



It's All About The Kids

Stanislaus County Children and Families Commission

ACTION AGENDA SUMMARY

<u>COMMITTEE ROUTING</u>	
Administrative/Finance	<input checked="" type="checkbox"/>
Operations	<input checked="" type="checkbox"/>
Executive	<input type="checkbox"/>

AGENDA DATE: May 23, 2017

COMMISSION AGENDA #: VI – C – 1 (PUBLIC HEARING)

SUBJECT:

Public Hearing to Consider the Adoption of the 2017-2018 Budget, Long Range Financial Plan and Related Actions

BACKGROUND:

Annual Budget

Background:

State law requires the Commission to annually hold a public hearing before adopting a budget for fiscal year operations (July 1 to June 30) and before adopting a long-range financial plan. The budget is an estimated spending plan for the funds received by the Stanislaus County Children and Families Commission. Adoption of a budget is the first step in authorizing expenditures to contractors. However, before funds can be disbursed, a contract must be executed between the Commission and the program operator.

By law, the Stanislaus County Board of Supervisors does not have statutory authority to alter, amend, or approve the Commission’s budget. The Commission’s budget appears in the Stanislaus County budget as an informational item so the Auditor has a legal basis to make Commission expenditures. The filing date for submitting proposed budgets to the County was March 27, 2017. An expense budget totaling \$7,207,107 was submitted to the Chief Executive Office to act as a placeholder until the Commission adopts its budget. Any budget approved by the Commission at this meeting or at subsequent meetings will be incorporated into the County’s 2017-2018 budget.

Highlights:

Some important elements and assumptions of the budget and long range financial plan include:

- Budgeted revenues are estimated to decrease 10% (\$477,323) between the 2016-2017 budget and the 2017-2018 budget. The decrease is estimated to be 16.8% (\$850,780) below the projected 2016-2017 year end actual revenue. The projected decrease is due to:
 - The impact of Proposition 56 which created an additional \$2 tax on a pack of cigarettes, and to the change of the legal age to purchase tobacco products from 18 to 21. It is anticipated the backfill of this significant decrease of revenue will be received from the State during the 2018-2019 budget year, as backfill is based on the prior year’s actual revenue. Declines in revenue are projected to continue in the long range model.
- Budgeted expenses remain relatively flat with a slight increase of \$28,333, from \$7,178,774 in the 2016-2017 budget to \$7,207,107 in the 2017-2018 budget. This would allow the Commission to maintain current service levels.
 - For 2017-2018, a \$508,470 contingency has been established. No funds will be spent from Contingency without the approval of the Commission.
 - Staff salaries are projected to increase by 2.3% in 2017-2018.
- Total 2017-2018 contracts and programs are budgeted at \$6,036,454, which is the same as the fiscal year 2016-2017 budget.

- The Commission will have 20 contracts with service providers. This is one fewer than the prior year as the Patterson Unified School District will continue to provide Kinder transition services, but without a contract with the Commission. They are not seeking Commission reimbursement for their program services.
- While not impacting the Children and Families Commission budget, it is important to note our partners at the Community Services Agency (CSA) are investing an additional \$400,000 per year over the next three-years toward Family Resource Center Differential Response services.

Family Resource Center (FRC)/Differential Response (DR) Contract Awards:

The Children and Families Commission, in partnership with CSA, issued Request for Proposal (RFP) #17-17-FQ on March 2, 2017, for the provision of services to children by Family Resource Centers (FRCs) in seven geographic areas of Stanislaus County for a three-year period. The RFP was designed to identify contractors who will provide family support, strengthen program services at the community or neighborhood level, and promote child abuse/neglect prevention and early intervention programs through the Differential Response (DR) approach.

