



**FIRST 5 SAN MATEO COUNTY COMMISSION (F5SMC)
FINANCE AND ADMINISTRATION COMMITTEE MEETING**

**Monday, February 3, 2025
9:00 am to 10:00 a.m.**

**First 5 San Mateo County Office Building
1700 S. El Camino Real, 1st Floor – Miller Ream
San Mateo, CA 94402**

COMMISSION MEMBERS: Sylvia Espinoza, Claire Cunningham, Carla Boragno

STAFF: Kitty Lopez, Khanh Chau

AGENDA

	Item	
1.	Approval of the Finance and Administration Committee Agenda	Espinoza/ Cunningham/ Boragno
2.	Elect Finance and Administration Committee Chair	Espinoza/ Cunningham/ Boragno
3.	Approval of the October 21, 2024 Finance and Administration Committee Meeting Minutes <i>(See Attachment 3)</i>	Espinoza/ Cunningham/ Boragno
4.	Review Budget Monitoring Report as of December 31, 2024 <i>(See Attachment 4, 4A, 4B, 4C)</i>	Lopez / Chau
5.	Action: Review and Recommend Approval of First 5 San Mateo County (F5SMC)'s Revised Budget FY 2024-25 <i>(See Attachments 5, 5A, 5B)</i>	Lopez / Chau
	Next Finance and Administration Committee Meeting April 14, 2025	

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

October 21, 2024

- Commission Member: Claire Cunningham, Carla Boragno
- Staff: Kitty Lopez, Khanh Chau
- Minutes: Khanh Chau

Commissioner Sylvia Espinoza absented. Commissioner Claire Cunningham chaired the meeting.

1. Approval of the Finance and Administration Committee Meeting Agenda

A Motion for Approval of the October 21, 2024, Finance and Administration Committee Meeting Agenda was made by Commissioner Boragno, seconded by Commissioner Cunningham. Unanimously approved.

2. Approval of the Finance and Administration Committee Meeting Minutes

A Motion for Approval of the June 10, 2024, Finance and Administration Committee Meeting Minutes was made by Commissioner Boragno, seconded by Commissioner Cunningham. Unanimously approved.

3. Review and Recommend Approval of First 5 San Mateo County's FY 2023-2024 Budget Close Out.

Kitty Lopez briefed key highlights and key summaries of the FY2023-2024 Budget Close Out. Total Actual Revenue is \$6.002M or 5% below planned budget as we have higher Interest Revenue and Tobacco Tax Revenue while lower Other Grant executions. Total Appropriations is 72% of the fiscal year budget due to lower Other Grant executions in TRISI and Children Youth Behavior Initiatives in the second half of the fiscal year and underspending in various administrative areas. Overall, we have higher Ending Fund Balance in the FY 2023-24 Budget Close Out, which is \$13.473M or 17% higher than the planned budget. Admin Cost rate of 13% is within the Commission's approved Admin Cost Rate Policy of 15%.

Committee members reviewed, discussed, and asked questions for clarification. Committee members endorsed the approval of F5SMC FY 2023-24 Budget Closeout.

4. Review and Recommend Approval of First 5 San Mateo County (F5SMC)'s Basic Financial Statements for the Year Ending June 30, 2024, Audit Report and its Submission to First 5 California and to California State's Controller Office.

Kitty Lopez stated the agency has hired Brown Armstrong Accountancy Corporation for the professional audit services since 2020. Kitty Lopez briefed summary of Independent Auditors' Report Outcomes are as following:

- Independent Auditors' Report on the Financial Statements (pages 1-3): 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 41-42): No instances of noncompliance or other matters that are required to be reported under the Government Audit Standards were identified (clean opinion)
- Independent Auditors' Report on State Compliance (pages 43-45): F5SMC complied in all material respects with the compliance requirements (clean opinion). There were no current year findings.

Committee members reviewed, discussed, asked questions for clarification about Communications to Those Charged with Governance and key outcomes of the audit. Committee members endorsed the approval of First 5 San Mateo County (F5SMC)'s Basic Financial Statements for the Year Ending June 30, 2024, Audit Report and its Submission to First 5 California and to California State's Controller Office.

Commissioner Espinoza adjourned the meeting at 9:35 AM.

DATE: February 3, 2025
TO: First 5 San Mateo County Commission
FROM: Kitty Lopez, Executive Director
RE: Budget Monitoring Report as of December 31, 2024

BUDGET MONITORING REPORT as of December 31, 2024, HIGHLIGHTS

Budget Monitoring Report as of December 31, 2024, Highlights

The Budget Monitoring Report as of December 31, 2024, is presented in **Attachments 4A, 4B, and 4C**. Key Budget Monitoring Report highlights are as following:

YTD Benchmark: 50%

REVENUES

- YTD Interest Revenues are \$279K or 121%, that represents a positive variance or 71% higher than YTD Benchmark due to higher interest earning rate (3.5%) than initial projection (2%)
- YTD Tobacco Tax Revenue projections are \$1.496 million or 37%, that represents a negative variance or 13% lower than YTD Benchmark due to the Prop 56 Tax revenue's not being disbursed yet.
- YTD Other Grant Revenue is \$848K million or 44%, which is 6% lower than YTD Benchmark as low execution in various TRISI projects.
- YTD Total Revenues projections are \$2.623 million or 42%, that represents a negative variance or 8% lower than YTD Benchmark. Major attributable factors to this net negative variance are associated with delayed Prop 56 Tax disbursements and low execution in various TRISI projects.

