

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

As authorized by Governor Newsom’s Executive Orders N-25-20 and N-29-20, dated March 12, 2020 and March 17, 2020 respectively, the meeting will be held via teleconferencing with members of the Commission attending from separate remote locations. The meeting will be held and live cast from the following location where members of the public shall have the right to observe and offer public comment:

DATE: Monday, February 14, 2022
TIME: 9:00 AM to 10:00 AM
 Join Zoom Meeting
Online: <https://smcgov.zoom.us/j/91297184443>
Phone: +1 669 900 6833
 Meeting ID: 912 9718 4443

MEMBERS: Rosanne Foust, Alexis Becerra, Sylvia Espinoza
STAFF: Kitty Lopez, Khanh Chau

AGENDA

1.	Adopt a resolution finding that, as a result of continuing COVID-19 pandemic state of emergency, meeting in person would present imminent risks to the health or safety of attendees (See Attachment 1A and Attachment 1B)	Becerra/Foust
2.	Approval of the Finance and Administration Committee Agenda	Becerra/Foust
3.	Approval of the June 14, 2021 Finance and Administration Committee Meeting Minutes (See Attachment 3)	Becerra/Foust
4.	Elect Finance and Administration Committee Chair	Becerra/Foust
5.	Review Budget Monitoring Report as of December 31, 2021 (See Attachments 5, 5A, 5B, 5C)	Lopez/Chau
6.	Action: Review and Recommend Approval of F5SMC’s FY2021-22 Revised Budget and the Use of Ending Fund Balance (Ending Reserves*) to Fund FY 2021-22 Revised Budget (See Attachments 6, 6A, 6B, 6C)	Lopez/Chau

Next Meeting: May 9, 2022

* **Public Comment:** This item is reserved for persons wishing to address the Commission Finance and Administration Committee on any Commission Finance and Administration Committee-related matters that are not otherwise on this

meeting 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. Speakers are customarily limited to two minutes, but an extension may be provided to you at the discretion of the Commission Finance and Administration Committee 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 Finance and Administration Committee 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 documents are also available on the First 5 Internet Web site at www.first5.smcgov.org.

Individuals who require special assistance or a disability-related modification or accommodation to participate in this meeting, or who have a disability and wish to request an alternative format for the agenda, meeting notice, agenda packet or other writings that may be distributed at the meeting, should contact Khanh Chau, by 12 Noon on Friday, February 11, 2022 at kchau@smcgov.org. Notification in advance of the meeting will enable the Commission Finance and Administration Committee to make reasonable arrangements to ensure accessibility to this meeting, the materials related to it, and your ability to comment.

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

June 14, 2021

- Commission Member: Rosanne Foust, Pam Frisella, Alexis Becerra
- Staff: Kitty Lopez, Khanh Chau
- Minutes: Khanh Chau

Commissioner Becerra chaired the meeting.

1. Approval of the Finance and Administration Committee Meeting Agenda

A Motion for Approval of the June 14, 2021 Finance and Administration Committee Meeting Agenda was made by Commissioner Frisella, seconded by Commissioner Foust. Unanimously approved.

2. Approval of the Finance and Administration Committee Meeting Minutes

A Motion for Approval of the May 10, 2021 Finance and Administration Committee Meeting Minutes was made by Commissioner Foust, seconded by Commissioner Frisella. Unanimously approved.

3. Update: Audit of the California Department of Tax and Fee Administration (CDTFA)

Kitty Lopez briefly presented the goals of the Audit. First 5 California Association hires HDL Company, an audit firm, to audit the California Department of Tax and Fee Administration (CDTFA) to get insights of the CDTFA's administrative cost charges to Tobacco Tax Revenue collections, Prop 56 backfill calculations, allocation, and projections.

Kitty Lopez stated that the audit of the CDTFA is ongoing and the final audit results will be finalized in September 2021; a key highlight from the audit progress so far is that there are no abnormal findings during the audit of the CDTFA.

Kitty Lopez provided a summary of the audit progress reports as outline in the attached memo: 5-years cumulative Administrative Cost, the Backfill, Tobacco Tax Revenue Trends, Prop 56; Kitty Lopez added there may be an additional Tobacco Tax Revenue of \$10M as the result of the audit; said additional revenue amount will be distributed across 58 First 5 county commissions.

Committee members commended that the memo summarizing the key highlights of the audit progress reports is helpful. Committee members suggested a brief and short presentation of audit progress summary at the October Commission Meeting.

4. Action: Review and Recommend Approval of F5SMC's LTFP from FY 2020-21 through FY 2024-25 (FY2020-21 Update)

Kitty Lopez briefly stated that the Long-Term Financial Plan (LTFP) table presents similar financial information we discussed in the fiscal year Budget approval; LTFP

shows projections from FY2020-2025 using the Tobacco Tax Revenue Projections released in May 2020 due to the new Tobacco Tax Revenue Projections for the new fiscal year just came in later in June 2021, after the Commission Meeting Packet was posted. Kitty Lopez restated the importance of reading the LTFP table in conjunction with other LTFP memo documents.

Kitty Lopez briefly walked through the LTFP memo; stated that F5SMC usually acquires additional Other Grants Revenues during the last 5 years and the LTFP included \$400K Other Grant Revenues per year, as staff employed conservative projection approach.

Committee members reviewed the LTFP and had no further questions. Committee members suggested to move the paragraph *of reading LTFP Memo in conjunction with the LTFP Narrative and LTFP Spreadsheets* to the first page of the LTFP memo under the Key Messages.

Committee members also discussed various options to bring additional revenues to F5SMC, including seeking advocacy and support from Commission, County, F5CA Association to the State level. Committee members suggested asking questions how Commissioners can help and advocate in bringing additional revenues. Kitty Lopez proposed some possible ways: i.e making request to key Commissioners joining key legislative for discussion and advocate funding addition revenues for F5; developing strategies, identifying value added of F5 impacts to resonate with the State and key partners.

