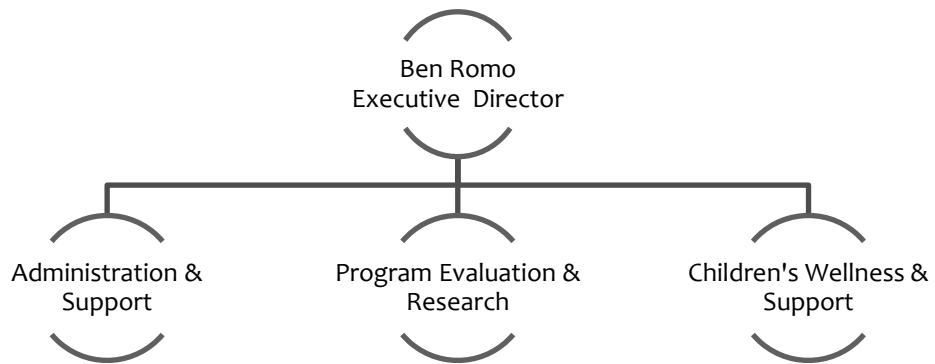


First 5



BUDGET & FULL-TIME EQUIVALENTS SUMMARY & BUDGET PROGRAMS CHART

Operating	\$ 4,235,516
Capital	\$ 0
FTEs	10.0



First 5

Department

MISSION STATEMENT

To help all children prepare for kindergarten by supporting families to be healthy and strong and by enhancing the availability of high quality childcare and preschool.

DEPARTMENT DESCRIPTION

First 5 Santa Barbara County (First 5) was established in 1999 with the passage of Proposition 10, which imposed a sales tax on tobacco products and designated those funds for programs and services that support the healthy and successful development of children; prenatal through age 5.

The First 5 Children and Families Commission (Commission) is governed by a nine regular member, and four alternate member, board of Commissioners, appointed by the County Board of Supervisors. The elected County Treasurer and Auditor Controller serve as ex-officio officers of the Commission. Santa Barbara County Counsel serves as the Commission's legal counsel.

The department is organized into three budget programs: Administration and Support, Program Evaluation & Research, and Children's Wellness and Support. Administration and Support is responsible for fiscal oversight internally and over all programmatic contracts, funding, and allocations. Program Evaluation and Research ensures programmatic quality and accountability for contracts, technical assistance and training, service integration and coordination, and comprehensive results based evaluation. Children's Wellness and Support invests programmatic funding in direct services for children and families, systems changes and capacity building, and communications and policy.

The Commission directs its investments through two Primary Focus Areas: Family Support and Early Care and Education; and two Secondary Focus Areas: Systems Change and Capacity Building and Communications and Policy.

HIGHLIGHTS OF 2017-19 OBJECTIVES

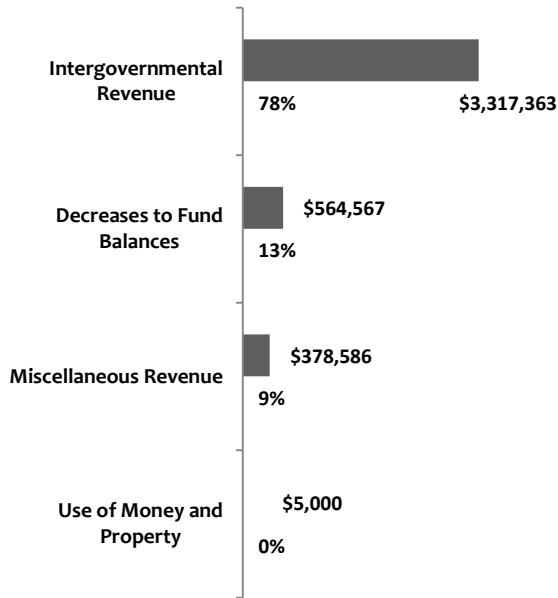
- Promote evidence and research informed strategies that help children become ready for kindergarten and report on investment outcomes and impacts through a robust evaluation system.
- Continue to improve the quality of preschool and child care programs.
- Expand the number of, and parent access to, high-quality preschool and child care spaces in the County.
- Continue to invest in high level of fiscal reporting and accountability.
- Complete a new round of competitive funding in Family Support Focus Area.
- Continue shifting Preschool/Child Care Quality Improvement work to outside partners.
- Continue building direct connections with parents through communications.
- Continue leveraging funds/encouraging public and private investors to strategically align funding.
- Increase focus, simplicity, clarity, and efficiency and defining First 5's most important roles.
- Maintain flexibility to meet budget challenges and diversity of needs children and families face.
- Explore revenue generating strategies.
- Expand Communications focus area to include policy focused work.

