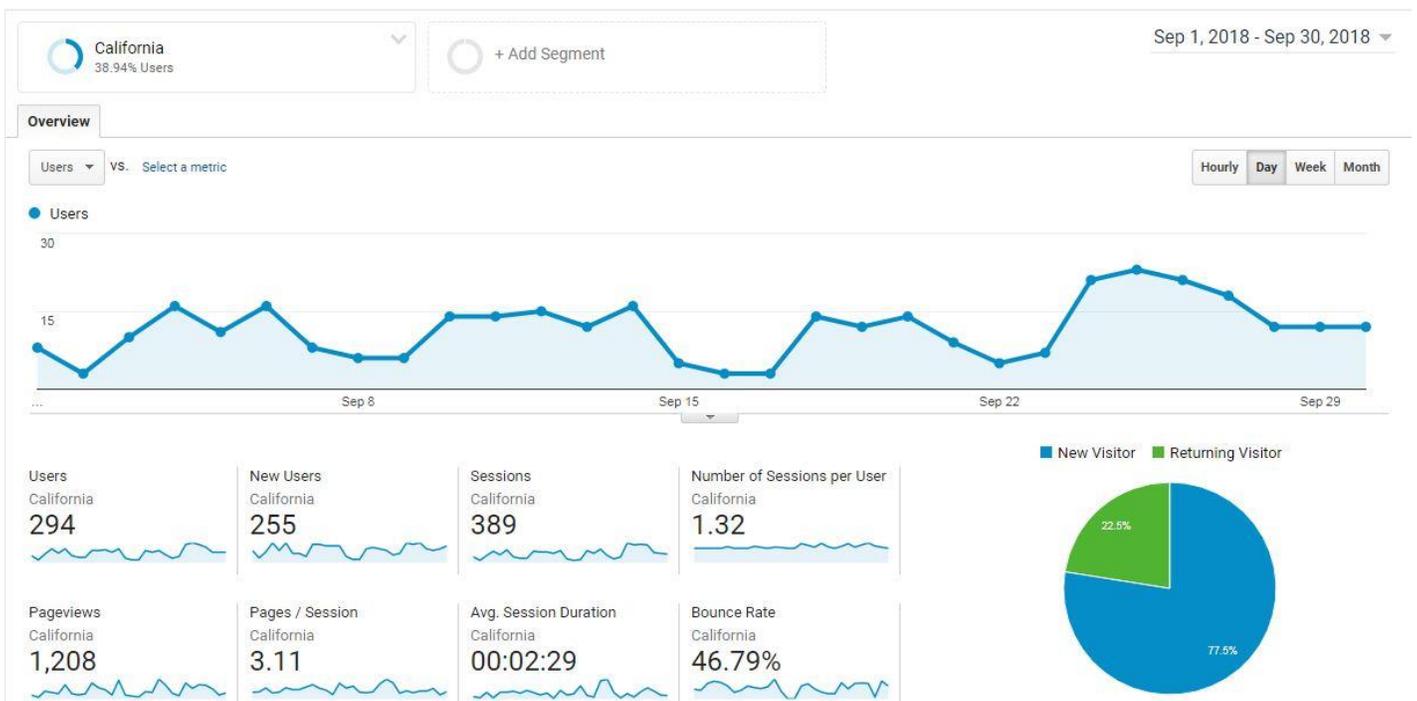


## On-Site Analytics

The chart below shows First 5 San Mateo On-Site analytics for All Users throughout the month of September.



The chart below shows On-Site analytics for Users specifically in California.



# First 5 San Mateo County September 2018



## On-Site Analytics

The chart below shows the Top 5 Cities in California that generated the greatest amount of traffic.