APPROPRIATIONS

- YTD Program Expenditures projections are \$3.041 million or 41%, that represents a positive variance or 9% below YTD Benchmark. Major contributions to this positive variance are generally low TRISI project executions and pending planning and implementation of Strategic Plan Implementation Plan (SPIP) FY 2023-25.
- YTD Admin Expenditures of \$370K or 44% that represents a positive variance or 6% below YTD Benchmark. Major contributions to this positive variance are attributable to savings in various Admin Expenses due to staff working in a hybrid work format and staff member's being on medical leave.
- **YTD Total Appropriations (Net Appropriations*)** projections are \$3.412 million or 42%, that represents a positive variance or 8% below YTD Benchmark. Major contributions to this positive variance are attributable to underspending in various TRISI projects and pending planning and execution of strategic plan implementation, and under spending in various Administrative Operation budget lines.

ENDING FUND BALANCE (RESERVES*)

- Currently, we are projecting Ending Fund balance (Reserves*) of \$10.734 million or 112%, that represents a positive variance of 12% or \$1.192 million higher than the planned budget due to higher Interest Revenue and slow program executions.

CHALLENGES: None at this time.

FIRST 5 SAN MATEO COUNTY

BUDGET MONITORING REPORT AS OF DECEMBER 31, 2024

	FY24-25 Adopted Budget	YTD Actuals as of December 31, 2024	Accruals	YTD Combined Actual & Accrual	YTD Combined vs. FY24-25 Adopted Budget (%)
BEGINNING FUND BALANCE (Beginning Reserves*)	11,522,713	11,522,713	0	11,522,713	100%
A. Interest Revenue	230,454	278,877	0	278,877	121%
B. Tobacco Tax Revenue	4,056,141	1,496,137	0	1,496,137	37%
Tobacco Tax Revenue Fiscal Year Allocations	4,056,141	1,496,137	0	1,496,137	37%
C. Other Grant Revenues	1,932,464	400,891	447,127	848,019	44%
F5 San Benito - IMPACT LEGACY Grant; IMPACT HUB; Home Visiting Grant	509,161	107,334	123,142	230,476	45%
Non-Tobacco Tax Grants (PHD, SHD, MHSA, Baby Bonus Dividend)	1,423,303	293,558	323,985	617,543	43%
TOTAL REVENUES	6,219,059	2,175,905	447,127	2,623,032	42%
TOTAL AVAILABLE FUND (Total Sources*)	17,741,771	13,698,617	447,127	14,145,745	80%
PROGRAM APPROPRIATIONS					
D1. Strategic Plan Investment - SPIP FY 23-25	3,780,000	726,564	866,085	1,592,649	42%
Community Investments (RF, HC, QC & E)	3,180,000	623,189	788,673	1,411,862	44%
Evaluation	113,000	37,550	37,660	75,210	67%
Policy, Advocacy, & Communications (PAC) & Emerging Projects	487,000	65,825	39,752	105,577	22%
D2. Strategic Plan Investment - SPIP FY 20-23 - Carry Over	533,319	112,209	72,431	184,640	35%
Community Investments - Healthy Children	159,881	38,013	20,077	58,090	36%
Evaluation	80,000	0	0	0	0%
Policy, Advocacy, & Communications (PAC) & Emerging Projects	293,438	74,196	52,354	126,550	43%
E. Other Grants	1,715,645	264,589	416,411	681,000	40%
F5 San Benito - IMPACT LEGACY Grant; IMPACT HUB; Home Visiting Grant	398,192	80,346	99,548	179,894	45%
Non-Tobacco Tax Grants (PHD, SHD, MHSA, Baby Bonus Dividend)	1,317,453	184,243	316,863	501,106	38%
F. Program Operations	1,332,947	568,222	14,591	582,813	44%
Program Shared Operating Budget	228,916	70,207	14,591	84,799	37%
Program Staff S&B & Shared Admin Staff Time	901,634	402,600	0	402,600	45%
Evaluation Staff S&B	202,397	95,414	0	95,414	47%
Total Program Appropriations (D1+D2+E+F)	7,361,911	1,671,584	1,369,519	3,041,102	41%
ADMIN APPROPRIATIONS					
G. Admin Shared Operating Budget	228,916	70,207	14,591	84,799	37%
H. Admin Staff S&B	608,995	285,647	0	285,647	47%
Total Admin Appropriations (G+H)	837,911	355,854	14,591	370,445	44%
TOTAL APPROPRIATIONS (Net Appropriations*)	8,199,822	2,027,438	1,384,110	3,411,548	42%
Surplus / (Deficit) (Total Revenues - Total Appropriations)	(1,980,763)	148,467	(936,982)	(788,515)	
ENDING FUND BALANCE	9,541,950	11,671,180	-936,982	10,734,197	112%
Total S&B	1,713,026	783,661	0	783,661	46%