First 5

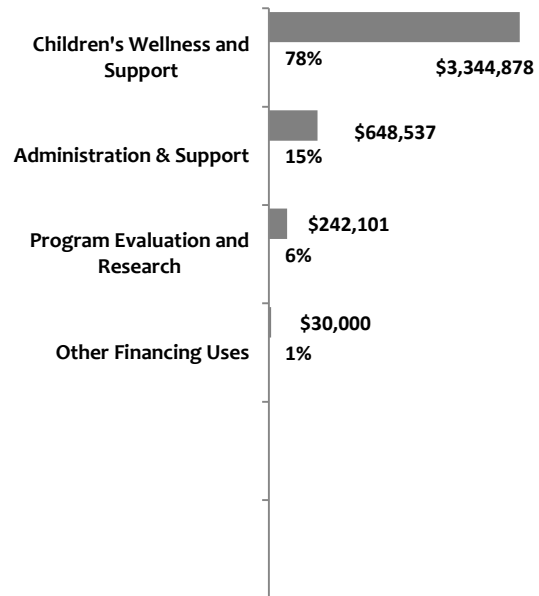
Department

RECOMMENDED SOURCES & USES OF FUNDS

Source of Funds - \$4,265,516

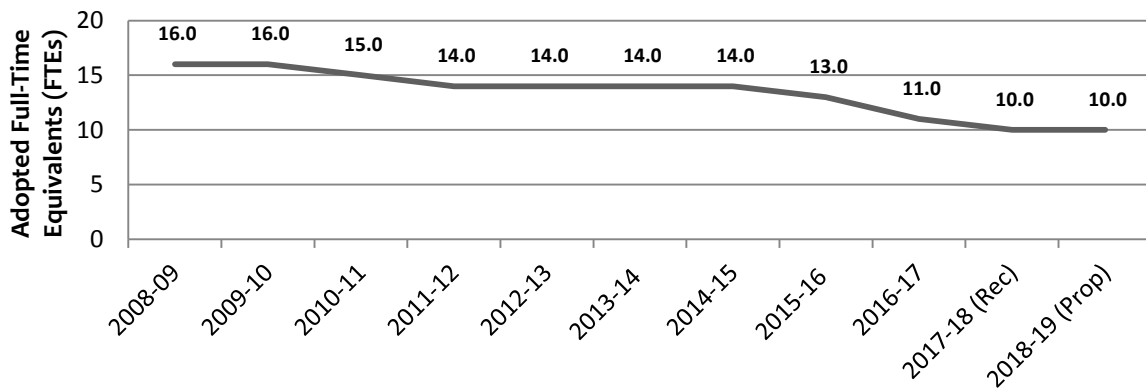


Use of Funds - \$4,265,516



STAFFING TREND

The staffing trend values will differ from prior year budget books in order to show amounts without the impact of any vacancy factors.



