



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

DATE: Monday, February 11, 2019
TIME: 9:00 AM to 10:00 AM
ADDRESS: 1700 S. El Camino Real, Suite 405
San Mateo, CA 94402

MEMBERS: Pam Frisella, Rosanne Foust

STAFF: Kitty Lopez, Khanh Chau

AGENDA

1.	Approval of the Finance and Administration Committee Agenda	Pam
2.	Approval of the September 10, 2018 Finance and Administration Committee Meeting Minutes (See Attachment 2)	Pam
3.	Select Committee Chair	Pam
4.	Budget Monitoring Report as of December 31, 2018 (See Attachments 4, 4A, 4B)	Lopez / Chau
5.	Review and Recommend Approval of F5SMC FY18-19 Revised Budget (See Attachment 5, 5A)	Lopez / Chau
6.	Verbal Update: <ul style="list-style-type: none">▪ RSE Contract Amendment▪ Audit Report and Auditor Selection	Lopez / Chau

Next Meeting: April 8, 2019

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

September 10, 2018

- Commission Member: Michael Garb, Rosanne Foust , Pam Frisella
- Staff: Kitty Lopez, Khanh Chau
- Minutes: Khanh Chau

1. Approval of the Finance and Administration Committee Meeting Agenda

A Motion for Approval of the September 10, 2018 Finance and Administration Committee Meeting Agenda was made by Commissioner Foust, seconded by Commissioner Frisella. Unanimously approved.

2. Approval of the August 13, 2018 Finance and Administration Committee Meeting Minutes

A Motion for Approval of the August 13, 2018 Finance and Administration Committee Meeting Minutes was made by Commissioner Foust, seconded by Commissioner Frisella. Unanimously approved.

3. Review and Recommend Approval of the F5SMC's FY2017-2018 Budget Close-Out as of June 30, 2018

Kitty Lopez stated that we need an official approval of the F5SMC's FY2017-2018 Budget Close-Out as of June 30, 2018 for the audit report issuance. Kitty Lopez briefly stated that we have received higher Interest and Tobacco Tax Revenues and additional revenues from various private grants; there are under spending in both Program Appropriations and Administrative Appropriations including under spending of various grants at the end of the grant terms, under spending in the Policy, Advocacy, Communications, and System Changes (PAC) – Unallocated Fund, and in various Administrative budget lines; we have higher Ending Fund Balance than initial projection at the end of FY2017-2018 Budget Close-Out.

Committee members reviewed FY2017-2018 Budget Close-Out documents; asked questions about under spending grants and composition of the Other Services Charges. Staff Khanh Chau responded that while most grants are fully expended at the end of the grant terms, StarVista, Ravenswood, and Community Gatepath have underspending in bi-lingual staffing recruitment (StarVista) or dentist recruitment (Ravenswood).

Committee members stated the presented FY2017-2018 Budget Close Out as of June 30, 2018 are clean, clear, and straight forward document. Committee members endorsed its approval recommendation.

A Motion for Approval of the F5SMC's FY2017-2018 Budget Close-Out as of June 30, 2018 was made by Commissioner Garb, seconded by Commissioner Frisella. Unanimously approved.

Commissioner Garb adjourned the meeting at 9:35AM.

DATE: February 11, 2019
TO: First 5 San Mateo County Finance and Administration Committee
FROM: Kitty Lopez, Executive Director
RE: Budget Monitoring Report as of December 31, 2018

BUDGET MONITORING REPORT as of December 31, 2018 HIGHLIGHTS

County's Budget Terminologies

Since March 2018, as County Manager's Office and County Controller's Office requests and F5SMC Commission approval, F5SMC added 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 are budget terminologies used by the County of San Mateo.*

Budget Monitoring Report as of December 31, 2018 Highlights

The Budget Monitoring Report as of December 31, 2018 is presented in detail as **Attachment 4A** and in summary as **Attachment 4B**. Key Budget Monitoring Report highlights are as following:

YTD Benchmark: 50%

REVENUES

- YTD Interest Revenue actual is \$130K or 116%, that represents a positive variance or 66% higher than YTD Benchmark due to higher interest earning rate in the County investment pool.
- YTD Tobacco Tax Revenue projections are \$3.462 million or 60%, that represents 10% positive variance higher than YTD Benchmark.
- YTD F5CA IMPACT Grant Revenue estimate is \$262K or 50% in line with YTD Benchmark.
- YTD David Lucile Packard Foundation - Help Me Grow Grant Revenue estimate is \$142K or 50% in line with YTD Benchmark.
- YTD San Bruno Community Foundation - Build Up Kids Grant Revenue estimate is \$5.3K or 50% in line with YTD Benchmark.
- YTD Peninsula Healthcare District – Help Me Grow Call Center Grant Revenue estimate is \$12.5K or 50% in line with YTD Benchmark.
- YTD Total Revenues projections are \$4.015 million or 60%, that represents a positive variance or 10% higher than YTD Benchmark. Major attributable factors to this positive are associated with higher interest revenue and the Prop 56 revenue disbursement.

APPROPRIATIONS

- YTD Program Expenditures projections are \$3.128 million or 41%, that represents a positive variance or 9% below YTD Benchmark. Major contributions to this positive variance are attributable to pending planning and contracting of various Strategic Plan Implementation Plan SPIP 18-20 budget lines and delayed billing of various grants.
- YTD Administrative Expenditures projections of \$505K or 46% that represents a positive variance or 4% below YTD Benchmark. Major contributions to this positive variance are attributable to underspending in various administrative areas and delayed COLA effective in January 2019.

- **YTD Total Appropriations (Net Appropriations*)** projections are \$3.634 million or 41%, that represents a positive variance or 9% below YTD Benchmark. Major contributions to this positive variance are attributable to pending planning and contracting of SPIP18-20 as the new funding cycle begins, delayed billing from various grants, and under spending in various Administrative areas.

ENDING FUND BALANCE (RESERVES*)

- At this time, we are projecting Ending Fund balance (**Reserves***) of \$11.577 million or 126%, that represents a positive variance of 26% or \$2.418 million higher than the planned budget.

Major contributions to this positive variance are attributable to higher Interest Revenue, Prop 56 disbursement, and under spending in both Program and Administrative Appropriations as the new funding cycle begins.

CHALLENGES:

- None at this time.

YTD Benchmark: 50%

	FY18-19 Adopted Budget	YTD December 31 2018	Accruals*	YTD Combined	% YTD Combined	Note
REVENUE						
FUND BALANCE BEGINNING (BEGINNING RESERVES*)	11,195,788	11,195,788		11,195,788		
Interest	111,958	130,219		130,219	116%	Higher Interest Earning rate in the County Investment pool.
Tobacco Tax Revenue (Prop 10 7 Prop 56)	5,783,319	2,498,727	963,887	3,462,613	60%	Include \$545K Prop 56 disbursement. Prop 56 increases the excise tax rate on cigarettes and E-cigarettes (\$2 tax) effective April 1, 2017
F5CA IMPACT Grant	524,000		262,000	262,000	50%	\$262K are Q1'19 & Q2'19 revenue estimates
F5SF IMPACT HUB TA FY18-19	-	-	-	-		
David Lucile Packard Foundation - Help Me Grow Grant	285,000		142,500	142,500	50%	\$142K are Q1'19 & Q2'19 revenue estimates
San Bruno Community Foundation - Build-Up Kids Grant	10,740		5,370	5,370	50%	\$5.3K are Q1'19 & Q2'19 revenue estimates
Peninsula Healthcare District - Help Me Grow Call Center Grant	25,000		12,500	12,500	50%	\$12.5K are Q1'19 & Q2'19 revenue estimates
F5SMC Wellness Grant						
Miscellaneous Reimbursements						
TOTAL REVENUES	6,740,017	2,628,945	1,386,257	4,015,202	60%	Positive variances due to higher interest revenue and Prop 56 revenue disbursement
TOTAL AVAILABLE FUNDS (TOTAL SOURCES*)	17,935,805	13,824,733	1,386,257	15,210,990	85%	
APPROPRIATIONS						
1. PROGRAMS						
Family Engagement	1,769,527	420,495	457,382	877,876	50%	\$457K are Q2'19 expenditure estimates
Child Health & Development	1,635,000	182,758	460,489	643,247	39%	\$460K are Q2'19 expenditures estimates; there is delayed billing of Q1'19 from a subcontractor of the Watch Me Grow grant
Early Learning	1,615,000	336,036	403,750	739,786	46%	\$403K are Q2'19 expenditure estimates
Policy Advocacy, Communications & Systems Change	528,973	110,104	50,000	160,104	30%	\$50K are Q2'19 expenditure estimates. Pending planning and SPIP contracting
SPIP 15-18 Carry Over	100,000			0	0%	Pending SPIP15-18 carry-over contracting
Other Communications - Sponsorship	10,000	6,500	0	6,500	65%	
Emerging Projects	200,000			0	0%	Pending planning and SPIP18-20 contracting
Kit for New Parent KNP (KNP)	42,000	51,684		51,684	123%	
Regional Cost Sharing	45,000	0	0	0	0%	No activities at this time.