FIRST 5 SAN MATEO COUNTY

BUDGET MONITORING REPORT AS OF
DECEMBER 31, 2024

1/14/25

YTD benchmark: 50%

	FY24-25 Adopted Budget	YTD as of December 31, 2024 Actuals	Accruals	YTD Combined Actual & Accrual	YTD Combined vs. FY24-25 Adopted Budget (%)	Notes of Budget Monitoring Report
BEGINNING FUND BALANCE (Beginning Reserves*)	11,522,713	11,522,713	0	11,522,713	100%	
A. Interest Revenue	230,454	278,877	0	278,877	121%	Higher interest earning rate than initially projected.
B. Tobacco Tax Revenue	4,056,141	1,496,137	0	1,496,137	37%	
Tobacco Tax Revenue Fiscal Year Allocations	4,056,141	1,496,137		1,496,137	37%	Prop 56 tax revenue is not disbursed yet.
C. Other Grant Revenues	1,932,464	400,891	447,127	848,019	44%	
F5 San Benito IMPACT LEGACY Grant FY23-25	360,672	75,912	90,168	166,080	46%	\$90K is revenue estimate
F5 San Benito Regional Home Visitng Grant FY23-25	92,000	31,422	28,074	59,496	65%	
F5 San Benito IMPACT HUB TA FY23-25	56,489		4,900	4,900	9%	\$4.9K is revenue estimate
County of San Mateo BHRS - Mental Health Services MHSA #3 FY23-25	150,000	23,154	37,500	60,654	40%	\$37.5K is revenue estimate
Peninsula Healthcare District - Help Me Grow SMC CY2024		47,540	12,460	60,000		\$12.4K is revenue estimate
Sequoia Healthcare District - Special Needs Grant FY23-25	461,700	74,786	115,425	190,211	41%	\$115K is revenue estimate
Sequoia Healthcare District - Mental Health Grant FY23-25	134,400	8,684	33,600	42,284	31%	\$33.6K is revenue estimate
Children and Youth Behavior Health Initiatives - Round 2	500,000	52,799	125,000	177,799	36%	\$125K is revenue estimate
SMC Health, Family Health Services - Baby Bonus Dividend Program**	177,203	86,595	0	86,595	49%	WOC Community Health Planner
TOTAL REVENUES	6,219,059	2,175,905	447,127	2,623,032	42%	Low Tobacco Tax revenue due to Prop 56 Tax revenue is not disbursed yet and low execution in various TRISI programs
TOTAL AVAILABLE FUNDS (TOTAL SOURCES*)	17,741,771	13,698,617	447,127	14,145,745	80%	Low Tobacco Tax revenue due to Prop 56 Tax revenue is not disbursed yet and low execution in various TRISI programs

APPROPRIATIONS						
PROGRAM APPROPRIATIONS						
D1. Strategic Plan Investment - SPIP FY 23-25	3,780,000	726,564	866,085	1,592,649	42%	
Resilient Family	1,060,000	262,784	257,280	520,064	49%	
Healthy Children	1,060,000	149,512	213,113	362,625	34%	Leveraged funding for health initiatives are utilized first
Quality Care and Education	1,060,000	210,893	318,280	529,173	50%	
Grant Management and Other Evaluation Projects	113,000	37,550	37,660	75,210	67%	
Policy Advocacy, Communications & Systems Change	380,000	65,825	39,752	105,577	28%	Activities related to strategic planning 2025 -2030 learnings, communications campaign, Baby Bonus and other evaluation & research.
Emerging Projects	107,000			0	0%	
D2. Strategic Plan Investment - SPIP FY 20-23 Carry-Over	533,319	112,209	72,431	184,640	35%	Implementation of SPIP FY20-23 Underspending Fund Carry Over in coordination with SPIP FY23-25 in 2-year time frame.
Healthy Children	159,881	38,013	20,077	58,090	36%	
Grant Management and Other Evaluation Projects	80,000			0	0%	
Policy Advocacy, Communications & Systems Change	70,000	70,000		70,000	100%	
Emerging Projects	223,438	4,196	52,354	56,550	25%	KNP building will be anticipated in H2 of FY24-25
E. Other Grant Expenditure	1,715,645	264,589	416,411	681,000	40%	Grant awards through competitive grant applications
F5 San Benito IMPACT LEGACY Grant FY23-25	290,672	56,136	72,668	128,804	44%	
F5 San Benito Regional Home Visiting Grant FY23-25	54,000	24,210	13,500	37,710	70%	
F5 San Benito IMPACT HUB TA FY23-25	53,520		13,380	13,380	25%	Grant execution will be accelerated in H2 of FY24-25.
County of San Mateo BHRS - Mental Health Services MHSA #3 FY23-25	106,250	13,345	26,563	39,908	38%	Some project work is scheduled based on the availability of staff at TRISI organizations, which may result in uneven spending across quarters
Peninsula Healthcare District - Help Me Grow SMC CY2024	50,000	47,540		47,540	95%	
Sequoia Healthcare District - Special Needs Grant FY23-25	400,000	69,326	100,000	169,326	42%	
Sequoia Healthcare District - Mental Health Grant FY23-25	134,000	3,301	33,500	36,801	27%	Delays in expenditures are due to one agency not utilizing available coaching services in a timely manner; we are working to address this
Children and Youth Behavior Health Initiatives - Round 2	450,000	8,437	112,500	120,937	27%	Grant execution will be accelerated in H2 of FY24-25.
SMC Health, Family Health Services Baby Bonus Dividend Program	177,203	42,294	44,301	86,595	49%	Community Health Planner - WOC position

F. Program Operations	1,332,947	568,222	14,591	582,813	44%	
Program Shared Operating Budget	228,916	70,207	14,591	84,799	37%	
Program Staff S&B & Shared Admin Staff Time	901,634	402,600	0	402,600	45%	Excluding WOC - Community Health Planner position for the Baby Bonus Dividend Program
Evaluation Staff S&B	202,397	95,414	0	95,414	47%	
Total Program Appropriations (D1+D2+D3+E+F)	7,361,911	1,671,584	1,369,519	3,041,102	41%	0
ADMIN APPROPRIATIONS						
G. Admin Shared Operating Budget	228,916	70,207	14,591	84,799	37%	
H. Admin Staff S&B	608,995	285,647	0	285,647	47%	
Total Administrative Appropriations	837,911	355,854	14,591	370,445	44%	
Administrative Cost Rate %	10%	18%		11%		
TOTAL APPROPRIATIONS (NET APPROPRIATIONS*)	8,199,822	2,027,438	1,384,110	3,411,548	42%	
ENDING FUND BALANCE (ENDING RESERVES*)	9,541,950	11,671,180	-936,982	10,734,197	112%	

