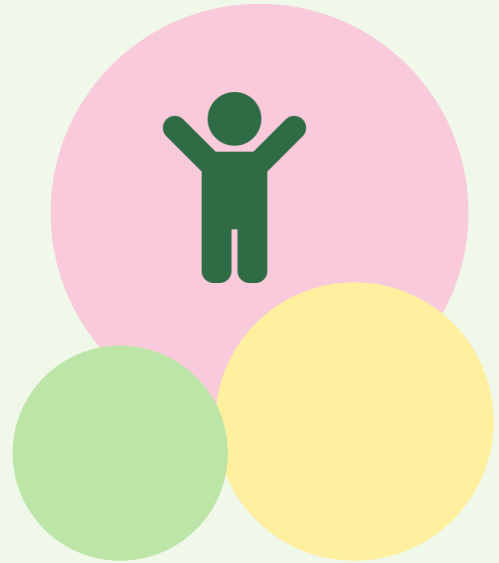


First 5 San Mateo County | October 26, 2026

Proposition 10 and the Placement of First 5 within County Health

Preserving the Commission's Authority Over the Local Trust Fund and Strategic Plan

Candice Saadian, Deputy County Attorney



1

The Bottom Line



Legally Permissible

The proposed administrative restructuring may proceed.



Not a Transfer of Authority

Placement alone does not shift statutory authority to the County or Health.



Authority Stays Local

The Commission keeps independent authority over its Prop 10 funds and Strategic Plan.

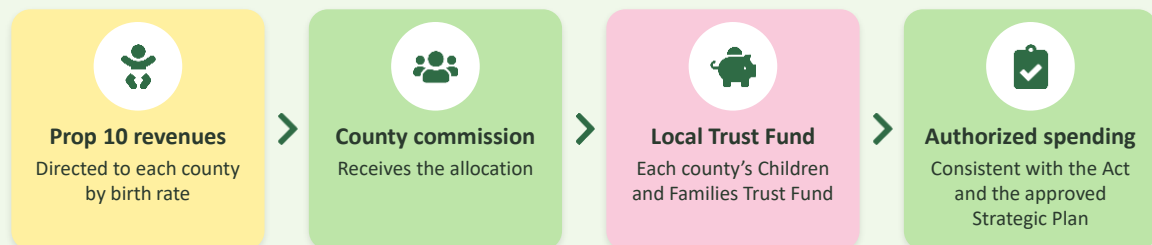
Basis: Health & Safety Code § 130140.1 authorizes F5SMC as a county agency with independent authority.

2

2

Proposition 10: Local Decision-Making

The California Children and Families First Act of 1998 promotes early childhood development from the prenatal stage through age five in the areas of childcare, health care, social services, education, and related purposes.



Key point: county-agency status does not turn Prop 10 funds into general County revenue that Health may allocate by its own priorities.

3

3

County Ordinance Code, Article 2.24

§ 2.24.010

County agency, independent authority

Establishes F5SMC as an agency of the County with independent authority over the Strategic Plan and the Local Trust Fund.

§ 2.24.020

Trust Fund

Moneys are expended only for purposes authorized by the Act, in accordance with the Commission-approved Strategic Plan, and through County budget processes.

Nine-member Commission (§ 2.24.030)

- Board of Supervisors member
- Director, County Health Department
- Director, Human Services Agency
- County Superintendent of Schools

● ● ● ● ●
Five members appointed by the Board of Supervisors from designated categories (e.g., service recipients, early childhood educators, child care and prevention organizations, school districts, pediatric or obstetric associations)

Appointed members: staggered 3-year terms, serve at the Board's pleasure, maximum two consecutive full terms. No compensation; reasonable expenses (including childcare) may be reimbursed.