City ?	Acquisition			Behavior		
	Users ? ↓	New Users ?	Sessions ?	Bounce Rate ?	Pages / Session ?	Avg. Session Duration ?
<b>California</b>	<b>294</b> % of Total: 38.94% (755)	<b>255</b> % of Total: 36.27% (703)	<b>389</b> % of Total: 44.92% (866)	<b>46.79%</b> Avg for View: 66.05% (-29.17%)	<b>3.11</b> Avg for View: 2.15 (44.74%)	<b>00:02:29</b> Avg for View: 00:01:20 (85.61%)
1. Redwood City	<b>38</b> (12.50%)	<b>25</b> (9.80%)	<b>47</b> (12.08%)	<b>44.68%</b>	<b>2.87</b>	<b>00:01:34</b>
2. San Francisco	<b>36</b> (11.84%)	<b>34</b> (13.33%)	<b>45</b> (11.57%)	<b>44.44%</b>	<b>3.36</b>	<b>00:01:47</b>
3. San Mateo	<b>33</b> (10.86%)	<b>28</b> (10.98%)	<b>40</b> (10.28%)	<b>52.50%</b>	<b>3.02</b>	<b>00:02:34</b>
4. Daly City	<b>17</b> (5.59%)	<b>15</b> (5.88%)	<b>19</b> (4.88%)	<b>21.05%</b>	<b>3.79</b>	<b>00:03:35</b>
5. Burlingame	<b>12</b> (3.95%)	<b>12</b> (4.71%)	<b>12</b> (3.08%)	<b>50.00%</b>	<b>2.83</b>	<b>00:04:02</b>

The chart below shows the Top 5 traffic sources leading to the First 5 San Mateo site.

Source / Medium ?	Acquisition			Behavior		
	Users ? ↓	New Users ?	Sessions ?	Bounce Rate ?	Pages / Session ?	Avg. Session Duration ?
<b>California</b>	<b>294</b> % of Total: 38.94% (755)	<b>255</b> % of Total: 36.27% (703)	<b>389</b> % of Total: 44.92% (866)	<b>46.79%</b> Avg for View: 66.05% (-29.17%)	<b>3.11</b> Avg for View: 2.15 (44.74%)	<b>00:02:29</b> Avg for View: 00:01:20 (85.61%)
1. google / organic	<b>157</b> (52.16%)	<b>135</b> (52.94%)	<b>208</b> (53.47%)	<b>43.75%</b>	<b>3.26</b>	<b>00:02:30</b>
2. (direct) / (none)	<b>96</b> (31.89%)	<b>82</b> (32.16%)	<b>123</b> (31.62%)	<b>56.10%</b>	<b>2.41</b>	<b>00:01:52</b>
3. first5california.com / referral	<b>15</b> (4.98%)	<b>11</b> (4.31%)	<b>19</b> (4.88%)	<b>36.84%</b>	<b>3.95</b>	<b>00:03:10</b>
4. co.sanmateo.ca.us / referral	<b>10</b> (3.32%)	<b>9</b> (3.53%)	<b>10</b> (2.57%)	<b>50.00%</b>	<b>3.70</b>	<b>00:02:08</b>

\*Google organic and direct traffic sources could indicate users are visiting the site from media, outreach, friends/family, word of mouth, etc.

\*\*Totals represent the sum of all site traffic for date range – not just the totals from the Top 5 Cities or Sources shown in the tables.



**FIRST 5 SAN MATEO COUNTY (F5SMC)  
REPORT OF THE EXECUTIVE DIRECTOR  
OCTOBER 2018**

## OVERVIEW

**“Orange County prospers when its youngest children are prioritized”** an article from October 2, 2018, *latimes.com*. Because of the recent findings from the Orange County Community Indicators Report, the Orange County (OC) created an OC Early Childhood Development Framework, a collaborative effort that outlines how we can help children and families succeed, regardless of income, language and culture. (See *Attachment 15.1*)

**“Puente’s infants and toddlers get a special visit from the dentist”** an article Mypuente.org. Because of the grant received from First 5 San Mateo County (F5SMC), the Ravenswood Family Health Center was able to provide preventive dental care in a Puente classroom, Pescadero, for a day. (See *Attachment 15.2*)

### **Impact of the F5SMC grant: San Mateo County Office of Education’s Project EQ+IP**

An acknowledgement letter from SMC Superintendent of Schools, Anne E. Campbell. (See *Attachment 15.3*)

## STRATEGIC INVESTMENT FOCUS AREAS – UPDATE

### **Early Learning**

**Bay Area Early Childhood Education Legislative Forum:** Join our local state legislators in open dialogue regarding current state legislation, the State Budget, and their impact on early care and education programs. The Bay Area Early Childhood Education (ECE) Legislative Forum will be held on Friday, October 19, 2018, from 9:00 am-12:00 pm at the Santa Clara County Office of Education. **Registration Information:** [www.eventbrite.com/e/ece-](http://www.eventbrite.com/e/ece-) Legislators participating: Senator Jerry Hill, Assembly Member Marc Berman, Assembly Member Ash Kalra, and Assembly Member Kevin Mullin. The legislative forum is sponsored by the Bay Area Local Planning Council. The Child Care Partnership Council, San Mateo County Office of Education and F5SMC are assisting with planning. Hats off to participating SMC legislators and to Nirmala Dillman for securing legislator participation!