CSA is allocating \$900,000 annually (a total of \$2,700,000) to fund FRC/DR services for a three-year period. This is an increase from the \$500,000 annual contribution they have been making. The Children and Families Commission will contribute up to \$1,559,357 per year (a total of up to \$4,678,071) for a three-year period. The CFC contribution is consistent with previous annual contract commitments. The combined total funding for the three-year contract period is up to \$7,378,071 to provide services in seven geographic areas covering all of Stanislaus County for FRC/DR services.

Priority was given to proposals promoting, encouraging, and developing collaboration between community-based organizations in targeted areas. A review panel of three members reviewed each proposal based on the information set forth in the Request for Proposals packet.

The following table summarizes successful proposers and the amount recommended for appropriations for proposer for each of the next three fiscal years. The contracts authorized will be three party contracts between the Commission, CSA, and the contractor.

<u>AGENCY</u>	<u>AREA</u>	<u>TOTAL AWARD</u>	<u>COMMISSION SHARE</u>
AspiraNet	Turlock	\$ 286,518*	\$ 190,415
Center for Human Services	Westside	\$ 294,057*	\$ 237,938
Center for Human Services	Ceres	\$ 264,431*	\$ 163,418
Parent Resource Center	Central Modesto	\$ 619,124*	\$ 350,457
Sierra Vista	North Modesto/Salida	\$ 560,523*	\$ 311,147
Sierra Vista	Hughson	\$ 202,201*	\$ 147,135
Center for Human Services	Oakdale/Riverbank	\$ 232,503*	\$ 158,847
	TOTAL	\$2,459,357	\$1,559,357**

* These amounts reflect the maximum contract value for each agency.

** The total of the Commission's share is the maximum amount that will be spent on the FRC/DR program by the Commission. Individual contractor amounts are estimates. While actual contractor expenses paid by the Commission may vary from these estimates, total Commission expenditures will not exceed \$1,559,357 annually.

Attest: _____
Stephanie Loomis - Administration

Long Range Financial Plan

Some important elements and assumptions of the Long Range Financial Plan include:

- The Plan is a “working” document and is to guide long-range planning.
- The State Department of Finance/First 5 California revenue projections for Stanislaus County have been used in the Long Range Financial Plan for the years they were available (2017-2018 through 2019-2020). Stanislaus County Children and Families Commission assumptions were used for 2020-2021 and 2021-2022.
- The Plan highlights increasing volatility in actual revenue received and projected revenue.
- The Plan shows significant revenue swings in fiscal years 2017-2018 and 2018-2019, with revenue volatility projected to stabilize in out-years. Revenue is projected to decrease between 3%-4% over each of the last three fiscal years of the Long Range Financial Plan time frame.
- The Plan assumes contractors will spend 95% of their allocations.
- The Plan assumes a minimum reserve of at least six months of operating costs per Commission policy.

The Administrative and Finance Committee and the Operations Committee met on May 8 and May 11, respectively, to review and discuss this item.

STAFF RECOMMENDATIONS:

1. Accept the 2017-2018 budget from the Executive Director.
2. Conduct the Public Hearing to receive comment and input on the proposed spending plan.
3. Adopt the 2017-2018 budget.
4. Authorize the Executive Director to implement the 2017-2018 budget including negotiating and executing agreements with service providers.
5. Adopt the financial projections for fiscal years 2017-2018 through 2021-2022 as the Commission’s Long Range Financial plan.
6. Authorize staff to submit the proposed budget for inclusion in the County budget.
7. Authorize staff to work with contractors to develop budgets up to the amounts specified on the attached budget summary.
8. Designate the following agencies in the specified geographical areas as successful proposers under Request for Proposal (RFP) #17-17-DQ:

<u>AGENCY</u>	<u>AREA</u>
AspiraNet	Turlock
Center for Human Services	Westside
Center for Human Services	Ceres
Parent Resource Center	Central Modesto
Sierra Vista	North Modesto/Salida
Sierra Vista	Hughson
Center for Human Services	Oakdale/Riverbank

9. Authorize the Executive Director to sign an \$11,200 agreement with Brown and Armstrong for audit 2016-2017 services.
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FISCAL IMPACT:

The 2017-2018 budget contains projected revenue of \$4,302,869 with expenses of \$7,207,107 and a \$2,904,238 use of fund balance. The projected 2017-2018 year-end fund balance is \$5,767,255. Agreements and/or addendums between the Commission and program operators will be executed before funds are disbursed to program operators.