4

4

Duties the Ordinance Requires



Strategic Plan

Ord. §§ 2.24.060 and 2.24.070

- Adopt a Plan consistent with the Act and state guidelines; review at least annually
- At least one public hearing before adopting the Plan or any revision
- Submit the Plan and each revision to the state commission
- Minimum contents: goals and objectives; programs, services, and projects; how measurable outcomes will be determined; integration into an accessible, consumer-oriented system



Annual audit and report

Ord. § 2.24.080

- Prepare and adopt an annual audit and written report on the prior fiscal year
- Cover how funds were expended, progress toward goals, and measured outcomes
- At least one public hearing before adoption, and one on each state commission annual report
- Transmit to the state commission; available to the public on request at no cost

These are Commission functions. Any restructuring should be built so they continue to be performed by the Commission.

5

5

Placement ≠ Authority



County and Health MAY

- Consolidate administrative functions
- Provide Health infrastructure and support
- Assist with budgets, accounting, and contract processing
- Offer strategic recommendations

≠



Commission RETAINS

- Independent authority as a county agency (§ 130140.1)
- Authority over the Local Trust Fund
- Authority over the Strategic Plan (§ 130140)

6

6

Five Areas to Define

1 Trust Fund

Must be used for Act purposes and consistent with the Strategic Plan. Placement alone does not allow redirection.

2 Strategic Plan

Commission adopts and at least annually reviews it (H&S Code § 130140; Ord. § 2.24.060). County Executive and Health may recommend.

3 Budget

Health may assist. Documents should identify the roles of the Commission, Health, and other County offices in developing, reviewing, approving, and administering the budget.

4 Contracts

Health procurement may process contracts. Specify approval and signature authority. Any consultant, including for the Strategic Plan, must be consistent with Prop 10, the Plan, and County contracting requirements.

5 Personnel

Any changes to employment status, supervision, evaluation, and reporting will be in collaboration with the County Executive's Office.

Key distinction

Administrative processing is not the same as a decision to allocate Prop 10 funds.

7

7

QUESTIONS?

8



First 5 San Mateo County FY 2025-26 Budget Close Out

Michelle Blakely
Khanh Chau
October 26, 2026

1

ECONOMIC FACTORS FY 2025-26 BUDGET CLOSE OUT PERFORMANCE

- Agency's success in **diversifying its funding streams to reduce reliance** on traditional Tobacco Tax revenues (Proposition 10).
- FY 2025-26 Budget Close Out reveals a **balanced funding split**, with 50% derived from Tobacco Tax revenues and 50% from Other Grant Revenues.
- This **braided funding** approach is now a core component of the F5 investment landscape. First round of the new FY 2025-28 funding cycle, MHSA, Special Needs, and TRISL grants provided **\$1.588 million in braided funding across 14 of 28 community investment contracts**.
- However, F5's budget performance was also impacted by **CBOs workforce challenges**: high living costs, burnout, and staff retention issues contributing to some delayed grant executions throughout the fiscal year.



2

SUMMARY FY 2025-26 BUDGET CLOSE-OUT

	FY25-26 Revised Budget	FY25-26 Budget Close Out	FY25-26 Budget Close Out (+/-) vs. FY25-26 Revised Budget (\$)	FY25-26 Budget Close Out (+/-) vs. FY25-26 Revised Budget (%)	Notes
Beginning Fund Balance (Beginning Reserves*)	13,395,495	13,395,495	0	100%	
Total Revenues	7,557,253	7,329,811	(227,442)	97%	Higher Interest and Tobacco Tax Revenues offset by a slower Baby Bonus Program.
Total Available Fund (Total Sources*)	20,952,748	20,725,306	(227,442)	99%	Same as Above
Total Appropriations (Net Appropriations*)	8,493,454	6,330,579	(2,162,875)	75%	Executed \$1M MHSA grant, offset with slower SPIP execution as the new funding cycle began, slower Baby Bonus Program execution, and savings from vacant positions.
Ending Fund Balance (Ending Reserves*)	12,459,294	14,394,727	1,935,433	116%	Higher Interest, Tobacco Tax Revenues, full execution of a \$1M MHSA grant, offset with slower Baby Bonus Program execution, savings from vacant positions.
Total Requirements* (Net Appropriations* + Ending Reserves*)	20,952,748	20,725,306	(227,442)	99%	Same as Above
Surplus / (Deficit) (Total Revenues – Net Appropriations*)	(936,201)	999,232	1,935,433	-107%	Higher Interest earnings and Tobacco Tax disbursements, combined with underspending in the SPIP and Baby Bonus programs, alongside cost savings from unfilled vacant positions.