	FY18-19 Adopted Budget	YTD December 31 2018	Accruals*	YTD Combined	% YTD Combined	Note
Program Salary & Benefits	591,149	256,074		256,074	43%	Delayed COLA effective in January 2019.
Grant Management and Big Data	162,000	24,862	40,500	65,362	40%	\$40K is Q2'19 expenditure estimates. Under spending due to delayed roll out of the Big Data evaluation project.
Other Evaluation Projects	145,000			0	0%	Pending planning and SPIP18-20 contracting
Evaluation - Salaries & Benefits	161,632	75,927		75,927	47%	Delayed COLA effective in January 2019.
San Bruno Community Foundation grant - Build-Up Kids	10,740	7,427	0	7,427	69%	
David Lucile Packard Foundation grant - Help Me Grow Grant	255,000	29,155	29,155	58,310	23%	\$29K is Q2'19 expenditure estimates; pending billing from contractors (County Health System and David Lucile Packard Hospital) for the WMG Clinic Based program
F5CA IMPACT Grant	417,000	81,434	104,250	185,684	45%	\$104K are Q2'19 expenditure estimates
F5SF IMPACT HUB TA FY18-19				0		
TOTAL PROGRAM APPROPRIATIONS	7,688,021	1,582,455	1,545,526	3,127,981	41%	Positive variances due to pending planning and contracting of various SPIP budget lines and delayed billing from various contractors
2. ADMINISTRATIVE						
Salaries and Benefits	672,719	301,751		301,751	45%	Delayed COLA effective in January 2019.
Services and Supplies						
Outside Printing & Copy Svc	2,000	0	0	0	0%	
General Office Supplies	12,500	5,206		5,206	42%	
Photocopy Lease & Usage	2,000	357	333	690	35%	
Computer Supplies	13,000	0	4,785	4,785	37%	\$4.7K is expenditure accrual for the 4 new laptop purchases
County Memberships - (e.g. F5 Assn Dues)	15,000	12,895	0	12,895	86%	Full paid F5CA Association annual fee
Auto Allowance	11,000	5,421	0	5,421	49%	
Meetings & Conference Expense	12,000	2,792	3,000	5,792	48%	3K is expenditure estimate for staff registration to F5CA conference.
Commissioners Meetings & Conference Exp	3,000	4,784	0	4,784	159%	Will increase this budget line in the FY18-19 Revised Budget to cover the 20th Year Community Investment Celebration and Commissioner farewell.
Other Business Travel Expense	5,000	1,578	2,000	3,578	72%	2K is expenditure estimate for staff travel expenses to attend F5CA conferences
Dept. Employee Training Expense	5,000	86	3,000	3,086	62%	3K is expenditure estimate for staff attending the F5CA Leadership Cohort Training
Wellness grant		396	0	396		
Other Professional Services	60,000	25,431	0	25,431	42%	
Sub Total - Services & Supply	140,500	58,945	13,118	72,064	51%	