A Motion for Recommend Approval of F5SMC's LTFP from FY 2020-21 through FY 2024-25 (FY2020-21 Update) with revision suggested above was made by Commissioner Foust, seconded by Commissioner Frisella. Unanimously approved.

5. Verbal Discussion:

- **Auditor for the audit services for the year ending 6.30.2021**

Kitty Lopez briefly stated that, as per discussion with County Controller Office about the peer review letter of our current auditor, staff is in the process of acquiring new auditor. Kitty Lopez and staff Khanh Chau will work together to finalize the selection of a new auditor in coming days.

- **First 5 Lease**

Kitty Lopez stated the landlord Borel Estate Co. offers \$4/SQF, 4 months of free rent, and no rent increase to retain at the current facility with the same square footage. Kitty Lopez suggested a 4-year term for the Lease Amendment for alignment with the LTFP through 2025.

Kitty Lopez added that the agency plans to implement a hybrid office model combining work-from-home and in the office in September 2021, as new guidelines from the County.

Committee members asked if the new lease is at the current F5SMC office. Kitty Lopez confirmed yes. Committee members cited several comparisons of office rent rates in the areas and acknowledged the new Lease Amendment with 4 months of free rent, no rent increase in 4 years is favorable.

Commissioner Becerra adjourned the meeting at 9:34 AM.

DATE: February 14, 2022
TO: First 5 San Mateo County Finance and Administration Committee
FROM: Kitty Lopez, Executive Director
RE: Budget Monitoring Report as of December 31, 2021

BUDGET MONITORING REPORT as of December 31, 2021 HIGHLIGHTS

Budget Monitoring Report as of December 31, 2021 Highlights

The Budget Monitoring Report as of December 31, 2021 is presented in **Attachments 5A, 5B, and 5C**. Key Budget Monitoring Report highlights are as following:

YTD Benchmark: 50%

REVENUES

- YTD Interest Revenue projection is \$55K or 58%, that represents a positive variance or 8% higher than YTD Benchmark.
- YTD Tobacco Tax Revenue projections are \$3.536 million or 69%, that represents a negative variance or 19% higher than YTD Benchmark due to the disbursement of Prop 56 Tax revenue.
- YTD Other Grant Revenue is \$694K or 66%, which is 16% higher than YTD Benchmark due to the receipt of CHI refund and new grant awards.
- YTD Total Revenues projections are \$4.286 million or 68%, that represents a positive variance or 18% higher than YTD Benchmark. Major attributable factors to this positive variance are associated with the disbursement of Prop 56 Tax revenue, Children Health Initiative CHI refund and new grant awards.

APPROPRIATIONS

- YTD Program Expenditures projections are \$2.986 million or 42%, that represents a positive variance or 8% below YTD Benchmark. Major contributions to this positive variance are attributable to pending planning and implementation of SPIP FY18-20 in coordination within 3-year time frame of the new strategic plan SPIP FY20-23.
- YTD Admin Expenditures projections of \$354K or 44% that represents a positive variance or 6% below YTD Benchmark. Major contributions to this positive variance are attributable to savings in various Office Supplies and Business Travel Expenses associated with staff working outside the office.
- **YTD Total Appropriations (Net Appropriations*)** projections are \$3.340 million or 42%, that represents a positive variance or 8% below YTD Benchmark. Major contributions to this positive variance are attributable to pending planning and implementation of the SPIP FY18-20 in coordination within 3-year time frame of the new strategic plan SPIP FY20-23.

ENDING FUND BALANCE (RESERVES*)

- Currently, we are projecting Ending Fund balance (Reserves*) of \$10.775 million or 132%, that represents a positive variance of 32% or \$2.617 million higher than the planned budget.

Major contributions to this positive variance are attributable to the disbursement of Prop 56 Tax revenue, the CHI refund and pending planning and implementation of SPIP FY18-20 within 3-year time frame of the new strategic plan SPIP FY20-23.

CHALLENGES: None at this time.

GLOSSARY

Prop 56 Revenue Backfills. The Proposition 56 taxes reduce tax-paid tobacco purchases (hereafter, “consumption”), resulting in lower revenue for other tobacco tax funds. In the first revenue allocation step, some Proposition 56 revenues replace—or “backfill”—these revenue losses.