3

SUMMARY FY 2025-26 BUDGET CLOSE-OUT

❖ Total Revenues: achieved \$7.329 million or 97% planned budget

- Higher interest revenue from County investment pool.
- Higher Tobacco Tax disbursements from F5CA.
- Fully executed 1 million Mental Health Service Act
- Offset slower Baby Bonus program enrollment.

❖ Total Appropriations: executed \$6.331 or reached a 75% budget execution.

- Strategic MHSA grant prioritization in funding spending as the grant ends 6.30.2026.
- Slow initial SPIP rollouts as the new funding cycle began.
- Slower Baby Bonus program execution.
- Unfilled position 1 FTE of F5



4

SUMMARY FY 2025-26 BUDGET CLOSE-OUT

❖ **Ending Fund Balance:** closed strong at \$14.394 million or 116% of the Revised Budget

- Restricted and Committed* : \$11.213 million
- Assigned*: \$ 3.181 million

❖ **Surplus of \$999,000**

❖ **Administrative costs remained safely controlled at 12%—below the Commission's 15% cap.**

* Break down Ending Fund Balance information is in the draft Audit Report FY2025-26.



5

SUMMARY FY 2025-26 BUDGET CLOSE-OUT

Total Revenue	\$7.329 M
Total Appropriations (Net Appropriations*)	\$6.331 M
Ending Fund Balance (Reserves*)	\$14.394 M
Surplus / (Déficit) (Total Revenue - Net Appropriations*)	999 K



6

Action Required

**Commission Approval of
F5SMC's FY2025-26 Budget Close Out**



7

Q & A



8



Annual Report to First 5 California

Fiscal Year 2025-26



1

Purpose of the Annual Report to F5 California

The Annual Report provides information about our local activities and expenditures to First 5 California. It includes:

- Fiscal Information (e.g. expenditures)
- Client data (number of children, parents, and providers served)
- Narrative (Brief County Highlight and Evaluation Highlight)



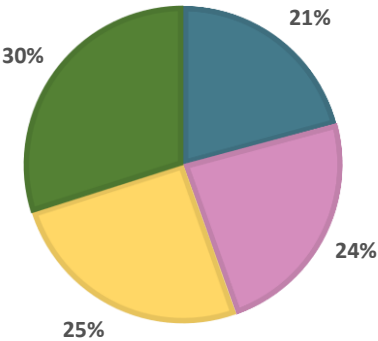
2

Our Local Investments



- Family Functioning: \$1,177,694
- Child Health: \$1,267,356
- Child Development: \$1,033,905
- Improved Systems of Care: \$1,484,532

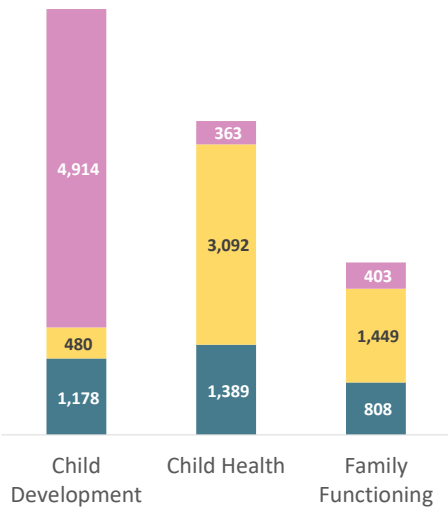
■ Child Development ■ Family Functioning
■ Child Health ■ Improved Systems