	FY18-19 Adopted Budget	YTD December 31 2018	Accruals*	YTD Combined	% YTD Combined	Note
Other Charges						
Telephone Service Charges	4,000	1,696	0	1,696	42%	
Automation Services - ISD	48,000	19,857	0	19,857	41%	
Annual Facilities Lease	92,000	43,125	0	43,125	47%	
General Liability Insurance	7,500	3,273	0	3,273	44%	
Official Bond Insurance	600	114	0	114	19%	
Human Resources Services	2,000	269	0	269	13%	LMS annual fee
Countywide Security Services	500	450	0	450	90%	
All Other Service Charges	53,000	27,208	2,600	29,808	56%	\$2.6K are Nov/Dec'19 expenditure estimates for County Counsel service fees.
A-87 Expense	67,700	33,270	0	33,270	49%	
Sub Total - Other Charges	275,300	129,262	2,600	131,862	48%	
TOTAL ADMINISTRATIVE APPROPRIATIONS	1,088,519	489,958	15,718	505,676	46%	Positive variances due to under spending in various Administrative budget lines.
Administrative Cost %	12%	24%	1%	14%		
TOTAL APPROPRIATIONS (NET APPROPRIATIONS*)	8,776,540	2,072,413	1,561,244	3,633,658	41%	Positive variances due to pending planning and contracting of various SPIP budget lines and delayed billing from various contractors
ENDING FUND BALANCE (ENDING RESERVES*)	9,159,265	11,752,320	-174,988	11,577,332	126%	Positive variances due to higher interest revenue and Prop 56 disbursement and under spending in both Program and Administrative Appropriations
Program Staff	591,149	256,074	-	256,074	43%	
Evaluation Staff	161,632	75,927	-	75,927	47%	
Admin Staff	672,719	301,751	-	301,751	45%	
Total Salaries and Benefits	1,425,500	633,752	0	633,752	44%	Delayed COLA effective in January 2019.

	FY18-19 Adopted Budget	YTD December 31 2018	Accruals*	YTD Combined	% YTD Combined	Note
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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

YTD Benchmark: 50%

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F5SF IMPACT HUB TA FY18-19	-	-	-	-		-
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F5SMC Wellness Grant	-	-	-	-		-
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TOTAL REVENUES	6,740,017	2,628,945	1,386,257	4,015,202	60%	Positive variances due to higher interest revenue and Prop 56 revenue disbursement
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SPIP 15-18 Carry Over	100,000	0	0	0	0%	Pending SPIP15-18 carry-over contracting
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Other Evaluation Projects	145,000	0	0	0	0%	Pending planning and SPIP18-20 contracting

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San Bruno Community Foundation grant - Build-Up Kids	10,740	7,427	-	7,427	69%	0
David Lucile Packard Foundation grant - Help Me Grow Grant	255,000	29,155	29,155	58,310	23%	\$29K is Q2'19 expenditure estimates; pending billing from contract
F5CA IMPACT Grant	417,000	81,434	104,250	185,684	45%	\$104K are Q2'19 expenditure estimates
F5SF IMPACT HUB TA FY18-19	-	-	-	-	0%	0
TOTAL PROGRAM APPROPRIATIONS	7,688,021	1,582,455	1,545,526	3,127,981	41%	Positive variances due to pending planning and contracting of various SPIP budget lines and delayed billing from various
2. ADMINISTRATIVE						
Salaries and Benefits	672,719	301,751	0	301,751	45%	Delayed COLA effective in January 2019.
Sub Total - Services & Supply	140,500	58,945	13,118	72,064	51%	0
Sub Total - Other Charges	275,300	129,262	2,600	131,862	48%	-
TOTAL ADMINISTRATIVE APPROPRIATIONS	1,088,519	489,958	15,718	505,676	46%	Positive variances due to under spending in various Administrative budget lines.
Administrative Cost %	12%	24%	1%	14%		
TOTAL APPROPRIATIONS (NET APPROPRIATIONS*)	8,776,540	2,072,413	1,561,244	3,633,658	41%	Positive variances due to pending planning and contracting of various SPIP budget lines and delayed billing from various
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Total Salaries and Benefits	1,425,500	633,752	0	633,752	44%	Delayed COLA effective in January 2019.

