



May 22, 2024

INFORMATION ACTION

SUBJECT: BUDGET OVERVIEW AND STRATEGIC PLANNING ORIENTATION

Strategic Priority Area I: Child Health

Goal: All children thrive by achieving optimal health prenatal through age 5.

Strategic Priority Area II: Child Development

Goal: All children birth through age 5 have high-quality, nurturing environments that ensure their learning readiness.

Strategic Priority Area III: Family Functioning

Goal: All families have the knowledge, skills, and resources to support their children's optimal development.

SUMMARY OF THE ISSUE

Following the Commission's adoption of a North Star (NS) Statement and Audacious Goal (AG) in 2021, and a Budget Planning Session in 2022 to determine and prioritize future First 5 California (F5CA) investments, staff and Commissioners will review and discuss fund account balances, revenue forecasts, current investments and investments in development, and strategic planning updates.

The objectives are as follows:

1. Commissioners will have an understanding of Proposition 10 tax revenue.
2. Commissioners will have an understanding of the Fund Condition Summary.
3. Commissioners will have an understanding of their role in the 2025-28 Strategic Plan and accountability process.
4. Commissioners will have an understanding of current investments and discuss staff recommendations on investments in development.

The budget study session will cover a variety of topics for Commissioner discussion, including:

- Presentation from Arabella Advisors on F5CA Strategic Plan Development and Timeline, including review of a preliminary definition of Systems Change and discussion on a F5CA Equity Statement
- Overview of F5CA Statutory Fund Accounts and Distributions (i.e., Proposition 10 Tax Revenue Distribution)
- Overview of F5CA Revenue Forecast and Fund Condition Summary
- Overview of Current F5CA Projects and Investments in Development
- Presentation on the Fatherhood Initiative Investment

In support of this item, staff have included three attachments as background information. Attachments A and B – First 5 California Financial Plan and Fund Condition Summary, are provided during each quarterly Commission meeting and are critical to understanding the financial standing of the Commission.

Attachment C – Table of Current F5CA Projects and Future Investments in Development, provides a comprehensive list of current projects and future investments, including the purpose (as authorized by the Commission), funding amount, term, and strategic plan alignment. Four investments – Fatherhood Initiative, Newcomer Support, Public Relations, and Small Population County Funding Augmentation (SPCFA) – are in development and have not yet been taken to the Commission for funding approval.

SUMMARY OF PREVIOUS COMMISSION DISCUSSION AND ACTION

In May 2022, the Commission met for a budget planning session where staff highlighted F5CA fund account balances, revenue forecasts, and proposed priorities for future investments.

In this session, the Commission directed staff to bring forward proposals on a handful of investments including *IMPACT Legacy*, *Early Childhood Behavioral Health*, *Newcomer Support*, *P-5 Data Landscape*, *First 5 25 Year Look-Back*, and a *Fatherhood Initiative*, which staff have either done or are in the process of doing.

ATTACHMENTS

- A. F5CA May 2024 Financial Plan
- B. F5CA May 2024 Fund Condition Summary
- C. Table of F5CA's Current Projects and Future Investments in Development