### **Child Health and Development**

**Trauma and Resiliency-Informed Systems Initiative (TRISI) Implementation Committee:** The TRISI Implementation Committee met for their first meeting on September 26<sup>th</sup>. The Committee includes cross-sector representatives with valued perspectives that will help to shape the rollout of this work at its launch and ongoing. The meeting focused on planning for a market analysis of providers in our community and an introduction of the concept of community-based participatory research. The group will meet again in December.

**Children’s Oral Health Workgroup:** On October 10, the Children’s Oral Health Workgroup met with a primary focus on continued mapping of school-based oral health service delivery. The forum also provided an opportunity to hear local updates and other state and regional updates to inform our ongoing work.



Systems Change Meeting: The Systems Change for Children with Special Health Care Needs quarterly meeting convened on October 11. The meeting had a strong turnout with nearly 30 providers and parents in attendance. The meeting provided an opportunity to brainstorm messages for various target audiences for the upcoming Help Me Grow launch and to gain feedback on the ongoing format for the Systems Change meeting.

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## POLICY & ADVOCACY UPDATES

On October 19<sup>th</sup>, Kitty Lopez will present on Build-Up for San Mateo County Children’s Initiative at Good Morning Redwood City Chamber event.

Build-Up SMC Children staff will present at the Annual Housing Leadership Day on Friday, October 19<sup>th</sup>.

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## ACCOUNTABILITY, RESEARCH AND EVALUATION

Watch Me Grow Roundtable Network Analysis: On Sept 27<sup>th</sup>, Jenifer Clark attended the Watch Me Grow Roundtable at Golden Gate Regional Center. She presented the network analysis project to the group, outlined the use of the PARTNER tool, and solicited input regarding the types of research questions and content areas the group is interested in exploring throughout the study.

Bay Area Regional Evaluators Meeting: On Sept 28<sup>th</sup>, Jenifer Clark attended this meeting, hosted by First 5 Alameda County. Topics of discussion included the Annual Report to First 5 California, database management, and regional evaluation work on the Bay Area Quality Rating and Improvement System.

Community Collaboration for Children’s Success—Redwood City/North Fair Oaks: On Oct. 2<sup>nd</sup>, Jenifer Clark attended the Neighborhood Leadership Group meeting at the North Fair Oaks Community Center. Led by the Health Policy & Planning Department, this meeting included a presentation by Jana Kiser of RWC 2020, a discussion of community survey results, and also gathered input from community members on services and strategies to support children and youth in these neighborhoods.

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## FIRST 5 CALIFORNIA & FIRST 5 ASSOCIATION UPDATES

**“Proposed Change to “Public Charge” Policy Hurts Kids, Say Leading California Early Childhood Advocates”** September 24, 2018, press release from First 5 Association of California, First 5 California and First 5 LA expressing their opposition to the Trump Administration’s proposed “public charge” rule that would allow immigration officials to deny a green card to an immigrant if the individual is receiving public benefits. (See Attachment 15.4)

**“Bill Connecting Families to Child Care Services Signed by Governor”** September 27, 2018, press release from Assembly Member Tony Thurmond. Assembly Member Thurmond authored AB 2960, which creates a website that will allow families to easily connect with existing child care services and early childhood education programs in their community. (See Attachment 15.5)



## COMMUNITY AND STATEWIDE EVENTS & UPDATES

- Birth to 12<sup>th</sup> Grade Water Cooler Conference: On October 1<sup>st</sup> and 2<sup>nd</sup>, staff members Michelle Blakely, Jenifer Clark, and Mai Le attended the Birth to Twelfth Grade Water Cooler Conference in Sacramento, themed “Uniting Voices for California’s Children”. Panel topics included racial equity, early care and education, new “Getting Down to Fact II” report, dual language learners, and educational implications of the 2020 Census.
- Zero to Three is hosting a webinar “Screen Sense: All the Need-to-know Research on Screens for Children Under Five” on Thursday, October 25, 2018 at 2:00 pm. This is free public event. To register, visit [zerotothree.org](http://zerotothree.org). (See Attachment 15.6)

- **Join Us! First 5 San Mateo County  
20 Years of Community Investment  
Celebration**

Thursday, November 1, 2018  
From 10:00 am – 1:00 pm  
San Mateo Event Center

See a magic show by Senator Jerry Hill, fun with First 5 Express Van, a special appearance of Potter the Otter mascot, face painting, giveaways and many more fun activities for the whole family!