1,192,248

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 * Total Sources, Net Appropriations, Reserves, Total Requirements with asterisk * are budget

Note 2:

This Budget Monitoring Report is presented in a Hybrid Format as per suggestion of Finance and The YTD Actuals column reflects Actual Revenues and Actual Expenditures reported in The YTD Accruals* (with an asterisk) column is a hybrid presentation using Modified Accrual Accounting or Projections. When Revenue and

Technical Terms

1. Modified Accrual

Schedule 1- OPERATING BUDGET MONITORING REPORT AS OF 12.31.2024





1/15/2025

	ORG / ACCT#	FY24-25 Adopted Budget	YTD Actuals as of December 31, 2024	Accruals	YTD Combined Actual & Accrual	YTD Combined vs. FY24-25 Adopted Budget (%)	Notes of Budget Monitoring Report
I. Services and Supplies							
Outside Printing & Copy Svc	19510-5191	1,000		0	0	0%	
General Office Supplies	19510-5193	8,000	2,605	0	2,605	33%	
Photocopy Lease & Usage	19510-5196	5,000	458	0	458	9%	
Direct Communication Expenses	19510-5132	3,800	735	0	735	19%	
Computer Supplies	19510-5211	25,000	2,185	0	2,185	9%	
Software License / Maintenance Expenses	19510-5215	6,673	4,312	0	4,312	65%	
County Memberships - (e.g. F5 Assn Dues)	19510-5331	15,000	850	0	850	6%	
Auto Allowance	19510-5712	11,000	5,630	0	5,630	51%	
Meetings & Conference Expense	19510-5721	8,000	269	0	269	3%	
Commissioners Meetings & Conference Exp	19510-5723	5,000	1,246	0	1,246	25%	
Other Business Travel Expense	19510-5724	8,000	76	0	76	1%	
Dept. Employee Training Expense	19510-5731	5,327	2,949	0	2,949	55%	
Wellness grant	19510-5856	0	317	0	317		
Other Professional Services	19510-5858	28,500	6,624	0	6,624	23%	
Sub Total - Services & Supplies		130,300	28,257	-	28,257	22%	
II. Other Charges							
Automation Services - ISD	19510-6713	41,271	13,568	0	13,568	33%	
Annual Facilities Lease	19510-6716	109,000	47,743	7,896	55,639	51%	Rent escalation for services and maintenance in
General Liability Insurance	19510-6725	19,090	11,136		11,136	58%	Insurance increases
Official Bond Insurance	19510-6727	319	159		159	50%	
Human Resources Services	19510-6733	323	323		323	100%	
Countywide Security Services	19510-6738	692	692		692	100%	
All Other Service Charges	19510-6739	60,210	19,730	3,000	22,730	38%	
Card Key Services	19510-6751	1,042	521		521	50%	
A-87 Expense	19510-6821	95,585	18,287	18,287	36,573	38%	
Sub Total - Other Charges		327,532	112,158	29,183	141,341	43%	
Total Operating Budget		457,832	140,415	29,183	169,597	37%	
Program Shared Operating Budget		228,916	70,207	14,591	84,799	37%	
Admin Shared Operating Budget		228,916	70,207	14,591	84,799	37%	

Schedule 2 - SALARIES & BENEFITS BUDGET MONITORING REPORT AS OF 12.31.2024

Program Staff & Shared Admin Staff		901,634	402,600		402,600	45%	Including 27% of Admin cost allocation
Evaluation Staff		202,397	95,414		95,414	47%	
Admin Staff		608,995	285,647		285,647	47%	
F5SMC Salaries and Benefits		\$ 1,713,026	\$ 783,661	\$ -	\$ 783,661	46%	
Baby Bonus Dividend Program - WOC		\$ 177,203	\$ 86,595		86,595	49%	Other Grant Appropriations

Color Coding

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

DATE: February 3, 2025

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 2024-25 Revised Budget and the Use of Ending Fund Balance (Ending Reserves*) to Fund FY 2024-25 Revised Budget

ACTION REQUESTED

Review and Recommend Approval of First 5 San Mateo County's FY 2024-25 Revised Budget and the Use of Ending Fund Balance (Ending Reserves*) to Fund FY 2024-25 Revised Budget.

1. SUMMARY OF FY 2024-25 DRAFT BUDGET

Please read this Budget Memo in conjunction with FY 2024-25 Revised Budget presented in **Attachments 5A, 5B, and 5C** (Schedule 1 and Schedule 2).

F5SMC's FY 2023-25 Revised Budget with the summary of budget changes as follows:

	FY 2024-25 Adopted Budget	FY 2024-25 Revised Budget	Increase / (Decrease) \$	Increase / (Decrease) %	Notes for FY 24-25 Draft Budget
Beginning Fund Balance (Beginning Reserves*)	11,522,713	13,509,181	1,986,468	17%	Higher adjusted Beginning Fund Balance per audit report 6.30.2024
Total Revenues	6,219,059	7,263,697	1,044,638	17%	Higher Interest and Tobacco Tax Revenues, and inclusion of Baby Bonus Program Other Grant Revenue.
Total Available Fund (Total Sources*)	17,741,771	20,772,878	3,031,107	17%	Same as above.
Total Appropriations (Net Appropriations*)	8,199,822	8,802,966	603,144	7%	Increase in Other Grants – Baby Bonus Program Appropriations
Ending Fund Balance (Ending Reserves*)	9,541,950	11,969,912	2,427,962	25%	Higher Interest and Tobacco Tax Revenues, and inclusion of Baby Bonus Program Other Grant Revenue.