3

N = 14,076

■ Providers ■ Parents/Family Members ■ Children

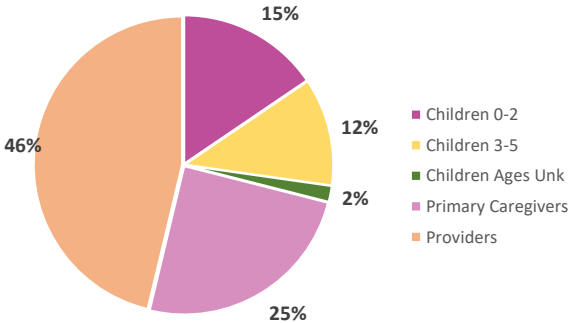


Clients Served

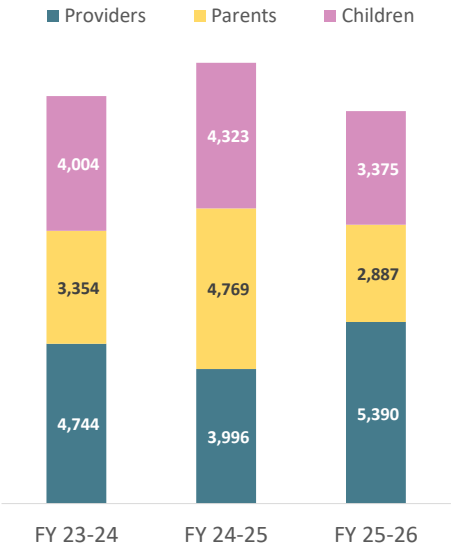


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Unduplicated Clients Served, by Type: 11,652

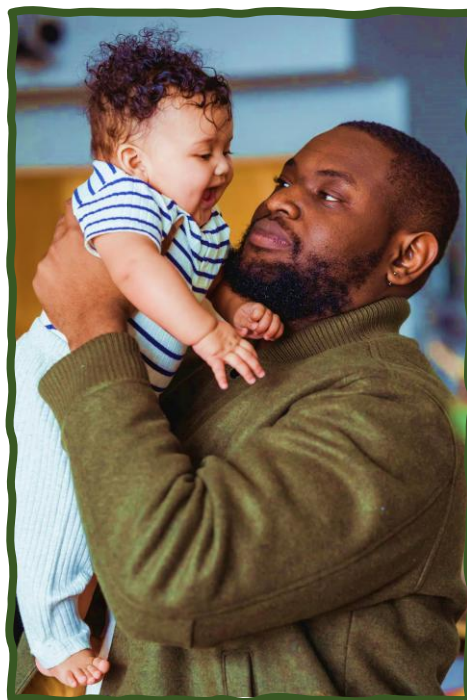


Clients Served by Fiscal Year



Family Demographics

Race/Ethnicity	First 5 SMC	SMC MediCal Eligible Children
AI/AN	0.2%	0.03%
Asian	18%	15%
Black/African-American	1.3%	2%
Hispanic/Latine	63%	76%
Pacific Islander	1.4%	NR
White	9%	8%
Multiracial/Other	8%	NR
Language	First 5 SMC	SMC Bay Area MediCal Children
English	39%	53%
Spanish	49%	39%
Asian Languages	5%	5%



7

County Highlights

Baby Bonus Project

- An unrestricted cash gift of \$300 per month for 36 months for families of newborns who are eligible for Medi-Cal, available to 25% of enrolled families
- Home visiting and Care Coordination for half of enrolled families
- Randomized Controlled Trial evaluation design
- 521 families enrolled; 131 receiving cash gift + home visiting and care coordination; 130 receiving home visiting and care coordination

Among Families Receiving Cash Payments:

- The average household size is 4, with 2 children
- 75% of households are under the Federal Poverty Level
- 45% find it somewhat or very difficult to pay for usual household expenses, and 20% sometimes do not have enough food to feed their families
- Families prioritize paying for housing, food, and caregiving expenses