This is a free event and lunch will be provided!

To register, visit

[http://www.first5sanmateo.org/event/20\\_years\\_of\\_community\\_investment\\_celebration/](http://www.first5sanmateo.org/event/20_years_of_community_investment_celebration/)

**A second celebration will be held on December 17, 2018 from 6:00 pm – 8:00 pm at San Mateo City Hall Atrium. Everyone is invited.**

**THINKING BIGGER  
at 20!**

We're celebrating two decades of prioritizing children in San Mateo County.

San Mateo County Event Center  
1346 Saratoga Drive, San Mateo, CA  
(Enter through East Parking Lot, Gate 8)

Thursday, November 1st  
10 a.m. to 1 p.m.

Join us for the High 5 Leadership Awards, a magic show by Senator Jerry Hill, fun with the First 5 Express Van, and much more!

RSVP Today!  
[http://www.first5sanmateo.org/event/20\\_years\\_of\\_community\\_investment\\_celebration/](http://www.first5sanmateo.org/event/20_years_of_community_investment_celebration/)

Lunch will be provided!

**FIRST 5**  
SAN MATEO COUNTY  
Success for Every Child

**20**

# Orange County prospers when its youngest children are prioritized

By Kim Goll  
OCT 02, 2018 | 12:05 AM

Today's children are tomorrow's leaders. They are our school teachers, our business owners, our nonprofit advocates, our policymakers and our future parents. Orange County will only be as strong as its children are. And they need our help now.

The recently released 2018 Orange County Community Indicators Report shines a light on the current lack of priority placed on early childhood and its affect on our children.

Among the reports findings:

- Only half of Orange County's children are ready with the skills they need to succeed when they enter kindergarten.
- Only half of Orange County's children meet third grade achievement standards.
- 1 in 6 Orange County children live in poverty.
- 37% of Orange County childcare providers have had to expel a child due to challenging behavior.

These numbers are a wakeup call for Orange County and underscore the need for prioritization of our young children.

For nearly 20 years, local organizations committed to helping young children and families have worked with the Children & Families Commission of Orange County, alongside First 5 commissions across the state, investing in early childhood development and making it a priority.

Through it all there has been one, consistent truth — Orange County prospers when its children are valued, nurtured, healthy and thriving.

For the last three years, representatives from education, government, healthcare and nonprofit organizations have come together to put our shared vision for children into one place. Our collective work has resulted in the creation of the Orange County Early Childhood Development Framework, a collaborative effort that outlines how we can help children and families succeed, regardless of income, language and culture.

The collaborative plans to use the Framework to engage local organizations and entire communities in creating and sharing strategies for action. Quality early learning, comprehensive health development and resilient families are all attainable goals that can and should happen in every Orange County neighborhood.

We are calling on all sectors of the county — from health, to education, business and government — to immediately prioritize children and families now to see economic and social benefits later as these children grow up and become engaged community members.

Our shared goal is to help young children reach their developmental potential and help them succeed in school and, ultimately, in life.

***Kim Goll is the executive director of the Children and Families Commission of Orange County.***

**Puente’s infants and toddlers get a special visit from the dentist. Los bebés y niños pequeños de Puente reciben una visita especial del dentista.**



Seeing the dentist is a rite of passage that begins in early childhood – hopefully not too often, of course. But for some families in Pescadero, regular dental checkups for their children can run to hundreds of dollars, especially if a child has cavities. And the nearest dentist is a long bus ride away.

<https://mypuente.org/puentes-infants-and-toddlers-get-a-special-visit-from-the-dentist-los-bebes-y-ninos-pequenos-de-puente-reciben-una-visita-especial-del-dentista/>

That's why, in June, Puente's [childcare co-op](#) invited the [Ravenswood Family Health Center](#) to come to Pescadero and set up its mobile dental clinic in a Puente classroom for a day. Ravenswood brought a child-sized dental chair and other essential equipment, along with some toys. Over the course of one day, five children aged 18 months to three years saw the dentist. For most of them, it was their first check-up.