Total Requirements*(Net Appropriations*+Ending Reserves*)	17,741,771	20,772,878	3,031,107	17%	Same as above
Surplus / (Deficit) (Total Revenues – Net Appropriations*)	(1,980,763)	(1,539,269)	441,494	-22%	Continue draw down some of Reserves* to fund higher Community Investments.

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*

2. FISCAL IMPACTS

FY 2024-25 Revised Budget changes result in a net Total Budget Deficit of \$1,539,269; this represents a lower Budget Deficit by \$441,494 than the Budget Deficit that the Commission approved in the FY 2024-25 Adopted Budget of \$1,980,763, May 20, 2024. Major contributions to the lower Budget Deficit amount are associated with higher Beginning Fund Balance as the outcome of the audit report for the year ending 6.30.2024, higher Tobacco Tax Revenue than initial projections, and new Other Grant award executions. Therefore, we will draw and encumber a total of \$1,539,269 from the Ending Reserves* to fund the Community Investments.

The net change of Ending Fund Balance (Ending Reserves*) will be a decrease by (\$1,539,269) as a result of the budget adjustments in Total Revenues and Total Appropriations in the FY 2024-25 Revised Budget.

The Administrative Cost Rate is projected 9%, which is below 15% of the proposed approved Administrative Cost Policy for the FY 2024-25. F5SMC has implemented Administrative Cost rate of 15% since 2020.

1. FY 2024-25 REVISED BUDGET ASSUMPTIONS

Major themes of the F5SMC's FY 2024-25 Revised Budget are to (1) adjust Beginning Fund Balance, per the outcome of the audit report 6.30.2024; and to (2) increase Other Grant Revenue and Other Grant Program Appropriations as the Baby Bonus Pilot Program is planning to launch late February 2025.

- Projected Interest earning rate is 3.0% on the Beginning Fund Balance of FY 2024-25 Revised Budget.
- Use Tobacco Tax Revenue projections with Flavor Ban released by First 5 CA on September 24, 2024 which reflect a higher Tobacco Tax Revenue allocations in FY 2024-25 to F5SMC than initially projected; said allocations are based on County of San Mateo's actual birth rate.
- Execute Strategic Plan Implementation Plan (SPIP) FY 202 in the second year of 2-year funding cycle; we expect to continue contracting the allocated Program Appropriations in FY 2024-25 Revised Budget, equal to \$3.780 M x 2 years, as part of the Commission approved Long-Term Financial Plan (LTFP)
- Continue implementation of \$533K of SPIP FY 2020-23 Underspending Fund Carry Over in coordination with the 2-year time frame of SPIP FY 2023-25. Any underspending funds by year end 6.30.2025 will return to Fund Balance.

- We expect to launch the Baby Bonus pilot program late February 2025, adding to total Other Grants execution of \$2.582 M.
- Continue current shared cost allocation to Program Appropriations with the following rates:
 - ✓ 100% Program and Evaluation Staff's Salaries and Benefits.
 - ✓ 27% Shared Admin Staff time; and
 - ✓ 50% of Shared Operating Budget

2. BACKGROUND

- F5SMC’s current Strategic Plan FY 2020-25 is comprised two funding cycles: The first funding cycle FY 2020-23 and the second funding cycle FY 2023-25 with the approved community investment amount of \$3,780,000/each fiscal year, as per Commission approved Strategic Plan and Long-Term Financial Plan.

Strategic Plan Investment SPIP FY 2020-25	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
First Funding Cycle SPIP FY 2020-23	\$3,780,000	\$3,780,000	\$3,780,000		
Second Funding Cycle SPIP FY 2023-25				\$3,780,000	\$3,780,000

- As per F5SMC’s Strategic Plan FY 2023-25 approved by the Commission, the Commission approved higher Community Investments than its fiscal revenues by drawing down some dollars in 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 2023-25 and per Long-Term Financial Plan.
- Prop 31 – Flavor Ban on all Tobacco Products was passed in November 2022; The law was effective immediately in January 2023. Prop 31 causes larger negative decline rate of Tobacco Tax Revenue Projections from current 3% to 11% of Tobacco Tax Revenue Projections in 2023 and 2024, then levels off to 6% negative decline rate from 2025 onward.
- Commission approved implementation of SPIP FY 2020-23 Underspending Fund Carry Over to be in coordination with 2-year time frame of the strategic plan FY 2023-25.
- We anticipate having FY 2024-25 Revised Budget in February 2025, after the FY 2023-24 Financial Audit completion and when under spending contracts and Audited Ending Fund Balance (as of 6.30.2024) become available.

ACTION REQUESTED

Review and Recommend Approval of First 5 San Mateo County’s FY 2024-25 Revised Budget and the Use of Ending Fund Balance (Ending Reserves*) in the amount of \$1,539,269 to Fund FY 2024-25 Revised Budget.

FY 2024-25 REVISED BUDGET NARRATIVES are presented in **Attachments 4A, 4B, and 4C** (Schedule 1 and Schedule 2).

A. BEGINNING FUND BALANCE (Beginning Reserves*)

- Beginning Fund Balance (Beginning Reserves*) is adjusted to \$13,509,181 that produces a net increase of \$1,986,468 or 17% higher as the outcome of the audit report for the year ending 6.30.2024, page 40.

B. TOTAL REVENUES

Total Revenues produce a net increase of \$1,044,638 or 17% increase.

- \$174,821 Interest Revenue increase or 76% increase due to higher interest earning rate and higher Beginning Fund Balance.
- \$219,817 Tobacco Tax Revenue increase or 5% increase per the recent Tobacco Tax Revenue projections on September 24, 2024 than initial projections.
- \$650,000 Other Grant Revenues increases or 5% increase as the agency plans to launch the Baby Bonus Pilot Program late February 2025.