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.

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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.

DATE: February 11, 2019
TO: First 5 San Mateo County Finance and Administrative Committee
FROM: Kitty Lopez, Executive Director
RE: Recommend Approval of First 5 San Mateo County's FY2018-19 Revised Budget and the Use of Ending Fund Balance (Ending Reserves*) to fund FY2018-19 Revised Budget

ACTION REQUESTED

Recommend Approval of First 5 San Mateo County's FY2018-19 Revised Budget and the Use of Ending Fund Balance (Ending Reserves*) to fund FY2018-19 Revised Budget.

BACKGROUND

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.
3. As per F5SMC's Strategic Plan FY 2015-20 and LTFP FY 2017-18 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 \$3-4 million per year, per the Strategic Plan and per Long-Term Financial Plan.

FY2018-19 REVISED BUDGET ASSUMPTIONS

The proposal of First 5 San Mateo County's FY2018-19 Revised Budget is based on the following assumptions:

- FY18-19 Budget Revision was anticipated after FY17-18 Financial Audit completion.
- Under spending funds of various contracts became available after FY17-18 Financial Audit completion.
- FY18-19 Initial Adopted Program Budget was based on the SPIP 2018-20 Funding Allocations approved by the Commission while contract negotiations were ongoing; these contract budgets for FY2018-19 become available generally after the FY2018-19 Initial Budget was adopted in June 2018.
- Updated Tobacco Tax Projections were released on January 29, 2019.
- New grant awards and new contract executions become available recently.

FY2018-19 REVISED BUDGET (See Attachment 5A)

A. BEGINNING FUND BALANCE (BEGINNING RESERVES*)

Beginning Fund Balance (Beginning Reserves*) produce a net increase of \$1,069,480 as a result of an adjustment of the Beginning Fund Balance (Beginning Reserves*) associated with FY17-18 Audit Report outcome.

B. TOTAL REVENUES

Total Revenues produce a net increase of \$118,517:

- \$120,000 : increase of Interest Revenue projection.
- (\$438,515) : decrease revenue in Tobacco Tax Revenue projections due to recent Prop 56 disbursement being lower than previously projected in May 2018.
- \$70,903 : revenue increase for the new FY18-19 IMPACT HUB Technical Assistance grant.
- \$3,969 : revenue increase for the grant no cost extension allowing grant full execution.
- \$181,383 : revenue increase for the Watch Me Grow-Clinic Based Services grant, a new award from San Mateo County Health System.
- \$130,000 : revenue increase for the new Build Up Kids Facilities grant, a new award from San Mateo County Human Services Agency.
- \$50,000 : revenue increase for the new Build Up Kids Facilities grant, a new award from Gilead Science, Inc., a private entity.

C. TOTAL AVAILABLE FUND (TOTAL SOURCES*)

Total Available Funds (Total Sources*) produce a net increase of \$1,187,997

D. PROGRAM APPROPRIATIONS

Total Program Appropriations produce a net increase of 476,724:

Net Decreases by (\$23,125) from various SPIP funding budget lines

- \$40,000 : carry-over of an underspending contract of SPIP 15-18, said contract ended, to fund another contract for the Build Up Kids program continuation.
- \$20,000 : carry-over of FY2017-18 KNP underspending budget to accommodate the KNP built in FY17-18 but were shipped in FY2018-19.
- (\$83,125) : net decreases from various SPIP18-20 program budget lines.

Net Increases by \$499,849 funded from various funding sources grants

- \$3,969 : pass-through grant program appropriation for the Build-Up Kids Mapping Project funded from the San Bruno Community Foundation grant.
- \$25,000 : pass-through grant program appropriation for the new Help Me Grow Call Centers program funded from Peninsula Health Care District grant.
- \$181,383 : pass-through grant program appropriation for the Watch Me Grow-Clinic Based Services program funded from the San Mateo County Health System grant.
- \$50,000 : pass-through grant program appropriation for the Build Up Kids Facilities program funded from Gilead Science, Inc. grant.
- \$130,000 : pass-through grant program appropriation for the Build Up Kids Facilities program funded from San Mateo County Human Services Agency grant.
- \$44,266 : pass-through grant program appropriation funded from the F5CA IMPACT grant.