Attest: _____
Stephanie Loomis - Administration

Stanislaus County
Children and Families
Commission

2017-2018 Budget



COMMISSION ACTION:

On motion of Commissioner _____; Seconded by Commissioner _____
and approved by the following vote:

Ayes: Commissioner(s): _____

Noes: Commissioner(s): _____

Excused or Absent Commissioner(s): _____

Abstaining: Commissioner(s): _____

1) _____ Approved as recommended.

2) _____ Denied.

3) _____ Approved as amended.

Motion: _____

Attest: _____

Stephanie Loomis - Administration

STANISLAUS COUNTY CHILDREN & FAMILIES COMMISSION
LONG RANGE FINANCIAL PLAN - FY 2017/2018 through FY 2021/2022

	FY 16/17 Budget	FY 16/17 Estimate	FY 17/18 Budget	FY 17/18 Projection	FY 18/19 Projection	FY 19/20 Projection	FY 20/21 Projection	FY 21/22 Projection
1 Beginning Fund Balance	\$ 9,292,904	\$ 9,792,803	\$ 8,671,493	\$ 8,671,493	\$ 6,653,911	\$ 5,237,586	\$ 3,594,085	\$ 2,351,186
REVENUE								
2 Interest	\$ 74,343	\$ 101,000	\$ 98,048	\$ 98,048	\$ 66,539	\$ 52,376	\$ 35,941	\$ 23,512
3 Tobacco Tax (Prop 10)	\$ 4,705,849	\$ 5,052,649	\$ 4,204,821	\$ 4,204,821	\$ 4,876,561	\$ 4,675,263	\$ 4,534,250	\$ 4,397,489
4 SMIF/Misc.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5 TOTAL REVENUE	\$ 4,780,192	\$ 5,153,649	\$ 4,302,869	\$ 4,302,869	\$ 4,943,100	\$ 4,727,639	\$ 4,570,190	\$ 4,421,001
EXPENDITURES								
Program								
6 Contracts/Programs	\$ 6,036,083	\$ 5,731,079	\$ 6,026,454	\$ 5,725,131	\$ 5,723,678	\$ 5,723,678	\$ 5,153,678	\$ 3,800,000
7 Contract Adjustments (TBD)	\$ 498,841	\$ -	\$ 508,470	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000
8 Salaries & Benefits	\$ 193,023	\$ 127,503	\$ 199,366	\$ 107,882	\$ 110,039	\$ 112,240	\$ 114,485	\$ 116,775
9 Services & Supplies	\$ 24,669	\$ 21,486	\$ 29,636	\$ 28,154	\$ 28,717	\$ 29,292	\$ 29,877	\$ 30,475
10 County Cap Charges	\$ 6,079	\$ 6,671	\$ 6,332	\$ 6,332	\$ 6,459	\$ 6,588	\$ 6,720	\$ 6,854
11 Total Expenditures - Program	\$ 6,758,695	\$ 5,886,739	\$ 6,770,257	\$ 5,917,499	\$ 5,918,893	\$ 5,921,797	\$ 5,354,760	\$ 4,004,104
Evaluation								
12 Salaries & Benefits	\$ 56,371	\$ 15,938	\$ 58,474	\$ 58,474	\$ 59,644	\$ 60,836	\$ 62,053	\$ 63,294
13 Services & Supplies	\$ 19,229	\$ 15,376	\$ 12,887	\$ 12,243	\$ 12,488	\$ 12,737	\$ 12,992	\$ 13,252
14 County Cap Charges	\$ 3,293	\$ 3,613	\$ 1,266	\$ 1,266	\$ 1,292	\$ 1,318	\$ 1,344	\$ 1,371
15 Total Expenditures - Evaluation	\$ 78,893	\$ 34,927	\$ 72,628	\$ 71,983	\$ 73,423	\$ 74,891	\$ 76,389	\$ 77,917
Administration								
16 Salaries & Benefits	\$ 256,874	\$ 265,093	\$ 260,272	\$ 231,329	\$ 265,477	\$ 270,787	\$ 276,202	\$ 281,727
17 Services & Supplies	\$ 68,356	\$ 70,690	\$ 86,221	\$ 81,910	\$ 83,548	\$ 85,219	\$ 86,923	\$ 88,662
18 County Cap Charges	\$ 15,957	\$ 17,510	\$ 17,730	\$ 17,730	\$ 18,084	\$ 18,446	\$ 18,815	\$ 19,191
19 Total Expenditures - Administration	\$ 341,187	\$ 353,293	\$ 364,222	\$ 330,968	\$ 367,109	\$ 374,451	\$ 381,940	\$ 389,579
20 Total Expenditures	\$ 7,178,775	\$ 6,274,959	\$ 7,207,107	\$ 6,320,451	\$ 6,359,425	\$ 6,371,140	\$ 5,813,089	\$ 4,471,600
21 NET INCREASE (DECREASE) TO FUND BALANCE	\$ (2,398,583)	\$ (1,121,310)	\$ (2,904,238)	\$ (2,017,582)	\$ (1,416,325)	\$ (1,643,501)	\$ (1,242,899)	\$ (50,599)
22 ENDING FUND BALANCE	\$ 6,894,321	\$ 8,671,493	\$ 5,767,255	\$ 6,653,911	\$ 5,237,586	\$ 3,594,085	\$ 2,351,186	\$ 2,300,587