<https://lao.ca.gov/Publications/Report/3939>

FIRST 5 SAN MATEO COUNTY

SUMMARY BUDGET MONITORING REPORT as of December 31, 2021

YTD Benchmark:
50%

	FY21-22 Adopted Budget	YTD Actuals as of December 31, 2021	Accruals	YTD Combined	YTD Combined vs. FY21-22 Adopted Budget (%)
BEGINNING FUND BALANCE (Beginning Reserves*)	9,829,030	9,829,030		9,829,030	100%
A. Interest Revenue	96,000	31,259	24,000	55,259	58%
B. Tobacco Tax Revenue	5,106,000	2,107,045	1,429,750	3,536,795	0%
Tobacco Tax Revenue Fiscal Year Allocations	5,106,000	2,107,045	1,429,750	3,536,795	69%
C. Other Grant Revenues	1,058,000	226,378	468,066	694,444	66%
F5CA Other Grants / IMPACT Grant	502,000	46,047	100,000	146,047	37%
Non-Tobacco Tax Grants (DLP, PHD, SHD, MHSA)	556,000	8,580	368,066	376,646	68%
TOTAL REVENUES	6,260,000	2,364,681	1,921,816	4,286,497	68%
TOTAL AVAILABLE FUND (Total Sources*)	16,089,030	12,193,712	1,921,816	14,115,528	88%
PROGRAM APPROPRIATIONS					
D1. Strategic Plan Investment - SPIP FY 20-23	3,780,000	795,263	945,000	1,740,263	46%
Community Investments (FE, CH&D, EL)	3,180,000	665,561	795,000	1,460,561	46%
Policy, Advocacy, & Communications (PAC)	487,000	118,792	121,750	240,542	49%
Evaluation	113,000	10,911	28,250	39,161	35%
D2. Strategic Plan Investment - SPIP FY 18-20 Carry-Over	1,120,000	26,825	280,000	306,825	27%
Community Investments (FE, CH&D, EL)	400,000	21,815	38,000	38,000	10%
Evaluation	350,000	-	280,000	306,825	88%
Policy, Advocacy, & Communications (PAC)	370,000	5,010	100,000	121,815	33%
E. Other Grants	954,000	164,214	238,500	402,714	42%
F5CA Other Grants / IMPACT Grant	439,000	58,396	109,750	168,146	82%
Non-Tobacco Tax Grants (DLP, PHD, SHD, MHSA)	515,000	105,818	128,750	234,568	45%
F. Program Operations	1,265,149	534,895	1,431	536,326	42%
Program Shared Operating Budget	206,300	83,415	1,431	84,846	41%
Program Staff S&B & Shared Admin Staff Time	873,309	377,282	0	377,282	43%
Evaluation Staff S&B	185,540	74,198	0	74,198	40%
Total Program Appropriations (D1+D2+D3+E+F)	7,119,149	1,521,197	1,464,931	2,986,129	42%
ADMIN APPROPRIATIONS					
G. Admin Shared Operating Budget	206,300	83,415	1,431	84,846	41%
H. Admin Staff S&B	605,810	269,453	-	269,453	44%
Total Admin Appropriations (G+H)	812,110	352,868	1,431	354,299	44%
TOTAL APPROPRIATIONS (Net Appropriations*)	7,931,259	1,874,066	1,466,362	3,340,428	42%
Surplus / (Deficit) (Total Revenues - Total Appropriations)	(1,671,259)	490,616	455,454	946,070	
ENDING FUND BALANCE	8,157,771	10,319,646	455,454	10,775,100	132%
Total S&B	1,664,659	720,933	-	720,933	43%

FIRST 5 SAN MATEO COUNTY

DETAILS BUDGET MONITORING REPORT as of December 31, 2021

YTD Benchmark: 50%

	ORG/ACCT#	FY21-22 Adopted Budget	YTD Actuals as of December 31, 2021	Accruals	YTD Combined	YTD Combined vs. FY21-22 Adopted Budget (%)	Notes to Budget Monitoring Report
BEGINNING FUND BALANCE (Beginning Reserves*)		9,829,030	9,829,030		9,829,030	100%	
A. Interest Revenue	19510-1521	96,000	31,259	24,000	55,259	58%	\$24K is Q2 Interest Revenue estimate
B. Tobacco Tax Revenue		5,106,000	2,107,045	1,429,750	3,536,795		
Tobacco Tax Revenue Fiscal Year Allocations	19510-1861	5,106,000	2,107,045	1,429,750	3,536,795	69%	\$1.429 K are Prop 56 revenue accrual
C. Other Grant Revenues		1,058,000	226,378	468,066	694,444	66%	\$529K is Q1&Q2 Other Grant Revenue estimate
F5CA IMPACT Grant FY20-23	19510-1861	400,000	46,047	100,000	146,047	37%	\$100K is Q2 F5CA IMPACT Grant Revenue estimate
F5CA Home Visiting Grant FY20-22	19510-1861	102,000		51,000	51,000	50%	\$51K is Q1&Q2 F5CA Home Visiting Grant Revenue estimate
F5SF IMPACT HUB TA FY21-22	19510-2643			39,066	39,066		
County of San Mateo BHRS - Mental Health Services MHSA Prop 63	19510-2643	85,000		42,500	42,500	50%	\$42.5K is Q1&Q2 OMHSA Grant Revenue estimate
David Lucile Packard- Help Me Grow FY20-22	19510-2643	75,000		37,500	37,500	50%	\$37.5K is Q1&Q2 DLP Help Me Grow Grant Revenue estimate
Sequoia Healthcare District - Special Needs Grant FY20-23	19510-2643	339,000		169,500	169,500	50%	\$169K is Q1&Q2 Sequoia Healthcare District Special Needs Grant Revenue estimate
Sequoia Healthcare District - Mental Health Grant FY20-23	19510-2643	57,000		28,500	28,500	50%	\$28K is Q1&Q2 Sequoia Healthcare District Mental Health Grant Revenue estimate
Aurrera Health Group - ACES Aware	19510-2643		8,580	0	8,580		
CHI Refund	19510-2643		171,750		171,750		
F5SMC Wellness Grant	19510-2658			0	0		
Miscellaneous Reimbursements	19510-2647			0	0		
TOTAL REVENUES		6,260,000	2,364,681	1,921,816	4,286,497	68%	Total Revenue is neutral variance, which is in line with the planned budget
TOTAL AVAILABLE FUNDS (TOTAL SOURCES*)		16,089,030	12,193,712	1,921,816	14,115,528	88%	
APPROPRIATIONS							
PROGRAM APPROPRIATIONS							
D1. Strategic Plan Investment - SPIP FY 20-23		3,780,000	795,263	945,000	1,740,263	46%	
Resilient Family	19540-6125	1,060,000	237,331	265,000	502,331	47%	\$265K is Q2 expenditure estimate
Healthy Children	19540-6156	1,060,000	253,282	265,000	518,282	49%	\$265K is Q2 expenditure estimate
Quality Care and Education	19540-6263	1,060,000	174,948	265,000	439,948	42%	\$265K is Q2 expenditure estimate
Policies, Advocacy, & Communications	19540-6814	335,000	118,792	83,750	202,542	60%	\$83K is Q2 expenditure estimate
Kit for New Parent KNP (KNP)	19540-6814	45,000		11,250	11,250	25%	KNP inventory variances based on lower KNP distribution due to COVID and cost saving measures.
Emerging Projects	19540-6814	107,000	0	26,750	26,750	25%	Alliging emerging projects based on evolving community needs
Grant Management and Other Evaluation Projects	19540-6265	113,000	10,911	28,250	39,161	35%	Possible emerging support needs for the evaluation related to data collection.
D2. Strategic Plan Investment - SPIP FY 18-20 Carry-Over		1,120,000	26,825	280,000	306,825	27%	Underspending is due to pending planning and implementation of the SPIP FY 2018-20 Carry Over Funds are in coordination within the 3-year time frame of the new strategic plan FY 2020-23
Children Health & Development - Carry Over	19540-6156	300,000		75,000	75,000	25%	Per the Commission approval, SPIP FY18-20 carry over will be expended through June 30, 2023.
Early Learning - Carry Over	19540-6263	100,000	21,815	25,000	46,815	47%	
Other Evaluation Projects - Carry Over	19540-6265	350,000		87,500	87,500	25%	
PAC - Carry Over	19540-6814	250,000	3,675	62,500	66,175	26%	
Emerging Projects - Carry Over	19540-6814	120,000	1,335	30,000	31,335	26%	
E. Other Grants		954,000	164,214	238,500	402,714	42%	
F5CA IMPACT Grant	19540-6126	350,000	40,396	87,500	127,896	37%	\$87.5K is Q2 expenditure estimate
F5CA Home Visiting Grant		89,000	18,000	22,250	40,250	45%	
F5SF IMPACT HUB TA FY21-22	19540-6126		19,573	0	19,573		
County of San Mateo BHRS - Mental Health Services MHSA Prop 63	19540-6131	64,000	50,686	16,000	66,686	104%	
Peninsula Healthcare District - HMG Call Center Grant CY2021	19540-6131	42,000	15,819	10,500	26,319	63%	
David Lucile Packard- Help Me Grow CY2020	19540-6131	58,000		14,500	14,500	25%	Braided funding are in process
Sequoia Healthcare District - Special Needs Grant	19540-6131	317,000	3,865	79,250	83,115	26%	Braided funding are in process
Sequoia Healthcare District - Mental Health Grant	19540-6131	34,000	3,598	8,500	12,098	36%	Braided funding are in process
Aurrera Health Group - ACES Aware	19540-6131		12,277	0	12,277		