- \$65,231 : pass-through grant program appropriation funded from the new IMPACT HUB Technical Assistance grant.

E. ADMINISTRATIVE APPROPRIATIONS

Total Administrative Appropriations produce a net increase by \$8,777:

- \$5,000 : appropriation increase in Commission Meeting Expenses Budget due to under budget of this line.
- \$3,000 : appropriation increase in Dept Employee Training Expense to accommodate staff attendance to F5CA Association Leadership Cohort Training.
- \$777 : appropriation increase in Wellness grant budget line.

F. TOTAL APPROPRIATIONS

Total Appropriations (Net Appropriations*) produce a net increase of \$485,501

G. ENDING FUND BALANCE

Ending Fund Balance (Ending Reserves*) produce a net increase of \$702,496

H. SUMMARY OF FY2018-19 REVISED BUDGET

	FY18-19 Initial Adopted Budget	FY18-19 Revised Budget	Increase / (Decrease) \$	Increase / (Decrease) %
Beginning Fund Balance (Beginning Reserves*)	11,195,788	12,265,268	1,069,480	10%
Total Revenues	6,740,017	6,858,534	118,517	2%
Total Available Fund (Total Sources*)	17,935,805	19,123,802	1,187,997	7%
Total Appropriations (Net Appropriations*)	8,776,540	9,262,041	485,501	6%
Ending Fund Balance (Ending Reserves*)	9,159,265	9,861,761	702,496	8%
Total Requirements* (Net Appropriations* + Ending Reserves*)	17,935,805	19,123,802	1,187,997	7%
Surplus / (Deficit) (Total Revenues – Net Appropriations*)	(2,036,523)	(2,403,507)	(366,984)	

**Beginning Reserves, Total Sources, Net Appropriations, Ending Reserves, Total Requirements are budgetary terminologies used by the County of San Mateo.*

I. FISCAL IMPACTS

FY2018-19 Revised Budget changes result in the drawdown of Ending Fund Balance (Ending Reserves*) by \$366,984.

The net change of Ending Fund Balance (Ending Reserves*) as a result of these budget adjustments will be an increase of \$702,496 in the FY2018-19 Revised Budget. Beginning Fund Balance will increase by \$1,069,480 and this will be adjusted downward with the use of Ending Fund Balance (Ending Reserves*) of \$366,984.

The Administrative Cost Rate is 12% which remains below 15% of the approved Administrative Cost Policy for the FY2018-19.

RECOMMENDATION

Recommend Approval of First 5 San Mateo County's FY2018-19 Revised Budget and the Use of Ending Fund Balance (Ending Reserves*) to fund FY2018-19 Revised Budget.