Proposed budget as of 5/17

STANISLAUS COUNTY CHILDREN & FAMILIES COMMISSION

2017/2018 CONTRACT/PROGRAM SCHEDULE

Note: Light green shading indicates request to authorize contract execution up to specified amount.

		FY 17/18	FY 18/19	FY 19/20	FY 20/21	FY 21/22
RESULT AREA 1: Improved Family Functioning (Family Support, Education, and Services)						
Community Resource and Referral						
1	211 Project (<i>United Way</i>)	\$ 80,000				
	Family Resource Centers:	\$ 1,559,357				
2	Ceres Partnership for Healthy Children (<i>CHS</i>)	\$ 163,418				
3	Hughson Family Resource Center (<i>SV</i>)	\$ 147,135				
4	N. Modesto/Salida Family Resource Center (<i>SV</i>)	\$ 311,147				
5	Oakdale/Riverbank Family Resource Center (<i>CHS</i>)	\$ 158,847				
6	Central Modesto - Parent Resource Center	\$ 350,457				
7	Turlock Family Resource Center (<i>Aspiranet</i>)	\$ 190,415				
8	Westside Family Resource Center (<i>CHS</i>)	\$ 237,938				
9	The Bridge (<i>SV</i>)	\$ 185,000				
10	Healthy Start Sites (<i>SCOE</i>)	\$ 416,020				
Targeted Intensive Parent Support Services						
11	Children's Crisis Center	\$ 460,000				
12	Court Appointed Special Advocates	\$ 60,000				
13	Family Justice Center	\$ 101,530				
14	La Familia Counseling Program (<i>El Concilio</i>)	\$ 98,000				
15	Zero to Five Early Intervention Partnership (<i>BHRS</i>)	\$ 1,523,009				
	TOTAL AREA 1:	\$ 4,482,916				
RESULT AREA 2: Improved Child Development (Child Development Services)						
Kinder Transition Services						
16	Keyes (1)	\$ 10,000				
17	Riverbank (2)	\$ 20,000				
Quality ECE Investments						
18	Early Care and Education Conference	\$ 12,000				
	TOTAL AREA 2:	\$ 42,000				
RESULT AREA 3: Improved Health (Health Education and Services)						
Health Access						
19	Healthy Cubs (Health Services Agency)	\$ 50,000				
Maternal & Child Health Care						
20	Perinatal Home Visitations (<i>Health Services Agency</i>)	\$ 1,339,160				
Oral Health						
21	Dental Education (<i>Health Services Agency</i>)	\$ 30,000				
	TOTAL AREA 3:	\$ 1,419,160				
RESULT AREA 4: Improved Systems of Care						
Service Outreach, Planning, Support, and Management						
22	Healthy Start Support (<i>SCOE</i>)	\$ 82,378				
	TOTAL AREA 4:	\$ 82,378				
Total Contracts		\$ 6,026,454	\$ 6,024,924	\$ 6,024,924	\$ 5,424,924	\$ 4,000,000