	ORG/ACCT#	FY21-22 Adopted Budget	YTD Actuals as of December 31, 2021	Accruals	YTD Combined	YTD Combined vs. FY21-22 Adopted Budget (%)	Notes to Budget Monitoring Report
F. Program Operations		1,265,149	534,895	1,431	536,326	42%	
Program Shared Operating Budget		206,300	83,415	1,431	84,846	41%	
Program Staff S&B & Shared Admin Staff Time		873,309	377,282	0	377,282	43%	
Evaluation Staff S&B		185,540	74,198	0	74,198	40%	
Total Program Appropriations (D1+D2+D3+E+F)		7,119,149	1,521,197	1,464,931	2,986,129	42%	
ADMIN APPROPRIATIONS							
G. Admin Shared Operating Budget		206,300	83,415	1,431	84,846	41%	
H. Admin Staff S&B		605,810	269,453	0	269,453	44%	
Total Administrative Appropriations		812,110	352,868	1,431	354,299	44%	
Administrative Cost Rate %		10%	19%	0%	11%		
TOTAL APPROPRIATIONS (NET APPROPRIATIONS*)		7,931,259	1,874,066	1,466,362	3,340,428	42%	Underspending is due to pending planning and implementation of the SPIP FY 2018-20 Carry Over Funds are in coordination within the 3-year time frame of the new strategic plan FY 2020-23
ENDING FUND BALANCE (ENDING RESERVES*)		8,157,771	10,319,646	455,454	10,775,100	132%	Positive variance due to underspending in both Program and Administrative Appropriations

2,617,329

Color Coding

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

Note 1:

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

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

Note 2:

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

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

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

Technical Terms**1. Modified Accrual**

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

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

2. Internal Reporting

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

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

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

References

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

Schedule 1- OPERATING BUDGET MONITORING REPORT as of December 31, 2021

YTD Benchmark: 50%

	ORG / ACCT#	FY20-21 Adopted Budget	YTD Actuals as of December 31, 2021	Accruals	YTD Combined	YTD Combined vs. FY21-22 Adopted Budget (%)	Notes to Budget Monitoring Report
I. Services and Supplies							
Outside Printing & Copy Svc	19510-5191	2,000			0	0%	
General Office Supplies	19510-5193	8,000	1,487		1,487	19%	
Photocopy Lease & Usage	19510-5196	5,000	201		201	4%	Underspend due to staff work outside office.
Computer Supplies	19510-5211	15,000	1,188		1,188	8%	Subscription of Microsoft software licenses. Underspending in IT equipment emergency fund (place holder)
County Memberships - (e.g. F5 Assn Dues)	19510-5331	15,000	12,306		12,306	82%	
Auto Allowance	19510-5712	11,000	5,296		5,296	48%	
Meetings & Conference Expense	19510-5721	10,000	0		0	0%	
Commissioners Meetings & Conference Exp	19510-5723	5,000			0	0%	
Other Business Travel Expense	19510-5724	10,000	8		8	0%	
Dept. Employee Training Expense	19510-5731	7,000	5,234		5,234	75%	
Wellness grant	19510-5856	0	1,021		1,021		
Other Professional Services	19510-5858	30,000	29,067		29,067	97%	Racial and Equity Consultation - Part 2.
Sub Total - Services & Supplies		118,000	55,808	-	55,808	47%	Underspending associated with staff works outside office.
II. Other Charges							
Telephone Service Charges	19510-6712	5,500	1,036		1,036	19%	Include direct Communication Services
Automation Services - ISD	19510-6713	57,000	24,598		24,598	43%	
Annual Facilities Lease	19510-6716	105,000	31,105		31,105	30%	Nov/Dec 2021 free rent per new Lease Amendment.
General Liability Insurance	19510-6725	10,500	4,193	838	5,031	48%	
Official Bond Insurance	19510-6727	800	119	23	142	18%	
Human Resources Services	19510-6733	2,000	303		303	15%	One-time annual fee t for countywide online learning platform
Countywide Security Services	19510-6738	800	556		556	70%	
All Other Service Charges	19510-6739	60,000	24,508	2,000	26,508	44%	\$2K is Nov/Dec County Counsel expenditure estimate
A-87 Expense	19510-6821	53,000	24,605		24,605	46%	
Sub Total - Other Charges		294,600	111,023	2,861	113,884	39%	
Total Operating Budget		412,600	166,830	2,861	169,691	41%	Underspending due to staff works outside office.
Program Shared Operating Budget		206,300	83,415	1,431	84,846	41%	Allocation rate 50%
Admin Shared Operating Budget		206,300	83,415	1,431	84,846	41%	Allocation rate 50%