	ORG/ACCT#	FY18-19 Initial Adopted Budget	Increase (\$)	(Decrease) \$	FY18-19 Revised Budget	Increase (Decrease) FY18-19 Revised Budget versus FY18-19 Initial Adopted Budget (%)	Notes of the FY18-19 Revised Budget
REVENUE							
BEGINNING FUND BALANCE (BEGINNING RESERVES*)		11,195,788	1,069,480		12,265,268	10%	Beginning Fund Balance is adjusted as per the outcome of the FY17-18 Audit Report.
Interest Revenue	19510-1521	111,958	120,000		231,958	107%	Higher Interest Revenue projections
Tobacco Tax Revenue (Prop 10 & Prop 56)	19510-1861	5,783,319		(438,515)	5,344,804	-8%	Tobacco Tax Revenue Revised Budget (with the inclusion of Prop 56 disbursement) reflects the January 29, 2019 Tobacco Tax Projections as a result of lower Prop 56 revenue than previously projected.
F5CA IMPACT Grant	19510-1861	524,000			524,000	0%	
F5SF IMPACT HUB 2 FY18-19	19510-2643	-	70,903		70,903		New IMPACT HUB Technical Assistant grant FY18-19
David Lucile Packard Foundation - Help Me Grow Grant	19510-2643	285,000			285,000	0%	
San Bruno Community Foundation - Build-Up Kids Grant	19510-2643	10,740	3,969		14,709	37%	Expect to have no cost extension for the grant full execution.
Peninsula Healthcare District - Help Me Grow Call Center Grant	19510-2643	25,000			25,000	0%	New leverage funding grant with cost sharing contribution from F5SMC
San Mateo County Health System- WMG Clinic Based Services Grant	19510-2643		181,383		181,383		MOU with County Health System is signed for a new leverage funding grant with cost sharing contribution from F5SMC
GILEAD - Build Up Kids Facilities Grant	19510-2643		50,000		50,000		New private grant for the Build-Up Kids Facilities initiative.
San Mateo County Human Services Agency - Build Up Kids Facilities grant	19510-2643		130,000		130,000		MOU with County Human Services Agency is signed for a new leverage funding grant with cost sharing contribution from F5SMC
F5SMC Wellness Grant	19510-2658		777		777		
Miscellaneous Reimbursements	19510-2647				-		
TOTAL REVENUES		6,740,017	557,032	(438,515)	6,858,534	2%	Positive variances associated with Beginning Fund Balance adjustments, higher Interest Revenue, and new leverage funding grants.
TOTAL AVAILABLE FUND (TOTAL SOURCES*)		17,935,805	1,626,512	(438,515)	19,123,802	7%	

	ORG/ACCT#	FY18-19 Initial Adopted Budget	Increase (\$)	(Decrease) \$	FY18-19 Revised Budget	Increase (Decrease) FY18-19 Revised Budget versus FY18-19 Initial Adopted Budget (%)	Notes of the FY18-19 Revised Budget
APPROPRIATIONS							
1. PROGRAM							
Family Engagement	19540-6125	1,769,527	6,014		1,775,541	0%	
Child Health & Development	19540-6156	1,635,000		(71,330)	1,563,670	-4%	
SPIP 15-18 carry-over	19540-6156	100,000			100,000	0%	
Early Learning	19540-6263	1,615,000	13,259		1,628,259	1%	
Policy Advocacy, Communications & Systems Change	19540-6814	528,973	30,932		559,905	6%	We use \$15K out of \$25K of SPIP Line 30 Allocation in FY19-20 for the F5SMC's 20 Year Investment Celebration Event.
SPIP 15-18 carry-over	19540-6814		40,000		40,000		Carry over \$40K underspending contract of SPIP 15-18 (said contract ended), to fund another contract for the Build-Up Kids program as part of F5SMC's cost sharing contribution.
Other Communications - Sponsorship	19540-6814	10,000			10,000	0%	
Emerging Projects		200,000			200,000	0%	
Kit for New Parent KNP (KNP)	19540-6814	42,000	20,000		62,000	48%	Carry over \$20K underspending KNP FY17-18 Budget to FY18-19 to accommodate KNP built in FY17-18 that were shipped in FY18-19
Regional Cost Sharing	19540-6263	45,000			45,000	0%	
Program Salary & Benefits		591,149			591,149	0%	
Grant Management and Big Data	19540-6265	162,000		(62,000)	100,000	-38%	Delayed contracting of the Big Data projects.
Other Evaluation Projects	19540-6265	145,000			145,000	0%	Pending planing of evaluation population-based researches (i.e Parent Survey or supporting a countywide sample Kindergarten Readiness Assessment)
Evaluation - Salaries & Benefits		161,632			161,632	0%	
David Lucile Packard Foundation - Help Me Grow Grant	19540-6131	255,000			255,000	0%	
San Bruno Community Foundation - Build-Up Kids Mapping Grant	19540-6131	10,740	3,969		14,709	37%	Grant will be fully executed in FY18-19
Peninsula Healthcare District - Help Me Grow Call Center Grant	19540-6131		25,000		25,000		Pass-through grant in a shared funding project
San Mateo County Health System- WMG Clinic Based Services Grant	19540-6131		181,383		181,383		Pass-through grant in a shared funding project
GILEAD - Build Up Kids Facilities Grant	19540-6131		50,000		50,000		Pass-through 100% of the grant for the Build-Up Kids Facilities program