First 5

Department

BUDGET OVERVIEW

Staffing Detail By Budget Program	2015-16 Actual	2016-17 Adopted	Change from FY16-17 Ado to FY17-18 Rec	2017-18 Recommended	2018-19 Proposed
Administration & Support	2.84	2.99	(0.46)	2.53	2.53
Program Evaluation and Research	0.48	0.50	-	0.50	0.50
Children's Wellness and Support	10.38	7.51	(0.54)	6.97	6.97
Total	13.70	11.00	(1.00)	10.00	10.00
Budget By Budget Program					
Administration & Support	\$ 581,865	\$ 656,876	\$ (8,339)	\$ 648,537	\$ 648,939
Program Evaluation and Research	250,289	218,450	23,651	242,101	245,381
Children's Wellness and Support	3,610,681	3,074,764	270,114	3,344,878	3,577,426
Unallocated	-	-	-	-	-
Total	\$ 4,442,836	\$ 3,950,090	\$ 285,426	\$ 4,235,516	\$ 4,471,746
Budget By Categories of Expenditures					
Salaries and Employee Benefits	\$ 1,573,013	\$ 1,530,527	\$ (75,372)	\$ 1,455,155	\$ 1,502,006
Services and Supplies	2,809,058	2,347,255	378,979	2,726,234	2,914,709
Other Charges	60,764	72,308	(18,181)	54,127	55,031
Total Operating Expenditures	4,442,836	3,950,090	285,426	4,235,516	4,471,746
Other Financing Uses	28,440	28,440	1,560	30,000	30,000
Increases to Fund Balances	521,120	152,858	(152,858)	-	-
Fund Balance Impact (+)	-	-	-	-	-
Total	\$ 4,992,396	\$ 4,131,388	\$ 134,128	\$ 4,265,516	\$ 4,501,746
Budget By Categories of Revenues					
Use of Money and Property	\$ 31,591	\$ 10,000	\$ (5,000)	\$ 5,000	\$ 5,000
Intergovernmental Revenue	4,168,732	3,548,550	(231,187)	3,317,363	3,833,713
Miscellaneous Revenue	681,305	40,000	338,586	378,586	378,586
Total Operating Revenues	4,881,628	3,598,550	102,399	3,700,949	4,217,299
Decreases to Fund Balances	110,768	532,838	31,729	564,567	284,447
Total	\$ 4,992,396	\$ 4,131,388	\$ 134,128	\$ 4,265,516	\$ 4,501,746

First 5

Department

CHANGES & OPERATIONAL IMPACT: 2016-17 ADOPTED TO 2017-18 RECOMMENDED

Staffing

- One management position not funded, therefore FTEs reduced from 11 to 10.

Expenditures

- Net operating expenditure increase of \$285,426 due to:
 - -\$75,372 decrease in Salaries and Employee Benefits due to reduction in one management position offset by increases in employee salaries, workers compensation premiums, rates for retirement costs, and health insurance increases.
 - +\$378,979 increase in Services and Supplies due to increases in Cost Allocation Plan costs and contracted services funded by IMPACT Grant offset by decreases in office space costs, Early Care and Education stipends and other line items accounts.
 - -\$18,181 decrease in Other Charges due to: decrease in motor pool and IT costs and slight increases in Liability, telephone services and work orders.
- Net non-operating expenditure decrease of \$151,298 due to:
 - +\$1,560 increase to Department of Social Services for 211 Helpline Services.
 - -\$152,858 decrease in transfer to fund balance.

These changes result in recommended operating expenditures of \$4,235,516 and non-operating expenditures of \$30,000, resulting in total expenditures of \$4,265,516.

Revenues

- Net operating revenue increase of \$102,399 due to:
 - -\$231,187 decrease in Intergovernmental revenue.
 - -\$5,000 decrease in interest.
 - +\$338,586 Increase in Miscellaneous Revenue (IMPACT grant).
- Net non-operating revenue increase of \$31,729 due to change in fund balance release.

These changes result in recommended operating revenues of \$3,700,949 and non-operating revenues of \$564,567 resulting in total revenues of \$4,265,516. Non-operating revenues are changes to fund balances.

First 5

Department

CHANGES & OPERATIONAL IMPACT: 2017-18 RECOMMENDED TO 2018-19 PROPOSED

First 5 funding comes from taxes collected on tobacco products. As the number of smokers decreases, so too does First 5's annual funding. Recent legislative and administrative changes in Sacramento have had an additional short-term negative impact on revenues and create uncertainty for the future. The Commission has spent from reserves in past years in order to maintain programs and services; however, with only \$4.5 million remaining in the reserve at the beginning of FY17/18, use of reserve funds to augment regular tobacco tax revenues will become increasingly limited in future years. The Commission has a policy of maintaining \$2 million in the reserve fund in case Prop 10 is repealed and the agency must shut down.