BHRS=Behavioral Health and Recovery Services
 CHS=Center for Human Services
 CAPC=Child Abuse Prevention Council
 SV=Sierra Vista
 SCOE-Stanislaus County Office of Education

Fiscal Year 17/18 Budget Assumptions

Estimating Fiscal Year 16-17 Actual

- Contracts – Estimating 95% of funds will be expended.
- Revenue:
 - Interest-trending similar to prior year
 - Year end revenue is projected to be slightly higher than budgeted based on state projections.
- Estimated actual expenditures for services/supplies, salaries, and cap costs were broken down using quarterly salary and benefit allocations

Budget Estimates for 17-18

- Revenue
 - Revenue projections from the State Department of Finance (DOF) are utilized for FY 17/18 through 19/20. FY 20/21 and 21/22 are estimated to decline by 3% based on local projections.
 - Revenues are estimated to drop 16.8% in 17/18 due to the new legislative changes (\$2 tax and increase in smoking age)
 - The Backfill to compensate for the decrease in revenue will flow back in 18/19 (This is not an increase in revenue)
- Salaries and Benefits - 4.5 positions
 - 1 Executive Director
 - 1 Confidential Assistant
 - 1 Accountant III
 - 0.5 Account Clerk III
 - 1 Staff Services Coordinator-Vacant
- Shared costs are spread accordingly:
 - Administration 70%
 - Evaluation 5%
 - Program 25%

The allocation is based on an average of staff FTE in each category for the last 2 quarters of 15/16 and first 2 quarters of 16/17. The allocation is slightly higher in Administration than prior years due to reduction of staff in 15/16 and the spread of program duties to administrative staff.

- Administration includes Brown & Armstrong audit fees of \$11,200
- Family Justice Center includes a onetime true-up of \$1,530 for a FY 15/16 encumbrance issue paid out of 16/17

Long Range Financial Plan

- Revenue appears to be volatile for a four year window from FY 15/16 through 18/19. This makes longer term projections more difficult. Actual revenue for 15-16 was ahead of budget and revenue for 16-17 is projected by Department of Finance (DOF) to end the year ahead of budget as well.

- Revenue projections from the DOF are utilized for FY 16/17 through 19/20. FY 20/21 and FY 21/22 are projected to decline by 3% based on staff projections.
- Interest income is estimated at less than 1% of beginning fund balance.
- Revenue and Expense break-even is projected to occur in FY 21/22.
- Contracts are estimated at a 95% expenditure rate of full allotment.
- The Contracts cliff now begins a 2-year roll off with a \$570,000 reduction in FY 20/21 and a \$1.4 million reduction in FY 21/22 to maintain the Commission's 50% of revenue policy. (previous cliff was projected at \$2.1 million in FY 20-21)
- Salaries & Benefits- Vacant positions (SSC and Acct Clerk III) are not included in out-years.
- Salaries/Benefits, Services, and CAP charges are projected at 2% increase each year.