"I know from talking to parents over the years that often, they have to make a difficult decision between visits to the dentist or buying food for the family. And to me it makes perfect sense to bring this service to the co-op," says Arlae Alston, Family Engagement Director for Puente.

Puente has an [ongoing partnership with Sonrisas](#), a nonprofit dental clinic in Half Moon Bay, which treats a large portion of its adult population, [particularly farm workers](#). When it comes to children's dental care, the most recent outreach happened in 2014, due to the generosity of Ravenswood Family Health Center.

At the time, Ravenswood, which is in East Palo Alto, had a grant from First 5 San Mateo to work with children throughout the county to provide preventive dental care through a unique model called the Virtual Dental Home. Former Puente Executive Director Kerry Lobel forged that connection, and the health clinic treated more than a dozen children enrolled in Pescadero's home-based Head Start program. Ravenswood continued to provide preventive dental service to children enrolled in Head Start and worked with the WIC staff at Puente to reach more and more children in the community. This partnership was revived again earlier this year (with a hiatus of 18 months) and this time with a parenting class at Puente. This program continues to be funded through First 5 San Mateo and some other grants.

After their first dental visit, the children are classified as low, moderate or high risk, which decides how often they receive dental preventive visits at Puente. Some children who already have dental cavities and need fillings are referred to Ravenswood family Health Center's dental clinic for treatment.

"Knowing that dental caries are largely preventable and simple changes in a family's lifestyle can help keep the children's teeth healthy is essential for any community. But it's especially essential in Pescadero, given how isolated it is, and the fact that getting children to and from their dental appointments can be time consuming, expensive and almost prohibitive for some," says Yogita Butani Thakur, Chief Dental Officer for the Ravenswood Family Health Center.

"Preventive" is the key word here. There is no such thing as getting there too early in a child's dental history. But sometimes, dental care comes too late to prevent a cavity from forming, even in toddlers. That's why dental visits always need to come packaged with information for parents about the importance of taking care of baby teeth, starting early on in life.

"I am sick and tired of seeing these babies with little capped silver teeth. I've seen them at 18 months," says Alston. "We don't brush our children's teeth consistently. It's not a judgment on the parents – we just need more education."

<https://mypuente.org/puentes-infants-and-toddlers-get-a-special-visit-from-the-dentist-los-bebes-y-ninos-pequenos-de-puente-reciben-una-visita-especial-del-dentista/>

Education is a huge part of Ravenswood's goals. The health center works with nonprofits like Puente to reach families with important dental health messages through participation at parent information events, health fairs, and back to school events.

"Some of our parents have never seen a dentist in their own lives, back home, so the fact that their child needs one early on (by age one) is a foreign concept," says Thakur. Some Pescadero children are currently undergoing dental treatment at Ravenswood dental clinic for extensive cavities, she adds.

In a community with many Spanish-speaking parents, education needs to be linguistically and culturally appropriate. Often, families unwittingly engage in behaviors that harm oral health – so it is a matter of changing ingrained behaviors, which can be a challenge.

For starters, many families think juice is a healthy option for their kids, but it is full of sugar and has no real nutritional benefits, says Thakur. Even for a one-year-old, diet affects dental health. The dental team that visits Puente talks to parents about looking at food labels to screen for ingredients, about nutrition, and about not putting their child to bed with a bottle, (milk can cling to a child's teeth and cause tooth decay.)

"We talk about trauma prevention and baby-proofing their house. We talk about teething, and how to use the toothbrush as well," Thakur says.

Instilling good habits involves practice. From the very beginning, Puente's childcare co-op has made a routine of having children brush their teeth carefully at lunchtime. "So we are creating a habit, and we are talking to parents about it too," says Alston.

Time will tell how the brushing and flossing pays off. Puente and Ravenswood are looking at next steps. Next, Alston and Thakur want to widen the circle: to reach deeper into families and bring in the siblings of children who have already been seen by the dentist.

Alston also wants all the children in the local preschool to see the dentist, and all the infants and toddlers on the waiting list for the co-op.

"What a revelation to have dental services," says Alston. "When a society decides to invest in its people, it just works."

Will you consider supporting vital dental services for children on the South Coast today?