In November 2016, California voters passed Proposition 56 which imposed a \$2 per pack tax on cigarettes. Prop 56 included language to protect First 5's revenues from the inevitable declines that would result from such a steep increase in the cost of cigarettes. This "backfill" language was meant to hold First 5's decline in sales tax revenue at its historic average of 3-3.5%. However, reimbursement for the loss of revenues for any given fiscal year will not be made until after the end of that fiscal year. As a result, First 5 anticipates a 17% drop in revenues in FY17/18. After FY17/18, revenues are expected to return to their historic rate of decline of 3-3.5%.

Prop 56 also extended Prop 10 sales taxes to electronic-cigarettes. This will have a positive impact on First 5 revenues; however, the increase in funding is estimated to be roughly equivalent to the decrease in funding expected due to the fact that California increased the legal age to smoke to 21 in 2016.

Over the past few years, recognizing First 5's fiscal realities, efforts have been made to reduce costs internally including: the reduction of staff through attrition from 15 to 11 FTEs, the elimination of extra-help staff and contractors, the relocation of the Santa Barbara office, and the transition of programmatic work to outside agencies. One management position is no longer funded in the FY17/18 budget submitted, bringing staff to 10 FTEs in future years.

The Commission recently approved an updated Strategic Plan to guide its work from FY17/18 through FY 20/21. Much in this plan remains the same compared to First 5's previous Strategic Plan. The Commission has made clear that as revenues decline First 5 will emphasize funding for direct services supporting children and families.

Ensuring maximum impact of First 5's investments in the long-term will requires clarity in the role that First 5 plays in the community and in relation to our partners and broader work. Achieving that impact while also ensuring transparency and the effective use of taxpayer dollars will require the agency to simplify and become more focused and efficient in its work.

RELATED LINKS

For more information on the First 5 Department, please refer to the website at <http://first5santabarbaracounty.org/>.

First 5

Department

PERFORMANCE MEASURES

Description	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Estimated Actual	FY 2017-18 Recommend	FY 2018-19 Proposed
Administration & Support					
Number of community reports and presentations providing transparency and communication of results and/or engaging parents, providers, stakeholders and the community in efforts to support 0-5 year olds	8	8	20	20	20
Percent of contracted agencies receiving site visits to ensure fiscal accountability	100% 12/12	100% 15/15	100% 13/13	100% 13/13	100% 13/13
Percent of departmental Employee Performance Reviews (EPRs) completed by the due date	Not Used in Prior Years	Not Used in Prior Years	100% 11/11	100% 10/10	100% 10/10
Program Evaluation and Research					
Percentage of families reporting being involved in planning at the service level	Not Used in Prior Years	95% 400/421	100% 500/500	90% 450/500	90% 450/500
Percentage of families reporting that funded programs provide quality services	Not Used in Prior Years	95% 400/421	100% 500/500	90% 450/500	90% 450/500
Children's Wellness and Support					
Number of Early Childhood Education Programs nationally accredited with First 5 funded services	37	48	68	70	72
Number of in-home Family Child Care Programs nationally accredited with First 5 funded services	4	8	20	23	25
Percentage of First 5 funded Family Support & Early Care and Education service goals achieved	Not Used in Prior Years	88% 44/50	90% 45/50	94% 45/48	94% 45/48
Number of children and parents served through Family Support contracts	1,015	2,448	2,230	2,500	2,500

First 5

Department

PERFORMANCE MEASURES (CONT'D)

Description	FY 2014-15 Actual	FY 2015-16 Actual	FY 2016-17 Estimated Actual	FY 2017-18 Recommend	FY 2018-19 Proposed
New dollars leveraged with First 5 funds and services	Not Used in Prior Years	Not Used in Prior Years	\$634,5862	\$500,000	\$500,000
Number of parents currently signed up as members of First 5	Not Used in Prior Years	3,255	3,843	4,843	5,843

First 5

Program

ADMINISTRATION & SUPPORT

Provide administrative and fiscal oversight of the department and all programmatic contracts, funding, and allocations; work with County departments, outside auditors, State First 5 and other partners to ensure compliance with Proposition 10 and the will of California voters. Manage the County's internal budgeting process, complex budget and accounting systems, and requirements that are highly specific to First 5 and the specific regulatory requirements in Proposition 10. Provide general operating support to effectively run the organization including facilities, HR, safety, and emergency planning. Plays key role in providing contract monitoring for fiscal accountability of funded partners.