Schedule 2 - SALARIES & BENEFITS BUDGET MONITORING REPORT as of December 31, 2021

Program Staff & Shared Admin Staff		873,309	377,282		377,282	43%	27% Admin staff time allocated to Program
Evaluation Staff		185,540	74,198		74,198	40%	
Admin Staff		605,810	269,453		269,453	44%	
Total Salaries and Benefits		\$ 1,664,659	\$ 720,933	\$ -	\$ 720,933	43%	Underspend associated with staff on medical leave

Color Coding

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

DATE: February 14, 2022
TO: First 5 San Mateo County Finance and Administration Committee
FROM: Kitty Lopez, Executive Director
RE: Review and Recommend Approval of First 5 San Mateo County's FY 2021-22 Revised Budget and the Use of Ending Fund Balance (Ending Reserves*) to Fund FY 2021-22 Revised Budget

ACTION REQUESTED

Review and Recommend Approval of First 5 San Mateo County's FY 2021-22 Revised Budget and the Use of Ending Fund Balance (Ending Reserves*) to Fund FY 2021-22 Revised Budget.

FY 2021-22 REVISED BUDGET ASSUMPTIONS

- COVID-19 and shelter-in-place order cause delayed execution of SPIP FY 2018-20 contracts and delayed contracting and implementation of SPIP FY 2018-20.
- Commission approved the implementation of SPIP FY2018-20 underspending fund carry-over to be in coordination with the 3-year time frame of the new strategic plan SPIP FY2020-23.
- FY 2021-22 Revised Budget was anticipated after the FY 2020-21 Financial Audit completion when under spending contracts and Audited Ending Fund Balance (as of 6.30.2021) became available.
- FY 2021-22 Initial Adopted Program Budget was approved by Commission on May 24, 2021 and was based on the approved SPIP FY 2020-23 Funding Allocations while F5SMC funding grant budgets for FY2021-22 were unknown at that time. Generally, those F5SMC funding grant budgets for FY2021-22 become available after F5SMC's accounting closes as of 6.30.2021.
- FY 2021-22 Revised Budget is necessary to honor grant executions and contract obligations; and to reflect the increase Revenues and increase Appropriations as agency won various new grant awards and new contract executions started.
- As per F5SMC's Strategic Plan FY 2020-23 approved by the Commission, the Commission approved higher Community Investments than its fiscal revenues by drawing down the Ending Fund Balance (Ending Reserves*) to fund strategic initiatives. As a reminder, F5SMC has continued to draw down \$2-3 million per year, per the Strategic Plan FY 2020-23 and per Long-Term Financial Plan.

SUMMARY OF FY 2021-22 REVISED BUDGET

Please read this Budget memo in conjunction of FY 2021-22 Revised Budget presented in Attachments 6A, 6B, AND 6C (Schedule 1 and Schedule 2).

F5SMC's FY 2021-22 Revised Budget with the summary of budget changes as follows:

	FY 2021-22 Adopted Budget	FY 2021-22 Revised Budget	Increase / (Decrease) \$	Increase / (Decrease) %
Beginning Fund Balance (Beginning Reserves*)	9,829,030	12,844,713	3,015,683	31%
Total Revenues	6,260,000	6,704,025	444,025	7%
Total Available Fund (Total Sources*)	16,089,030	19,548,738	3,459,708	22%
Total Appropriations (Net Appropriations*)	7,931,259	8,421,683	490,424	6%
Ending Fund Balance (Ending Reserves*)	8,157,771	11,127,055	2,969,284	36%
Total Requirements*(Net Appropriations*+Ending Reserves*)	16,089,030	19,548,738	3,459,708	22%
Surplus / (Deficit) (Total Revenues – Net Appropriations*)	(1,671,259)	(1,717,658)	(46,399)	3%

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

FISCAL IMPACTS

Beginning Fund Balance is adjusted with an increase of \$3,015,683 as per the audited Ending Fund Balance as of 6.30.2021, F5SMC's audit report for the year ending 6.30.2021, page 33.

The net change of Ending Fund Balance (Ending Reserves*) as a result of the budget adjustments in Total Revenues and Total Appropriations will be an increase of \$2,969,284 in the FY 2021-22 Revised Budget.

FY 2021-22 Revised Budget changes results in a Budget Deficit of \$1,717,658, that represents a higher Budget Deficit by \$46,399 than its initial Budget Deficit in the FY21-22 Initial Adopted Budget. Therefore, we will draw \$1,717,658 from the Reserves* to fund the Community Investments.

For County Controller Office, the purposes of the Appropriations Transfer Request (ATR) for the F5SMC's FY2021-22 Revised Budget in the County Budget System, the Fund Balance has not been adjusted.

The Administrative Cost Rate is 10%, which remains below 15% of the approved Administrative Cost Policy for the FY 2021-22.

ACTION REQUESTED

Review and Recommend Approval of First 5 San Mateo County's FY 2021-22 Revised Budget and the Use of Ending Fund Balance (Ending Reserves*) in the amount of \$1,717,658 to Fund FY 2021-22 Revised Budget.

FY 2021-22 REVISED BUDGET NARRATIVES are presented in Attachments 6A, 6B, and 6C (Schedule 1 and Schedule 2).