SAN MATEO  
COUNTY  
OFFICE OF  
EDUCATION

Anne E. Campbell • County Superintendent of Schools



September 21, 2018

Ms. Kitty Lopez  
Executive Director, First 5 San Mateo County  
1700 South El Camino Real, Suite 405  
San Mateo, CA 94402

Dear Kitty:

I am writing on behalf of the San Mateo County Office of Education Early Childhood Education program, all of our early learning partners who share the 65 Tower Road facility, and the families we serve to express our appreciation to First 5 San Mateo County for supporting our vision of developing a high quality, inclusive early learning center at Tower Road.

First 5's generous grant of \$70,000, accessed through SMCOE's Project EQ+IP, helped create an early learning resource library; purchase classroom furnishings, including cubbies, cots, and shelving that has helped improve the quality of our early learning environments; and acquire developmentally appropriate instructional materials, toys, and books that will promote inclusive, quality learning opportunities for children enrolled across programs at the Tower Road center.

We have attached some photos which illustrate how children at Tower Road are enjoying and benefitting from First 5's generous grant. We would love to have you visit the center sometime in the near future so we can give you a tour and have the chance to express our gratitude in person.

Thank you again for supporting our vision to build a high quality, inclusive early learning center! We are fortunate to have First 5 San Mateo County as a valuable partner in this vitally important work.

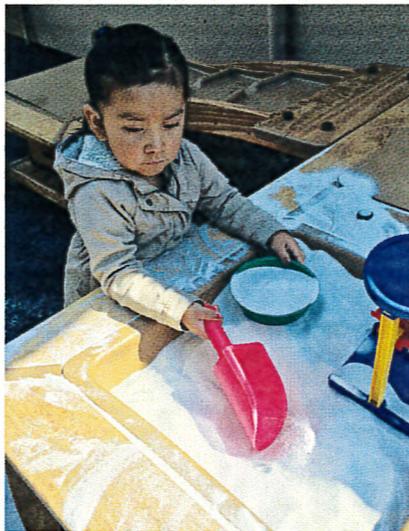
Sincerely,

Anne E. Campbell  
San Mateo County Superintendent of Schools

Attachment



**Thank you First Five San Mateo!**  
From the children, families and staff at SMCOE's Early Childhood Center.





**For Immediate Release**  
September 24, 2018

**Contact:** Marlene Fitzsimmons  
213-482-7807

## **Proposed Change to “Public Charge” Policy Hurts Kids, Say Leading California Early Childhood Advocates**

*First 5s, Created to Help Kids, Call for Policy to Remain Unchanged, Urge Administration and Lawmakers to Work Collaboratively to Create Long-lasting Solutions*

**SACRAMENTO** – Over the weekend, the Trump Administration released a radical new regulatory proposal that would drive up poverty, hunger, unmet health care needs, and worsen a range of other problems facing communities across the United States.

The rule would mark a fundamental change from our nation’s and California’s historic commitment to ensuring immigrants can meet the most basic necessities of life. The Trump Administration’s proposed “public charge” rule would allow immigration officials to deny a green card to an immigrant if the individual is receiving public benefits that are intended to help individuals and families meet basic living requirements. The proposed rule could force immigrant families to forgo access to a wide array of public benefits, including health care, food supports, and housing assistance.

Camille Maben, Executive Director of First 5 California, Moira Kenney, Executive Director of the First 5 Association, and Kim Belshé, Executive Director of First 5 LA, expressed their strong opposition to this proposed change because it endangers the health and well-being of immigrant families. The organizations call on the U.S. Department of Homeland Security to restore the policy to its previous state and work collaboratively with lawmakers to create long-lasting solutions that are true to our country’s shared ideas of freedom and respect.

“Sweeping in its effect, this rule expansion would chill enrollment to critical programs that help tax-paying immigrants and their young children access health care, food, and other essential needs – programs which have been proven to improve health, well-being, school success, and economic security,” said Camille Maben. “It would put immigrant families at risk if a family member seeks basic access to critical public services.”

“All families have a right to engage with the public systems that exist to serve their health, education, and caregiving needs without fear of judgement or reprisals,” said Kim Belshé. “With nearly one in four children nationwide having at least one immigrant parent, this proposed rule change will hurt, instead of help, millions of kids. There is a shared responsibility, and a shared benefit from improving the health and well-being of all young children.”