Staffing

Staffing Detail By Budget Program	2015-16 Actual	2016-17 Adopted	Change from FY16-17 Ado to FY17-18 Rec	2017-18 Recommended	2018-19 Proposed
CHILDREN & FAMILY SVCS DIR	1.00	1.00	-	1.00	1.00
BUSINESS MANAGER	1.00	1.00	-	1.00	1.00
ADMN OFFICE PRO	0.08	0.26	(0.13)	0.13	0.13
ADMN OFFICE PRO SR	0.39	0.34	(0.09)	0.25	0.25
FINANCIAL OFFICE PRO SR	0.38	0.39	(0.24)	0.15	0.15
Total	2.84	2.99	(0.46)	2.53	2.53

Revenue & Expenditures

Budget By Categories of Expenditures	2015-16 Actual	2016-17 Adopted	Change from FY16-17 Ado to FY17-18 Rec	2017-18 Recommended	2018-19 Proposed
Salaries and Employee Benefits	\$ 429,825	\$ 477,026	\$ (18,465)	\$ 458,561	\$ 475,664
Services and Supplies	129,070	161,295	16,497	177,792	160,800
Other Charges	22,970	18,555	(6,371)	12,184	12,475
Total Operating Expenditures	581,865	656,876	(8,339)	648,537	648,939
Increases to Fund Balances	521,120	152,858	(152,858)	-	-
Total Expenditures	\$ 1,102,986	\$ 809,734	\$ (161,197)	\$ 648,537	\$ 648,939
Budget By Categories of Revenues					
Use of Money and Property	31,591	10,000	(5,000)	5,000	5,000
Intergovernmental Revenue	3,952,460	266,896	(187,926)	78,970	359,492
Miscellaneous Revenue	30,904	-	-	-	-
Total Operating Revenues	4,014,954	276,896	(192,926)	83,970	364,492
Decreases to Fund Balances	4,617	532,838	31,729	564,567	284,447
Total Revenues	\$ 4,019,572	\$ 809,734	\$ (161,197)	\$ 648,537	\$ 648,939

First 5

Program

ADMINISTRATION & SUPPORT (CONT'D)

2016-17 Anticipated Accomplishments

- Moved into new office space (estimated annual savings of \$40K in rent).
- Created updated Strategic Plan for 2017-2021.
- Administered and maintained 20 grants and/or contracts totaling \$3.1 million with nonprofits, agencies, school districts, and businesses to serve 0-5 year olds and their families.
- Ensured the highest level of accountability and the proper and effective use of funds in accordance with the intent of Proposition 10 and the will of California voters.
- Ensured a high level of fiscal control, transparency, accounting, and reporting; meeting all requirements of state law, the rules and regulations of First 5 California, the County's auditing and fiscal control processes, and an independent third party audit.
- The Commission further ensures fiscal accountability and transparency through its Fiscal Committee made up of Commissioners and members of the First 5 Advisory Board.

2017-19 Objectives

- Support the First 5 Children and Families Commission in their key role of overseeing Proposition 10 expenditures in accordance with the priorities detailed in First 5's strategic plan.
- Explore opportunities to decrease administrative operating costs in response to decreasing revenue.
- Ensure a high level of fiscal accountability and oversight in relation to the granting of funds and reporting on outcomes to ensure the effective use of tax payer dollars; compliance with state, local, and other accounting and reporting requirements; and adherence to the will of California voters and Prop 10.
- Streamline fiscal and administrative accountability processes in a manner that preserves accountability, simplifies First 5's work, and reduces burdens on partners.

First 5

Program

PROGRAM EVALUATION AND RESEARCH

Ensures programmatic quality and accountability for contracts, technical assistance, training for grantees, service integration and coordination, and comprehensive results based evaluation directed by key outcomes identified in the First 5 Strategic Plan. Maintains a relational database shared, and used, by all funded partners to collect data and outcomes among children and families served and uses that data to measure and report on results of programmatic investments.