A. BEGINNING FUND BALANCE (Beginning Reserves*)

Beginning Fund Balance (Beginning Reserves*) produce a net increase of \$3,015,683 or 31% increase.

- Beginning Fund Balance (Beginning Reserves*) is adjusted as per the audited Ending Fund Balance as of 6.30.2021 as per F5SMC's audit report for FY 2020-21, page 33.

B. TOTAL REVENUES

Total Revenues produce a net increase of \$444,025 or 7% increase

- \$444,025 reflect Other Grant Revenues increases associating with F5CA Home Visiting grant execution of its final year and the new grant award (IMPACT HUB FY2021-22).

C. TOTAL AVAILABLE FUND (Total Sources*)

Total Available Funds (Total Sources*) produce a net increase of \$3,459,708 or 22% increase.

Major contributions to 22% net increase in Total Available Fund are attributable to adjusted Beginning Fund Balance as the outcome of F5SMC's audit report for the year ending 6.30.2021 and Other Grant award acquisition and executions.

D. PROGRAM APPROPRIATIONS

Total Program Appropriations produce a net increase of \$494,424 or 7% increase

Major contributions to 7% net increase in Total Program Appropriations are associated with higher F5SMC funding grant budgets for FY2021-22 and various Other Grant award executions.

SPIP FY 2020-23: net increase of \$405,094

- \$74,950 Increase in Resilient Family
- \$267,078 increase in Children Health
- \$314,862 increase in Quality Education and Early Learning
- (\$69,357) decrease in Evaluation
- (\$85,403) decrease in PAC
- (\$97,000) decrease in Emerging Project

SPIP FY 2018-20 Carry Over: net decrease of (\$218,966) (which reflects the balance of SPIP FY 2018-20 carry over to FY2021-22 after the reduction of SPIP FY2018-20 actual expenditures as of 6.30.2021).

- (\$12,201) decrease in Children Health Development - Carry Over
- (\$131,643) decrease in PAC - Carry Over
- (\$75,122) decrease in Emerging Project - Carry Over

Other Grants: net increase of \$312,296

- \$38,803 increase for the F5CA IMPACT grant appropriation.
- \$85,000 increase for the final year execution of F5CA Home Visiting grant.
- \$128,000 increase for the new FY 2021-22 IMPACT HUB TA Grant execution
- \$7,706 increase for the MHSA Prop 63 grant appropriation.
- (\$38,000) decrease for the Help Me Grow grant
- \$76,792 increases for the Special Needs grant appropriation.
- \$13,995 increase for the ACES Aware Grant execution

Net Decreases by (\$4,000)

- (\$4,000) decrease in the allocated Revised Operating Budget FY 2021-22 (Schedule 1)

E. ADMINISTRATIVE APPROPRIATIONS

Total Administrative Appropriations produce a net decrease of (\$4,000)

- (\$4,000) decrease in the allocated Revised Operating Budget FY 2021-22 (Schedule 1)

F. REVISED OPERATING BUDGET FY 2020-21 (Schedule 1)

Revised Operating Budget FY 2020-21 produce a net decrease of (\$8,000)

Net Increases by \$30,000

- \$10,000 increase in Department Employee Training Expenses
- \$20,000 increase in the Other Professional Services for the Race and Equity Consultation.

Net Decreases by (\$38,000)

- (\$35,000) decrease in Annual Facility Lease associating with 4-month free rent of the new Lease Amendment.
- (\$3,000) decrease in revised A87 Expenses.

G. SALARIES AND BENEFITS (Schedule 2): No changes**H. TOTAL APPROPRIATIONS**

Total Appropriations (Net Appropriations*) produce a net increase of \$490,424 or 6% increase

Major contributions to 6% net increase in Total Appropriations are associated with the increase appropriations for the implementation of SPIP FY2020-23 and various Other Grant execution.

I. ENDING FUND BALANCE

Ending Fund Balance (Ending Reserves*) produce a net increase of \$2,969,284 or 36% increase

Major contributions to 36% net increase in Ending Fund Balance are associated with adjusted Beginning Fund Balance and various new Other Grant revenues.

J. GLOSSARY

Attachment 6

1. Per the County Budget Act (Government Code §§ 29000-29144, 30200 and 53065), the County Manager's Office and the County Controller's Office have requested F5SMC include the language of the use of Fund Balance (Reserves*) in its Budget memo to the Commission.
2. Since its inception, F5SMC has used different terminologies in its audit reports, budget documents, and Long-Term Financial Plan than those used by the County of San Mateo. The rationales are for (1) comparable terminologies used across F5SMC's audit reports, budget documents, and Long-Term Financial Plan; (2) for the usefulness of the general public; and (3) for consistent language used by First 5 California and by other First 5 Commissions throughout the State. Since March 2018, F5SMC added budgetary terminologies used by the County to F5SMC Budget.