	ORG/ACCT#	FY18-19 Initial Adopted Budget	Increase (\$)	(Decrease) \$	FY18-19 Revised Budget	Increase (Decrease) FY18-19 Revised Budget versus FY18-19 Initial Adopted Budget (%)	Notes of the FY18-19 Revised Budget
San Mateo County Human Services Agency - Build Up Kids Facilities Grant	19540-6131		130,000		130,000		Pass-through 100% of the grant for the Build-Up Kids Facilities program
F5SF IMPACT HUB TA FY18-19	19540-6126		65,231		65,231		New IMPACT HUB TA in FY18-19
F5CA IMPACT Grant	19540-6126	417,000	44,266		461,266	11%	\$30K is partial funding to a Family Engagement Professional Development
TOTAL PROGRAM APPROPRIATIONS		7,688,021	610,054	(133,330)	8,164,745	6%	Increase to accommodate pass-through funding contracts associated with new grant awards.
2. ADMINISTRATIVE							
Salaries and Benefits		672,719			672,719	0%	
Services and Supplies							
Outside Printing & Copy Svc	19510-5191	2,000			2,000	0%	
General Office Supplies	19510-5193	12,500			12,500	0%	
Photocopy Lease & Usage	19510-5196	2,000			2,000	0%	
Computer Supplies	19510-5211	13,000			13,000	0%	
County Memberships - (e.g. F5 Assn Dues)	19510-5331	15,000			15,000	0%	
Auto Allowance	19510-5712	11,000			11,000	0%	
Meetings & Conference Expense	19510-5721	12,000			12,000	0%	
Commissioners Meetings & Conference Exp	19510-5723	3,000	5,000		8,000	167%	Increase budget line to accommodate the 20 Years Investment Celebration and Commission's farewell.
Other Business Travel Expense	19510-5724	5,000			5,000	0%	
Dept. Employee Training Expense	19510-5731	5,000	3,000		8,000	60%	Management staff attends F5CA Association Leadership Cohort training
Wellness grant	19510-5856		777		777		
Other Professional Services	19510-5858	60,000			60,000	0%	
Sub Total - Services & Supplies		140,500	8,777	-	149,277	6%	

	ORG/ACCT#	FY18-19 Initial Adopted Budget	Increase (\$)	(Decrease) \$	FY18-19 Revised Budget	Increase (Decrease) FY18-19 Revised Budget versus FY18-19 Initial Adopted Budget (%)	Notes of the FY18-19 Revised Budget
Other Charges				-			
Telephone Service Charges	19510-6712	4,000			4,000	0%	
Automation Services - ISD	19510-6713	48,000			48,000	0%	
Annual Facilities Lease	19510-6716	92,000			92,000	0%	
General Liability Insurance	19510-6725	7,500			7,500	0%	
Official Bond Insurance	19510-6727	600			600	0%	
Human Resources Services	19510-6733	2,000			2,000	0%	
Countywide Security Services	19510-6738	500			500	0%	
All Other Service Charges	19510-6739	53,000			53,000	0%	
A-87 Expense	19510-6821	67,700			67,700	0%	
Sub Total - Other Charges		275,300	-	-	275,300	0%	
TOTAL ADMINISTRATIVE APPROPRIATIONS		1,088,519	8,777	0	1,097,296	1%	
Administrative Cost Rate %		12%			12%		
TOTAL APPROPRIATIONS (NET APPROPRIATIONS*)		8,776,540	618,831	(133,330)	9,262,041	6%	Increase to accommodate pass-through funding contracts of new grant awards.
ENDING FUND BALANCE (ENDING RESERVES*)		9,159,265	1,007,681	(305,185)	9,861,761	8%	Positive variances due to Beginning Fund Balance adjustment, higher Interest Revenue, various new grant awards from different funding sources.
Program Staff		591,149		-	591,149	0%	
Evaluation Staff		161,632		-	161,632	0%	
Admin Staff		672,719		-	672,719	0%	
Total Salaries and Benefits		1,425,500	0	0	1,425,500	0%	