8

Research & Evaluation Highlights

Secondary Traumatic Stress (STS) among the ECMH Workforce

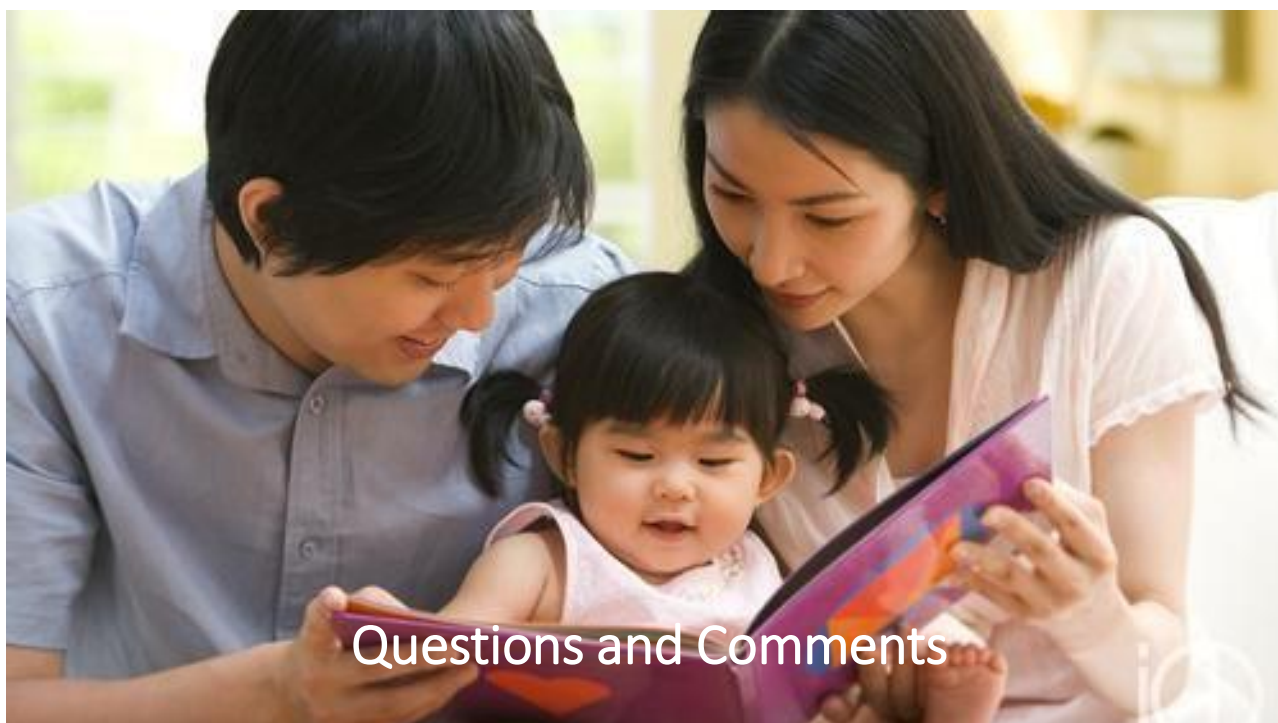
- On average, ECMH clinicians reported experiencing Mild secondary traumatic stress
- 28% reported Minimal STS, and 38% reported Mild STS
- 24% reported Moderate STS
- 10% reported High to Severe levels of STS

Increasing Access to ECMH Services:

- 87% have 1-10 children ages 0-5 in their caseloads
- Over 3 in 4 clinicians see patients once a week or more
- For most clinicians (74%), the course of treatment for their ECMH clients lasts from 7 months to 2 years
- Over 7 in 10 clinicians planned to continue offering ECMH services to new patients; and on average expected to serve up to 5 new families annually



9



10



Accomplishments FY 25 – 26

Michelle Blakely, Interim Executive Director
October 26, 2026

1



Creating Impact

**LEADER
INVESTOR
PARTNER**

2

Impact as INVESTOR



3

First 5 San Mateo County defines a 'system' as multiple parts that are intertwined and interrelated, working together to produce an outcome.



4

Strategic Plan Implementation Plan FY 25-28

LAUNCHED THE FIRST YEAR OF COMMUNITY INVESTMENTS



First 5 SMC Staff Roles:

- ✓ Additional Revenue Development and Reporting
- ✓ Facilitate Grantee Meetings
- ✓ Program Design and Implementation Support
- ✓ Continuous Quality Improvement
- ✓ Grants Management
- ✓ Evaluation and Reporting
- ✓ Convening and Coordinating Partners for Systems Improvement
- ✓ Procurement
- ✓ Advocacy



5

WHAT AN EXCEPTIONAL YEAR!