FIRST 5 SAN MATEO COUNTY

FY 2021-22 REVISED BUDGET SUMMARY

	FY 21-22 Adopted Budget	FY 21-22 Revised Budget	FY21-22 Adopted Budget (+/-) vs. FY21-22 Revised Budget (\$)	FY21-22 Adopted Budget (+/-) vs. FY21-22 Revised Budget (%)
BEGINNING FUND BALANCE (Beginning Reserves*)	9,829,030	12,844,713	3,015,683	31%
A. Interest Revenue	96,000	96,000	-	0%
B. Tobacco Tax Revenue	5,106,000	5,106,000	-	0%
Tobacco Tax Revenue Fiscal Year Allocations	5,106,000	5,106,000		0%
C. Other Grant Revenues	1,058,000	1,502,025	444,025	42%
F5CA Other Grants / IMPACT Grant	502,000	620,000	118,000	24%
Non-Tobacco Tax Grants (DLP, PHD, SHD, MHSA)	556,000	882,025	326,025	59%
TOTAL REVENUES	6,260,000	6,704,025	444,025	7%
TOTAL AVAILABLE FUND (Total Sources*)	16,089,030	19,548,738	3,459,708	22%
PROGRAM APPROPRIATIONS				
D1. Strategic Plan Investment - SPIP FY 20-23	3,780,000	4,185,094	405,094	11%
Community Investments (FE, CH&D, EL)	3,180,000	3,836,854	656,854	21%
Evaluation	113,000	43,643	(69,357)	-61%
Policy, Advocacy, & Communications (PAC)	487,000	304,597	(182,403)	-37%
D2. Strategic Plan Investment - SPIP FY 18-20 Carry-Over	1,120,000	901,034	(218,966)	-20%
Community Investments (FE, CH&D, EL)	400,000	387,799	(12,201)	-3%
Evaluation	350,000	350,000	-	0%
Policy, Advocacy, & Communications (PAC)	370,000	163,235	(206,765)	-56%
E. Other Grants	954,000	1,266,296	312,296	33%
F5CA Other Grants / IMPACT Grant	439,000	562,803	123,803	28%
Non-Tobacco Tax Grants (DLP, PHD, SHD, MHSA)	515,000	703,493	188,493	37%
F. Program Operations	1,265,149	1,261,149	(4,000)	0%
Program Shared Operating Budget	206,300	202,300	(4,000)	-2%
Program Staff S&B & Shared Admin Staff Time	873,309	873,309	-	0%
Evaluation Staff S&B	185,540	185,540	-	0%
Total Program Appropriations (D1+D2+E+F)	7,119,149	7,613,573	494,424	7%
ADMIN APPROPRIATIONS				
G. Admin Shared Operating Budget	206,300	202,300	(4,000)	-2%
H. Admin Staff S&B	605,810	605,810	-	0%
Total Admin Appropriations (G+H)	812,110	808,110	(4,000)	0%
TOTAL APPROPRIATIONS (Net Appropriations*)	7,931,259	8,421,683	490,424	6%
Surplus / (Deficit) (Total Revenues - Total Appropriations)	(1,671,259)	(1,717,658)	(46,399)	
ENDING FUND BALANCE	8,157,771	11,127,055	2,969,284	36%
Total S&B	1,664,659	1,664,659	-	-

FIRST 5 SAN MATEO COUNTY

FY 2021-22 REVISED BUDGET DETAILS

	ORG/ACCT#	FY21-22 Adopted Budget		FY21-22 Revised Budget (+/-) vs. FY20-21 Adopted Budget (\$)	FY21-22 Revised Budget (+/-) vs. FY20-21 Adopted Budget (%)	Notes to FY2021-22 Revised Budget
BEGINNING FUND BALANCE (Beginning Reserves*)		9,829,030	12,844,713	3,015,683	31%	Beginning Fund Balance Adjustments to reconcile with the outcome of F5SMC's audit report 6.30.2021
A. Interest Revenue	19510-1521	96,000	96,000	0	0%	
B. Tobacco Tax Revenue		5,106,000	5,106,000	0	0%	
Tobacco Tax Revenue Fiscal Year Allocations	19510-1861	5,106,000	5,106,000	0	0%	
C. Other Grant Revenues		1,058,000	1,502,025	444,025	42%	
F5CA IMPACT Grant FY20-23	19510-1861	400,000	400,000	0	0%	
F5CA Home Visiting Grant FY20-22	19510-1861	102,000	220,000	118,000	116%	Y2 of full grant execution.
F5SF IMPACT HUB TA FY21-22	19510-2643		138,998	138,998		New grant award for FY21-22
County of San Mateo BHRS - Mental Health Services MHSA Prop 63	19510-2643	85,000	85,000	0	0%	
David Lucile Packard- Help Me Grow FY20-22	19510-2643	75,000	75,000	0	0%	
Sequoia Healthcare District - Special Needs Grant FY20-23	19510-2643	339,000	339,000	0	0%	
Sequoia Healthcare District - Mental Health Grant FY20-23	19510-2643	57,000	57,000	0	0%	
Aurrera Health Group - ACES Aware	19510-2643		15,277	15,277		
CHI Refund	19510-2643		171,750	171,750		
F5SMC Wellness Grant	19510-2658			0		
Miscellaneous Reimbursements	19510-2647			0		
TOTAL REVENUES		6,260,000	6,704,025	444,025	7%	
TOTAL AVAILABLE FUNDS (TOTAL SOURCES*)		16,089,030	19,548,738	3,459,708	22%	
APPROPRIATIONS						
PROGRAM APPROPRIATIONS						
D1. Strategic Plan Investment - SPIP FY 20-23		3,780,000	4,185,094	405,094	11%	Includes underspending funds from FY20-21
Family Engagement	19540-6125	1,060,000	1,134,950	74,950	7%	
Children Health & Development	19540-6156	1,060,000	1,327,078	267,078	25%	
Early Learning	19540-6263	1,060,000	1,374,826	314,826	30%	
Grant Management and Other Evaluation Projects	19540-6265	113,000	43,643	-69,357	-61%	
Policy Advocacy, Communications & Systems Change	19540-6814	380,000	294,597	-85,403	-22%	MB to provide VIVA Revised Budget for FY21-22 or amendment
Emerging Projects	19540-6814	107,000	10,000	-97,000	-91%	Pending planning and coordination with ARPA system integration and strategic planning
D2. Strategic Plan Investment - SPIP FY 18-20 Carry-Over		1,120,000	901,034	-218,966	-20%	The implementation of the SPIP FY 2018-20 Carry Over Funds are in coordination within the 3-year time frame of the new strategic plan FY 2020-23, as per the Commission approval.
Children Health & Development - Carry Over	19540-6156	300,000	287,799	-12,201	-4%	
Early Learning - Carry Over	19540-6263	100,000	100,000	0	0%	
Other Evaluation Projects - Carry Over	19540-6265	350,000	350,000	0	0%	FY20-21 actual expenditures was \$199K. Balance SPIP FY18-20 carry over will be expended through 6.30.2023 or return back to Fund Balance.
PAC - Carry Over	19540-6814	250,000	118,357	-131,643	-53%	
Emerging Projects - Carry Over	19540-6814	120,000	44,878	-75,122	-63%	