Staffing

Staffing Detail By Budget Program	2015-16 Actual	2016-17 Adopted	Change from FY16-17 Ado to FY17-18 Rec	2017-18 Recommended	2018-19 Proposed
PROJECT MANAGER	0.48	0.50	-	0.50	0.50
Total	0.48	0.50	-	0.50	0.50

Revenue & Expenditures

Budget By Categories of Expenditures	2015-16 Actual	2016-17 Adopted	Change from FY16-17 Ado to FY17-18 Rec	2017-18 Recommended	2018-19 Proposed
Salaries and Employee Benefits	\$ 88,157	\$ 88,220	\$ 3,548	\$ 91,768	\$ 95,041
Services and Supplies	162,018	130,000	20,000	150,000	150,000
Other Charges	114	230	103	333	340
Total Operating Expenditures	250,289	218,450	23,651	242,101	245,381
Total Expenditures	\$ 250,289	\$ 218,450	\$ 23,651	\$ 242,101	\$ 245,381
Budget By Categories of Revenues					
Intergovernmental Revenue	-	218,450	23,651	242,101	245,381
Total Operating Revenues	-	218,450	23,651	242,101	245,381
Total Revenues	\$ -	\$ 218,450	\$ 23,651	\$ 242,101	\$ 245,381

2016-17 Anticipated Accomplishments

- Revised current set of indicators that track results so they are easier to gather, more accurately reflect the desired results that are hoped to be achieved, and can be more effectively communicated to the community and taxpayers.
- In conjunction with Commission, modified and updated evaluation framework.
- Worked with community partners to obtain feedback to improve evaluation framework as well as contracting practices.
- Improved the reporting capabilities of our current database so that partners are better able to utilize the information that was entered for program improvement and reporting purposes.

First 5

Program

PROGRAM EVALUATION AND RESEARCH (CONT'D)

2017-19 Objectives

- Support transparency and community engagement by publishing data, results, and outcomes on an ongoing basis and through multiple venues.
- Develop a series of research briefs that outline new and emerging areas impacting children and families in the early years.
- Continue to strengthen the way First 5 collects, tracks, and reports on program indicators and desired results.
- Increase the ability within First 5 and the broader community to measure outcomes and results on a longitudinal basis.
- Streamline contracting/grant making processes so as to simplify First 5's work internally and reduce unnecessary burdens on First 5's partners.
- Improve data collection, alignment, and evaluation to support aligned data systems that are connected with the K-12 system and that expand measurements of kindergarten readiness on a regional or county-wide basis.

First 5

Program

CHILDREN'S WELLNESS AND SUPPORT

First 5's mission is to help all children prepare for kindergarten by supporting families to be healthy and strong and by enhancing the availability of high quality childcare and preschool.

First 5 invests in two primary focus areas:

1. Family Support

- Parent education and support.
- Intensive case management.
- Information and referral/linkages to services with follow up.
- Child and maternal health access.

2. Early Care and Education (ECE)

- Improving the quality of existing childcare and preschool services.
- Creating new childcare and preschool services and expanding access to them.

Additionally, First 5 invests programmatically in two secondary focus areas:

- Systems Change and Capacity Building.
- Communications and Policy.

Staffing

Staffing Detail By Budget Program	2015-16 Actual	2016-17 Adopted	Change from FY16-17 Ado to FY17-18 Rec	2017-18 Recommended	2018-19 Proposed
PROJECT MANAGER	0.52	0.50	-	0.50	0.50
PROGRAM MANAGER	1.00	1.00	(1.00)	-	-
ADMN OFFICE PRO	0.61	0.74	0.13	0.87	0.87
PUBLIC INFO SPECIALIST	1.00	1.00	-	1.00	1.00
FIRST 5 PROGRAM SPECIALIST	3.00	3.00	-	3.00	3.00
ADMN OFFICE PRO SR	0.77	0.66	0.09	0.75	0.75
FINANCIAL OFFICE PRO SR	0.62	0.61	0.24	0.85	0.85
CONTRACTOR	0.23	-	-	-	-
EXTRA HELP	2.63	-	-	-	-
Total	<u>10.38</u>	<u>7.51</u>	<u>(0.54)</u>	<u>6.97</u>	<u>6.97</u>