C. TOTAL AVAILABLE FUND (Total Sources*)

Total Available Funds (Total Sources*) produce a net increase of \$3,031,107 or 17% increase

Major contributions to 17% net increase in Total Available Fund are attributable to higher Interest Revenue, higher Tobacco Tax Revenue allocations than initial projections, and the increase of Other Grant Revenues – Baby Bonus Program.

D. PROGRAM APPROPRIATIONS

Total Program Appropriations produce a net increase of \$611,572 or 8% increase.

Major contributions to 8% net increase in Total Program Appropriations are associated with the Baby Bonus Program executions.

D1. Strategic Plan Investment - SPIP FY 2023-25: No changes

SPIP FY 2023-25 is tentatively budgeted the same investment level of \$3,780,000.

D2. Strategic Plan Investment - SPIP FY 2020-23 Carry-Over: No changes

E. Other Grants:

Other Grants produce a net increase of \$620,000 or 36% increase.

- \$500,000 increase in Baby Bonus Program execution from Health Plan of San Mateo funding.
- \$40,000 increase in Baby Bonus Program execution from County CEO - Measure K funding.
- \$40,000 increase in Baby Bonus Program execution from Silicon Valley Community Foundation – Chan Zuckerberg Initiative (CZI) funding.

- \$40,000 increase in Baby Bonus Program execution from Sobrato Family Foundation funding.

F. Program Operations: net decrease of \$8,428 or 1% decrease

The decreases in Program Operations are associated with net decreases in Other Services Charges.

G. ADMINISTRATIVE APPROPRIATIONS:

Administrative Operations: net decrease of \$8,428 or 1% decrease

The decreases in Administrative Operations are associated with net decreases in Other Service Charges.

H. FY 2024-25 REVISED OPERATING BUDGET (Schedule 1)

FY 2024-25 Revised Operating Budget decreases \$16,856 or 4% decrease due to net decreases in Other Service Charges.

I. SALARIES AND BENEFITS (Schedule 2): No changes

J. TOTAL APPROPRIATIONS

Total Appropriations (Net Appropriations*) produce a net increase of \$603,144 or 7% increase

Major contributions to 7% net increase in Total Appropriations are associated with the Baby Bonus Program Other Grant executions.

K. ENDING FUND BALANCE

Ending Fund Balance (Ending Reserves*) produce a net increase of \$2,427,962 or 25% increase.

Major contributions to 25% net increase in Ending Fund Balance are associated with higher adjusted Beginning Fund Balance as the result of audit report 6.30.2024, higher Tobacco Tax Revenue allocations than initial projection, and higher Other Grant – Baby Bonus program executions as agency plans to launch late February 2025.

L. GLOSSARY

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 to 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 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.
3. F5SMC has two main revenue streams: (a) monthly Tobacco Tax Revenue disbursements based on actual birth rate in each county; and (b) Other Grant Revenues are acquired from F5 California, Other F5 Commissions, and or other funders through competitive grant application processes.

4. Tobacco Tax Revenue projections are based on estimated Proposition 10 tax revenue, Proposition 56 backfill, estimated interest earned by the account, less adjustments for California Department of Tax and Fee Administration's administrative costs and statewide assessments.

F5CA released annual Tobacco Tax Revenue Projections by county in May each fiscal year based on projected birth rate of each county. When the published birth rate data becomes available, State Finance Department will update Tobacco Tax Revenue Projections based on the actual birth rate of each county.

5. On August 14, 2023, F5 Commissions received updated FY 2023-24 Tobacco Tax Revenue Projections based on recently published birth rate data which was updated July 19, 2023. The data can be found on Department of Finance's website at the following link: [P_CY_Births_Report.xlsx](#) (live.com).

FIRST 5 SAN MATEO COUNTY

FY 2024-25 REVISED BUDGET SUMMARY

	FY24-25 Adopted Budget	FY24-25 Revised Budget	FY24-25 Revised Budget (+/-) vs. FY24-25 Adopted Budget (\$)	FY24-25 Revised Budget (+/-) vs. FY24-25 Adopted Budget (%)
BEGINNING FUND BALANCE (Beginning Reserves*)	11,522,713	13,509,181	1,986,468	17%
A. Interest Revenue	230,454	405,275	174,821	76%
B. Tobacco Tax Revenue	4,056,141	4,275,958	219,817	5%
Tobacco Tax Revenue Fiscal Year Allocations	4,056,141	4,275,958	219,817	5%
C. Other Grant Revenues	1,932,464	2,582,464	650,000	34%
F5 San Benito - IMPACT LEGACY Grant; IMPACT HUB; Home Visiting Grant	509,161	509,161	0	0%
Non-Tobacco Tax Grants (PHD, SHD, MHSA, Baby Bonus Program)	1,423,303	2,073,303	650,000	46%
TOTAL REVENUES	6,219,059	7,263,697	1,044,638	17%
TOTAL AVAILABLE FUND (Total Sources*)	17,741,771	20,772,878	3,031,107	17%
PROGRAM APPROPRIATIONS				
D1. Strategic Plan Investment - SPIP FY 23-25	3,780,000	3,780,000	0	0%
Community Investments (RF, HC, QC & E)	3,180,000	3,180,000	0	0%
Evaluation	113,000	113,000	0	0%
Policy, Advocacy, & Communications (PAC) & Emerging Projects	487,000	487,000	0	0%
D2. Strategic Plan Investment - SPIP FY 20-23 - Carry Over	533,319	533,319	0	0%
Community Investments - Healthy Children	159,881	159,881	0	0%
Evaluation	80,000	80,000	0	0%
Policy, Advocacy, & Communications (PAC) & Emerging Projects	293,438	293,438	0	0%
E. Other Grants	1,715,645	2,335,645	620,000	36%
F5 San Benito - IMPACT LEGACY Grant; IMPACT HUB; Home Visiting Grant	398,192	398,192	0	0%
Non-Tobacco Tax Grants (PHD, SHD, MHSA, Baby Bonus Dividend)	1,317,453	1,937,453	620,000	47%
F. Program Operations	1,332,947	1,324,519	-8,428	-1%
Program Shared Operating Budget	228,916	220,488	-8,428	-4%
Program Staff S&B & Shared Admin Staff Time	901,634	901,634	0	0%
Evaluation Staff S&B	202,397	202,397	0	0%
Total Program Appropriations (D1+D2+E+F)	7,361,911	7,973,483	611,572	8%
ADMIN APPROPRIATIONS				
G. Admin Shared Operating Budget	228,916	220,488	-8,428	-4%
H. Admin Staff S&B	608,995	608,995	0	0%
Total Admin Appropriations (G+H)	837,911	829,483	-8,428	-1%
TOTAL APPROPRIATIONS (Net Appropriations*)	8,199,822	8,802,966	603,144	7%
Surplus / (Deficit) (Total Revenues - Total Appropriations)	-1,980,763	-1,539,269	441,494	-22%
ENDING FUND BALANCE	9,541,950	11,969,912	2,427,962	25%
Total S&B	1,713,026	1,713,026	9,139	1%