	ORG/ACCT#	FY21-22 Adopted Budget		FY21-22 Revised Budget (+/-) vs. FY20-21 Adopted Budget (\$)	FY21-22 Revised Budget (+/-) vs. FY20-21 Adopted Budget (%)	Notes to FY2021-22 Revised Budget
E. Other Grants		954,000	1,266,296	312,296	33%	
F5CA IMPACT Grant	19540-6126	350,000	388,803	38,803	11%	
F5CA Home Visiting Grant		89,000	174,000	85,000	96%	Final year of the 2-year grant
F5SF IMPACT HUB TA FY21-22	19540-6126		128,000	128,000		New grant award
County of San Mateo BHRS - Mental Health Services MHA Prop 63	19540-6131	64,000	71,706	7,706	12%	Final year of the 3-year grant
Peninsula Healthcare District - HMG Call Center Grant calendar year 2021	19540-6131	42,000	42,000	0	0%	Calendar year grant
David Lucile Packard- Help Me Grow	19540-6131	58,000	20,000	-38,000	-66%	Calendar year grant
Sequoia Healthcare District - Special Needs Grant	19540-6131	317,000	393,792	76,792	24%	FY20-21 underspending fund carry over to FY21-22
Sequoia Healthcare District - Mental Health Grant	19540-6131	34,000	34,000	0	0%	
Aurrera Health Group - ACES Aware	19540-6131		13,995	13,995		FY20-21 underspending fund carry over to FY21-22
F. Program Operations		1,265,149	1,261,149	-4,000	0%	
Program Shared Operating Budget		206,300	202,300	-4,000	-2%	
Program Staff S&B & Shared Admin Staff Time		873,309	873,309	0	0%	
Evaluation Staff S&B		185,540	185,540	0	0%	
Total Program Appropriations (D1+D2+D3+E+F)		7,119,149	7,613,573	494,424	7%	
ADMIN APPROPRIATIONS						
G. Admin Shared Operating Budget		206,300	202,300	-4,000	-2%	
H. Admin Staff S&B		605,810	605,810	0	0%	
Total Administrative Appropriations		812,110	808,110	-4,000	0%	
Administrative Cost Rate %		10%	10%			
TOTAL APPROPRIATIONS (NET APPROPRIATIONS*)		7,931,259	8,421,683	490,424	6%	
ENDING FUND BALANCE (ENDING RESERVES*)		8,157,771	11,127,055	2,969,284	36%	

Color Coding

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

Schedule 1- FY 2021-22 REVISED OPERATING BUDGET

Attachment 6C

	ORG / ACCT#	FY21-22 Adopted Budget	FY21-22 Revised Budget	FY21-22 Revised Budget (+/-) vs. FY20-21 Adopted Budget (\$)	FY21-22 Revised Budget (+/-) vs. FY20-21 Adopted Budget (%)	Notes to FY2021-22 Revised Budget
I. Services and Supplies						
Outside Printing & Copy Svc	19510-5191	2,000	2,000	0	0%	
General Office Supplies	19510-5193	8,000	8,000	0	0%	
Photocopy Lease & Usage	19510-5196	5,000	5,000	0	0%	
Computer Supplies	19510-5211	15,000	15,000	0	0%	Software licenses and Place holder for emergency IT equipment
County Memberships - (e.g. F5 Assn Dues)	19510-5331	15,000	15,000	0	0%	
Auto Allowance	19510-5712	11,000	11,000	0	0%	
Meetings & Conference Expense	19510-5721	10,000	10,000	0	0%	
Commissioners Meetings & Conference Exp	19510-5723	5,000	5,000	0	0%	
Other Business Travel Expense	19510-5724	10,000	10,000	0	0%	Reopening business travel
Dept. Employee Training Expense	19510-5731	7,000	17,000	10,000	143%	Staff leadership training
Wellness grant	19510-5856	0	0	0	0%	
Other Professional Services	19510-5858	30,000	50,000	20,000	67%	Race and Equity consultation (\$39K). Place holder \$10K
Sub Total - Services & Supplies		118,000	148,000	30,000	25%	
II. Other Charges						
Telephone Service Charges	19510-6712	5,500	5,500	0	0%	Include direct Communication Services
Automation Services - ISD	19510-6713	57,000	57,000	0	0%	
Annual Facilities Lease	19510-6716	105,000	70,000	(35,000)	-33%	4-months free rent as new Lease Amendment
General Liability Insurance	19510-6725	10,500	10,500	0	0%	Liability Insurance increase
Official Bond Insurance	19510-6727	800	800	0	0%	
Human Resources Services	19510-6733	2,000	2,000	0	0%	County Human Resources training
Countywide Security Services	19510-6738	800	800	0	0%	
All Other Service Charges	19510-6739	60,000	60,000	0	0%	include Card Keys, Audit, County Counsel and Accounting Services
A-87 Expense	19510-6821	53,000	50,000	(3,000)	-6%	Revised AB87 allocation
Sub Total - Other Charges		294,600	256,600	(38,000)	-13%	
Total Operating Budget		412,600	404,600	(8,000)	-2%	
Program Shared Operating Budget		206,300	202,300	(4,000)	-2%	Allocation rate 50%
Admin Shared Operating Budget		206,300	202,300	(4,000)	-2%	Allocation rate 50%

Schedule 2 - FY 2021-22 REVISED SALARIES & BENEFITS BUDGET

Program Staff & Shared Admin Staff		873,309	873,309	0	0%	27% Admin staff time allocated to Program
Evaluation Staff		185,540	185,540	0	0%	
Admin Staff		605,810	605,810	0	0%	
Total Salaries and Benefits		\$ 1,664,659	\$ 1,664,659	\$ -	0%	