First 5

Program

CHILDREN WELLNESS AND SUPPORT (CONT'D)

Revenue & Expenditures

Budget By Categories of Expenditures	2015-16 Actual	2016-17 Adopted	Change from FY16-17 Ado to FY17-18 Rec	2017-18 Recommended	2018-19 Proposed
Salaries and Employee Benefits	\$ 1,055,031	\$ 965,281	\$ (60,455)	\$ 904,826	\$ 931,301
Services and Supplies	2,517,970	2,055,960	342,482	2,398,442	2,603,909
Other Charges	37,680	53,523	(11,913)	41,610	42,216
Total Operating Expenditures	3,610,681	3,074,764	270,114	3,344,878	3,577,426
Other Financing Uses	28,440	28,440	1,560	30,000	30,000
Total Expenditures	\$ 3,639,121	\$ 3,103,204	\$ 271,674	\$ 3,374,878	\$ 3,607,426
Budget By Categories of Revenues					
Intergovernmental Revenue	216,273	3,063,204	(66,912)	2,996,292	3,228,840
Miscellaneous Revenue	650,401	40,000	338,586	378,586	378,586
Total Operating Revenues	866,673	3,103,204	271,674	3,374,878	3,607,426
Decreases to Fund Balances	106,151	-	-	-	-
Total Revenues	\$ 972,825	\$ 3,103,204	\$ 271,674	\$ 3,374,878	\$ 3,607,426

2016-17 Anticipated Accomplishments

- Funded local agencies and nonprofits to provide parent education, social service, and/or health access related services to 2,230 parents and children.
- Continued to support the Front Porch program, a partnership between First 5, the Department of Social Services, Community Action Commission (CAC), and Child Abuse Listening and Mediation (CALM) that is working to ensure children are growing up in safer home environments. Resulting clients participating in the Front Porch program within the Family Strengthening Focus Areas continue to show a drop in recidivism for child abuse reports.
- Consistent with last year's decision to transition work to outside agencies, First 5 funded local agencies and nonprofits to improve the quality of services provided in preschool and child care programs countywide. Through this collaborative effort, child care programs were supported in providing higher quality programs to 4,350 children.
- Continued to increase the number of center-based and in-home family child care programs that are nationally accredited. Currently 68 of 152 child care centers nationally accredited up from 48 in FY 15/16 (45% locally, compared to 10% United States /6% California. Currently 20 family child care homes are nationally accredited.
- Created 92 preschool and child care spaces through strategies that leverage funds from other sources.
- Leveraged more than \$600,000 from other funders.
- Continued coordinating a countywide system of family resource centers that are implementing a unified approach to services, committed to evidence informed strategies, and tracking and reporting on results; invested in a collaborative effort to improve oral health systems and services serving children in the early years; helped fund the countywide 211 Helpline; supported collaborative strategy to help providers care for children with challenging behaviors; helped launch an effort to improve quality in family, friend, and neighbor child care settings; provided mini-grants and co-sponsorships to more than two-dozen agencies and nonprofits in support of trainings and professional development opportunities and for educational outreach to parents.

First 5

Program

CHILDREN'S WELLNESS AND SUPPORT (CONT'D)

2016-17 Anticipated Accomplishments (cont'd)

- Increased membership list to more than 3,843 parents enabling First 5 to connect directly with them about how they can best support their child's health and brain and social/emotional development.

2017-19 Objectives

- Invest in evidence and research informed strategies with an emphasis on serving children and families who are most in need.
- Conduct a new request for proposals for new multi-year contracts in the Family Support Focus Area.
- Continue investments in preschool and child care quality improvement, while also continuing to transition of the leadership of that work to outside partners.
- Seek opportunities to join with other funders and partners to increase the number of licensed preschool spaces and to increase parents' access to them.
- Continue communications strategies that help parents and key stakeholders understand their key role in supporting the healthy development of children in the first five years of life.
- Streamline and simplify internal systems and processes in order to emphasize direct services.
- Leverage and align investment strategies with other public sector and philanthropic investors to ensure efficiency in service delivery and maximum impact in the lives of children and families.