California is home to more than 39.54 million people and is the sixth largest economy in the world, with over 10 million immigrants. Legal immigrants already face fear of enrolling their children in health and nutritional services to which they are already entitled. “First 5s throughout California have received reports that parents are pulling their children out of preschool and

refusing health services their children are legally eligible to receive,” explained Moira Kenney. “This proposed rule, if it were to become final, could have a devastating effect on millions of young children and families across California.”

Once the proposed changes to the “public charge” rule are published in the Federal Register, they will be subject to a 60-day public comment period. The Trump Administration will be required to review and assess the public comments before finalizing the rule. The public will be able to comment on these proposed rules at [www.regulations.gov](http://www.regulations.gov).

###

### **ABOUT FIRST 5 CALIFORNIA**

*First 5 California was established in 1998 when voters passed Proposition 10, which taxes tobacco products to fund services for children ages 0 to 5 and their families. First 5 California programs and resources are designed to educate and support teachers, parents, and caregivers in the critical role they play during a child's first five years – to help California kids receive the best possible start in life and thrive. For more information, please visit [www.ccfc.ca.gov](http://www.ccfc.ca.gov).*

### **ABOUT FIRST 5 LA**

*First 5 LA is an independent County agency in Los Angeles that advocates on behalf of parents with young children to help every child, prenatal to age 5, be healthier, safer and better prepared for kindergarten. Knowing 90 percent of a child's brain is developed by age 5, First 5 LA partners with other county agencies, parents and organizations to help elected officials prioritize funding for early childhood education, health care and other programs that young children and their parents need. Please visit [www.first5la.org](http://www.first5la.org) for more information.*

### **ABOUT FIRST 5 ASSOCIATION**

*First 5 Association is a nonprofit membership organization that advocates for and works with the state's 58 First 5 county commissions to build strong, effective, and sustainable systems serving California's youngest children. [www.first5association.org](http://www.first5association.org)*

### **ABOUT EARLY CHILDHOOD IN CALIFORNIA**

- [90 percent](#) of brain development happens in the first five years of life
- California has nearly 1.5 million babies and toddlers, according to Kids Count Data, 2016
- According to a Choose Children 2018 survey, [87 percent of voters polled](#) said the governor should prioritize early childhood education
- [Fewer than 1 in 3 \[28.5%\]](#) young children in California receive timely developmental screenings
- California ranks [40th in the nation](#) in its efforts to support its youngest children
- In addition to preschool and child care, [high-quality home visiting programs](#), like First 5 LA's Welcome Baby program, can increase children's school readiness, improve child health and development, reduce child abuse and neglect, and enhance parents' abilities to support healthy cognitive, language, social-emotional, and physical development
- Parents with two children may pay nearly half their wages for child care in Los Angeles County, according to a [March 2017 report](#) that explores the resources and gaps in the early care and education system within the county.

**From:** First5CAevents [<mailto:events@first5.ca.gov>]

**Sent:** Friday, September 28, 2018 12:13 PM

**To:** First5CAevents <[events@first5.ca.gov](mailto:events@first5.ca.gov)>

**Subject:** Bill Connecting Families to Child Care Services Signed by Governor

**Attachment 15.5**



**RELEASE CONTACT:** Ayodeji Taylor (916) 319-2015  
September 27, 2018

### **Bill Connecting Families to Child Care Services Signed by Governor**

SACRAMENTO – AB 2960, authored by Assemblymember Tony Thurmond (D-Richmond), creates a website that will allow families to easily connect with existing child care services and early childhood education (ECE) programs in their community. The bill passed the Legislature with unanimous bipartisan support and was signed by the Governor today.

“This bill makes it easier for Californians to access child care and early childhood education information,” Thurmond said. “Child care services are difficult to find. This new website will consolidate resources to ensure that families are informed about existing local services, providers are connected to the communities they serve, and children start school ready to learn.”

Increasing the awareness about locally available child care and ECE programs not only maximizes existing resources to help provide child care to those in need, but also promotes job creation in communities throughout the state. Child care services are often small businesses that are frequently women and minority-owned. This bill allows for these businesses to connect to families that are in need of child care assistance.

In addition, this website will help further demonstrate the lifelong benefits that ECE programs provide young children. The site builds on the work that the state, counties, and local districts are already doing and integrate existing information.