**50% of all
Community
Investment spent
were from non – First
5/Prop 10 revenue**



**Allowing for First
5 sources to be
used as
strategically and
efficiently as
possible**



6

Sponsored Events

Dia de Los Ninos Festival, Pescadero

Hosted by Puente de la Costa Sur
April 24, 2026



Once Upon A Time, An intergenerational read- aloud series

Half Moon Bay Library and North Fair Oaks
Library

Hosted by Youth Commission, First 5 SMC



7

Impact as
PARTNER



8

CHILDREN'S COLLECTIVE: Child Care Blueprint



Every child in San Mateo County, from birth to age 12, has equitable access to high-quality care, supported by a well-compensated, diverse workforce in safe, climate-resilient environments. Adopted by CCPC as Countywide Plan for Child Care in January, 2026

9

Quality Supports in Early Learning Settings

What is Quality?

Family & Community Definition of Quality: Quality in early learning in San Mateo County means creating welcoming experiences where children feel a strong sense of belonging, are proud of who they are, and are encouraged to explore, grow, and develop a lifelong love of learning.

Children thrive when they feel seen and when learning reflects the identities, languages, and cultures of our community while building on each child's unique abilities and strengths. Through meaningful partnerships with families, we bring this vision to life together.

This is an excerpt DEVELOPED COUNTYWIDE for Framework for Families, Providers and Advocates



10

SAMPLE OF ADVOCACY

EXAMPLES 25 - 26 PASSED BILLS IN CALIFORNIA

- AB 150 - Early Care and Education
- AB 752 simplifies the approval process for opening child care centers in multifamily housing by reducing bureaucratic hurdles.
- AB 753 lowers the educational requirements for assistant teachers, helping to expand the hiring pool.
- SB 792 increases eligibility for child care subsidies for families in the CalWORKs program.
- AJR 12 recognizing May 2025 as Head Start Month and calls on the US Congress and the President to protect and increase funding for Head Start program.



11

Impact as
LEADER



12

Early Childhood Mental Health Efforts (ECMH)

- Continued training of over 50 clinicians in Child Parent Psychotherapy
- Trained over 100 providers through the two-day Ripple Effect training with Dr. Ghosh Ippen
- Launched our ECMH Provider Network
- Supported direct service ECMH grantees through the Sustainability Learning Community offerings



13



- F5SMC continued to serve as the backbone for the Baby Bonus collaboration, facilitating monthly meetings with systems partners and keeping stakeholders/funders informed of progress
- At the end of FY 25-26, over 200 families were receiving Baby Bonus Payments and over 250 were connected with a Community Health Worker
- In April 2026 Stanford started Year 1 surveys to begin analyzing the impact of Baby Bonus
- HPSM CHWs offered more in-person visits with families and established stronger connections with community partners like AbilityPath, Second Harvest, and 4Cs



14



Emerging Stars Leadership Participation

Mai Le
Community Health
Planner



15

Continued Outreach Efforts: Education, Awareness and Advocacy

Early Childhood Development



In FY25-26, F5SMC's digital channels reached a broad community audience and drove action. E-newsletter and website engagement exceeded nonprofit benchmarks, and social engagement per post was in line with industry medians.

F5SMC's Facebook and Instagram content earned nearly 129K views in FY25-26

E-newsletter open and click rates are well above nonprofit averages (50% and 9% vs. about 29% and 3.3%)



Thank You to Our Funders FY 25- 26!

- First 5 California
- Sequoia Healthcare District
- HealthPlan of San Mateo
- County of San Mateo, Measure K
- SMC Behavioral Health (Mental Health Services Act)
- Silicon Valley Community Foundation
- Department of Children Health Services
- Sobrato Foundation
- Peninsula Health Care District
- Jackie Speier Foundation
- Chan Zuckerberg Initiative



17

Thank You Community Funded Partners FY 25 - 26! ♥



18



Thank you
to our
Commission
for your continued support!



19

AND Thank You to Our Team!



20

**Still Much
More to Do ...**