FIRST 5 SAN MATEO COUNTY

FY 2024-25 REVISED BUDGET DETAILS

	ORG/ACCT#	FY24-25 Adopted Budget	FY24-25 Revised Budget	FY24-25 Revised Budget (+/-) vs. FY24-25 Adopted Budget (\$)	FY24-25 Revised Budget (+/-) vs. FY24-25 Adopted Budget (%)	Notes to FY2024-25 Revised Budget
BEGINNING FUND BALANCE (Beginning Reserves*)		11,522,713	13,509,181	1,986,468	17%	Ending Fund Balance of the F5SMC's Audit report for the year ended 6.30.2024, page 40
A. Interest Revenue	19510-1521	230,454	405,275	174,821	76%	3.00% Interest earning rate
B. Tobacco Tax Revenue		4,056,141	4,275,958	219,817	5%	
Tobacco Tax Revenue Fiscal Year Allocations	19510-1861	4,056,141	4,275,958	219,817	5%	Tobacco Tax Revenue Projections update 9.24.2024
C. Other Grant Revenues		1,932,464	2,582,464	650,000	34%	Won Other Grants through competitive grant applications
F5 San Benito IMPACT LEGACY Grant FY23-25	19510-2643	360,672	360,672	0	0%	Tobacco Tax dollars
F5 San Benito Regional Home Visitng Grant FY23-25	19510-2643	92,000	92,000	0	0%	Tobacco Tax dollars
F5 San Benito IMPACT HUB TA FY23-25	19510-2643	56,489	56,489	0	0%	Tobacco Tax dollars
County of San Mateo BHRS - Mental Health Services MHSA #3 FY23-25	19510-2643	150,000	150,000	0	0%	Non-Tobacco Tax dollars
Peninsula Healthcare District - Help Me Grow SMC CY2024	19510-2643			0		Non-Tobacco Tax dollars
Sequoia Healthcare District - Special Needs Grant FY23-25	19510-2643	461,700	461,700	0	0%	Non-Tobacco Tax dollars
Sequoia Healthcare District - Mental Health Grant FY23-25	19510-2643	134,400	134,400	0	0%	
Children and Youth Behavior Health Initatives - Round 2	19510-2643	500,000	500,000	0	0%	Two-year grant award
SMC Health, Family Health Services - Baby Bonus Program	19510-2647	177,203	177,203	0	0%	WOC Communtiy Health Planner
Health Plan of San Mateo - Baby Bonus Program	19510-2647		500,000	500,000		
County CEO - Measure K - Baby Bonus Program	19510-2647		50,000	50,000		
Silicon Valley Community F. - CZI - Baby Bonus Program	19510-2647		50,000	50,000		
Sobrato Family Foundation - Baby Bonus Program	19510-2647		50,000	50,000		
TOTAL REVENUES		6,219,059	7,263,697	1,044,638	17%	
TOTAL AVAILABLE FUNDS (TOTAL SOURCES*)		17,741,771	20,772,878	3,031,107	17%	