“The time has come to stop arguing that the child care system is broken, and to work proactively to create a connected, comprehensive system across child development programs that better supports the providers, families, and children of California,” said Camille Maben, Executive Director of First 5 California. “With his signature of AB 2960 (Thurmond), Governor Brown has taken an important step in ensuring California’s parents have access to information about the high-quality early childhood programs available to them and can connect to providers in their community.”

“We are very excited for the opportunity to work together to connect our current system,” said Linda Asato, Executive Director of the Child Care Resource & Referral Network. “By maximizing technology, families will have more ways to access quality child care that fits their needs.”

*Assemblymember Tony Thurmond represents the 15th Assembly District, comprised of the cities of Albany, Berkeley, El Cerrito, El Sobrante, Emeryville, Hercules, Kensington, Piedmont, Pinole, Richmond, San Pablo, Tara Hills, and a portion of Oakland.*

###

[Click here](#) to view this message in a browser window.



## **Screen Sense: All the Need-to-Know Research on Screens for Children Under Five**

Thursday, October 25, 2018  
2:00 p.m. EDT

**FREE Public Event**  
**Register Today!**

While there are many debates about screen use for children under the age of five, no one is questioning the fact that screens are ever-present in the lives of young children—more so

than ever before! In this webinar, hear all about the latest research on young children and screens. Get answers to whether—and how—young children learn from screen experiences, and what parents and educators can do to minimize the downsides of screen use. Practical, research-informed strategies for screen use with young children will be discussed, and there will be plenty of time for questions!

#### Developed and Presented by:

**Rachel Barr, PhD.**, Georgetown University  
**Elisabeth McClure, PhD**, LEGO Foundation  
**Rebecca Parlakian, MA, Ed.**, ZERO TO THREE

## Earn CEUs

Participants in virtual events may be eligible for Continuing Education Units. As a non-Member, you can sign up for CEUs by paying the \$25 processing fee as a part of your registration. Want to pay less for CEUs? ZERO TO THREE members receive **20% off** CEU fees. [Learn more about Membership here.](#)

## ZERO TO THREE's Virtual Event Series

We are pleased to be able to present this special Virtual Event for free to the public. Our virtual events are developed and presented by our expert staff and affiliates and are always free for our Members. As a non-Member, you will receive a link to the recording of the event that will be available for 30 days. Want access to this and ALL of our amazing Virtual Events? Join today and you can view recordings of previous virtual events – a great benefit of membership available through our [virtual event archives](#).

ZERO TO THREE MEMBERSHIP

**Connect to Savings.**

[www.zerotothree.org/membership](http://www.zerotothree.org/membership)

**JOIN TODAY**

**Share this email**

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Our address is 1255 23rd Street NW, Suite 350, Washington, DC 20037

**DATE:** October 22, 2018  
**TO:** First 5 San Mateo County Commission  
**FROM:** Kitty Lopez, Executive Director  
**RE:** Committee Updates

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**Early Childhood Evaluation Advisory Committee Meeting – October 15, 2018**

Commissioners Present: Louise Rogers, and Neel Patel and David Canepa (via phone)  
Grantee Representatives: Heather Cleary  
Staff: Jenifer Clark, Michelle Blakely, Kitty Lopez

Committee members reviewed the F5SMC Annual Report to First 5 California for Fiscal Year 2017-18. This report is submitted to the State each year, and is due by November 1<sup>st</sup>. This year, the State Commission has revised its reporting requirements. It has restructured the expenditure and service categories to emphasize the types of organizations that receive First 5 funding and to gather some limited information on evidence-based assessments and service models in use across the state. It has also begun to request that county Commissions provide an estimate of the unduplicated count of clients served. Jenifer Clark went over these changes in detail with subcommittee members, and reviewed selected evaluation results.

Committee members also discussed the feedback from the full Commission regarding how our current indicators might be maintained or revised for the upcoming 2020-2025 Strategic Plan. Considerations included: the availability of data sources; the stability and quality of the data; the utility of the data; and whether the indicators mapped to F5SMC activities. Staff noted that the proposed indicators will not go into effect for another 18 months, and that the Commission will have opportunities to update or refine any indicators as needed based on specific service strategies that are funded once the new Strategic Plan is implemented, or any other data sources that become available.

The next meeting of the Early Childhood Evaluation Advisory Committee will be scheduled when all subcommittee meetings for calendar year 2019 are considered, at the December Commission meeting. The meeting is anticipated to take place in February 2019.

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