APPROPRIATIONS						
PROGRAM APPROPRIATIONS						
D1. Strategic Plan Investment - SPIP FY 23-25		3,780,000	3,780,000	0	0%	Check with MB for revised budget
Resilent Family	19540-6125	1,060,000	1,060,000	0	0%	
Healthy Children	19540-6156	1,060,000	1,060,000	0	0%	
Quality Care and Education Grant Management and Other Evaluation Projects	19540-6263	1,060,000	1,060,000	0	0%	
	19540-6265	113,000	113,000	0	0%	
Policy Advocacy, Communications & Systems Change	19540-6814	380,000	380,000	0	0%	
Emerging Projects	19540-6814	107,000	107,000	0	0%	
D2. Strategic Plan Investment - SPIP FY 20-23 Carry-Over		533,319	533,319	0	0%	Fund Carry Over in coordiantion with SPIP FY23-25 in 2-year time frame.
Healthy Children	19540-6156	159,881	159,881	0	0%	
Grant Management and Other Evaluation Projects	19540-6265	80,000	80,000	0	0%	
Policy Advocacy, Communications & Systems Change	19540-6814	70,000	70,000	0	0%	
Emerging Projects	19540-6814	223,438	223,438	0	0%	
E. Other Grants		1,715,645	2,335,645	620,000	36%	Grant awards through competitive grant applications
F5 San Benito IMPACT LEGACY Grant FY23-25	19540-6126	290,672	290,672	0	0%	
F5 San Benito Regonal Home Visitng Grant FY23-25	19540-6126	54,000	54,000	0	0%	
F5 San Benito IMPACT HUB TA FY23-25	19540-6126	53,520	53,520	0	0%	
County of San Mateo BHRS - Mental Health Services MHSA #3 FY23-25	19540-6131	106,250	106,250	0	0%	
Peninsula Healthcare District - Help Me Grow SMC CY2024	19540-6131	50,000	50,000	0	0%	
Sequoia Healthcare District - Special Needs Grant FY23-25	19540-6131	400,000	400,000	0	0%	
Sequoia Healthcare District - Mental Health Grant FY23-25	19540-6131	134,000	134,000	0	0%	
Children and Youth Behavior Health Initatives - Round 2	19540-6131	450,000	450,000	0	0%	
SMC Health, Family Health Services Baby Bonus Dividend Program	Salaries & Benefits	177,203	177,203	0	0%	Community Health Planner - WOC position
Health Plan of San Mateo - Baby Bonus Program	19540-6135		500,000	500,000		
County CEO - Measure K - Baby Bonus Program	19540-6135		40,000	40,000		
Silicon Valley Community F. - CZI - Baby Bonus Program	19540-6135		40,000	40,000		
Sobrato Family Foundation - Baby Bonus Program	19540-6135		40,000	40,000		

F. Program Operations		1,332,947	1,324,519	(8,428)	-1%	
Program Shared Operating Budget		228,916	220,488	(8,428)	-4%	
Program Staff S&B & Shared Admin Staff Time		901,634	901,634	0	0%	Excluding WOC - Community Health Planner position for the Baby Bonus Dividend Program
Evaluation Staff S&B		202,397	202,397	0	0%	
Total Program Appropriations (D1+D2+D3+E+F)		7,361,911	7,973,483	611,572	8%	
ADMIN APPROPRIATIONS						
G. Admin Shared Operating Budget		228,916	220,488	(8,428)	-4%	
H. Admin Staff S&B		608,995	608,995	0	0%	
Total Administrative Appropriations		837,911	829,483	-8,428	-1%	
Administrative Cost Rate %		10%	9%			
TOTAL APPROPRIATIONS (NET APPROPRIATIONS*)		8,199,822	8,802,966	603,144	7%	
ENDING FUND BALANCE (ENDING RESERVES*)		9,541,950	11,969,912	2,427,962	25%	

Color Coding

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

Schedule 1- FY 2024-25 REVISED OPERATING BUDGET

	ORG / ACCT#	FY24-25 Adopted Budget	FY24-25 Revised Budget	FY24-25 Revised Budget (+/-) vs. FY24-25 Adopted Budget (\$)	FY24-25 Revised Budget (+/-) vs. FY24-25 Adopted Budget (%)	Notes to FY2024-25 Revised Budget
I. Services and Supplies						
Outside Printing & Copy Svc	19510-5191	1,000	2,000	1,000	100%	New strategic plan brochure printing
General Office Supplies	19510-5193	8,000	8,000	0	0%	
Photocopy Lease & Usage	19510-5196	5,000	5,000	0	0%	
Direct Communication Expenses	19510-5132	3,800	3,800	0	0%	
Computer Supplies	19510-5211	25,000	25,000	0	0%	
Software License /maintenance Expenses	19510-5215	6,673	6,673	0	0%	
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	8,000	8,000	0	0%	
Commissioners Meetings & Conference Exp	19510-5723	5,000	5,000	0	0%	
Other Business Travel Expense	19510-5724	8,000	8,000	0	0%	
Dept. Employee Training Expense	19510-5731	5,327	5,327	0	0%	
Wellness grant	19510-5856	0	0	0		
Other Professional Services	19510-5858	28,500	27,500	(1,000)	-4%	
Sub Total - Services & Supplies		130,300	130,300	-	-	shared cost; 50% cost allocated to Program
II. Other Charges						
Telephone Service Charges	19510-6712					
Automation Services - ISD	19510-6713	41,271	46,854	5,583	14%	Higher IT services charges
Annual Facilities Lease	19510-6716	109,000	109,000	0	0%	
General Liability Insurance	19510-6725	19,090	19,090	0	0%	
Official Bond Insurance	19510-6727	319	319	0	0%	
Human Resources Services	19510-6733	323	323	0	0%	
Countywide Security Services	19510-6738	692	692	0	0%	
All Other Service Charges	19510-6739	60,210	60,210	0	0%	
Card Key Services	19510-6751	1,042	1,042	0	0%	
A-87 Expense	19510-6821	95,585	73,146	(22,439)	-23%	County reduces A87 allocation
Sub Total - Other Charges		327,532	310,676	(16,856)	-5%	shared cost; 50% cost allocated to Program
Total Operating Budget		457,832	440,976	(16,856)	-4%	shared cost; 50% cost allocated to Program
Program Shared Operating Budget		228,916	220,488	(8,428)	-4%	shared cost; 50% cost allocated to Program
Admin Shared Operating Budget		228,916	220,488	(8,428)	-4%	shared cost; 50% cost allocated to Program

Schedule 2 - FY 2024-25 REVISED SALARIES & BENEFITS BUDGET

Program Staff & Shared Admin Staff		901,634	901,634	0	0%	
Evaluation Staff		202,397	202,397	0	0%	
Admin Staff		608,995	608,995	0	0%	
F5SMC Salaries and Benefits		\$ 1,713,026	\$ 1,713,026	0	0%	
Baby Bonus Dividend Program - WOC		\$ 177,203	\$ 177,203	0	0%	Other Grant Appropriations

Color Coding