



July 27, 2017

SUBJECT FINANCIAL UPDATE	<input type="checkbox"/> Action <input checked="" type="checkbox"/> Information
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SUMMARY OF THE ISSUE

This item provides an update of the Commission's financial plan and other topics of financial interest.

RECOMMENDATION

This is an information-only item. First 5 California (F5CA) staff is not requesting action at this time.

BACKGROUND OF KEY ISSUES

Staff provides a financial update of First 5 Commission funds at each quarterly meeting of the State Commission.

Revenue Update

The following table represents the actual tax revenues transferred from the California Children and Families Trust Fund (Fund) to F5CA state accounts beginning with Fiscal Year (FY) 2010–11 through FY 2015–16, and projected revenue for FY 2016–17 through FY 2020–21, with the percentage decline from each fiscal year to the next.

**Table 1
Actual and Projected First 5 California Cigarette and Tobacco Tax Revenue
through FY 2020–21**

	Fiscal Year	Tax Revenue Amount	% Decline
Actuals	2010/11	\$94,050,327	1.86%
	2011/12	\$93,381,688	0.71%
	2012/13	\$90,100,191	3.51%
	2013/14	\$86,103,907	4.44%
	2014/15	\$86,027,892	0.09%
	2015/16	\$85,473,337	0.64%
Projections	2016/17	\$84,075,000	1.64%
	2017/18	\$69,967,600	16.78%
	2018/19	\$81,683,200	-16.74%
	2019/20	\$79,448,400	2.74%
	2020/21	\$77,208,400	2.82%

* The large decline in FY 2017–18 is the result of the first full year impact of Proposition 56, as well as the one-year lag in backfill calculations. In FY 2018–19, the revenues stabilize, and the backfill for revenue loss in FY 2017–18 is transferred to F5CA funds, causing the marked increase to revenues.

The April 2017 revenue transfer was significantly higher than prior months. The average monthly transfer for July 2016 through March 2017 is \$7.0 million, while the April 2017 revenue was \$9.7 million. The Board of Equalization (BOE) staff responsible for collecting the revenue believe this increase in revenue is attributable to an increase in the amount of tax stamps purchased in advance of the April 1, 2017, effective date of Proposition 56 (Prop 56) tax increases. The monthly revenue transfers typically do not reflect 100 percent collection associated with the month the revenue was collected in. The April 2017 transfer contained revenues associated with March 2017 activity, but collected in April. Because tax stamps were purchased in advance of the April 1, 2017, effective date this caused an influx of revenue, but will result in a decrease to May 2017 revenue. Per BOE, the preliminary May 2017 revenue is \$2.8 million. When compared to prior month revenue, this figure is quite low. However, if stamps were purchased in advance, there may have been a slight decrease in purchases in April and early May. Yet, the decrease is reason to proceed with conservative revenue estimates and continue monitoring and analyzing revenues as we move into FY 2017–18.

Revenue projections have been updated based on the Department of Finance’s (DOF) May Revise projections. After the receipt of June 2017 revenue figures, estimated to occur by month-end, F5CA will revisit the impact of Prop 56 on the final FY 2016–17 revenue and make any necessary adjustments moving forward.

Effective July 1, 2017, the Taxpayer Transparency and Fairness Act of 2017 (AB 102) will result in major changes with BOE’s elected members oversight of day-to-day operations, establish the Department of Tax and Fee Administration and transfer appeal cases to independent judges. Currently, it is estimated that 90 percent of BOE’s current

staff will remain in their positions and that the administration of Prop 10 funding, revenue transfers, and backfill calculations will not be interrupted by the changes.

FINANCIAL PLAN

F5CA tracks actual and projected revenues and expenditures by fiscal year for the following six Proposition 10 accounts for use by the State Commission: Mass Media Communications, Education, Child Care, Research and Development, Administration, and Unallocated. This information is captured in Attachment A, which includes actual and projected revenue and expenditures by account for the prior year, current fiscal year, and five budget years.

As presented during the April 2017 Commission Meeting, F5CA submitted financial statements for FY 2015–16 to the State Controller’s Office on April 21, 2017. Attachment A reflects the final FY 2015–16 figures. Table 2 below provides a comparison of the fund balances as presented in April 2017 to the actual figures presented at the July 2017 Commission Meeting.

Table 2
Comparison of F5CA FY 2015–16 Year-End Fund Balance

Fund Name	2015-16 Estimated	2015-16 Actual	Change
Mass Media Communications (0631)	\$ 15,795,317	\$ 16,016,171	\$ 220,854
Education (0634)	\$ 54,335,515	\$ 55,185,417	\$ 849,902
Child Care (0636)	\$ 27,027,706	\$ 37,214,941	\$ 10,187,235
Research and Development (0637)	\$ 42,116,092	\$ 41,873,677	\$ (242,415)
Administration (0638)	\$ 16,867,780	\$ 15,758,074	\$ (1,109,706)
Unallocated (0639)	\$ 15,234,993	\$ 14,560,216	\$ (674,777)

The adjustments to the year-end fund balance did not have a long lasting impact on the funds, with the exception of the Administration fund. Prior to the FY 2015–16 expenditure update, it was projected that the Administration Fund would experience a deficit in FY 2020–21. The final expenditures from FY 2015–16 not only reduced the year-end fund balance, but also provided a better gauge on which to update the out year projections. The result of these changes is a projected deficit in FY 2019–20.

Though declining revenue projections have escalated this problem, they are not the sole contributor. Much of the spending in the Administration fund is the result of employee compensation, travel, training, and other miscellaneous items. The largest of these categories is employee compensation, which accounts for 75 percent of the annual spending (based on average of prior year actuals). Because F5CA is not appropriated through the Governor’s Budget, but instead fully funded through cigarette tax revenue, this excludes our agency from key budget augmentations and processes that occur for other agencies. Because of this difference, the following fiscal pressures are eroding the Administration fund:

- Annual drills occur that increase other state agency appropriations to support any increase to the State share of retirement and health benefit contributions. F5CA cannot participate in these drills, which leads to ongoing pressure to the Administration fund.
- When other state agencies experience an increase in workload, they may request additional positions and funding through the Budget Change Proposal process. This provides either a permanent or a limited-term increase to the agency's appropriation allowing them to hire additional staff to address the increased workload. F5CA has experienced growth in workload and staff since its inception. However, this growth did not come with increased revenues.

The above pressures have led to F5CA experiencing an inability to fully staff the agency to address all workload. To address this, management is looking at the hiring process. If existing staff retire or leave the agency, hiring to backfill behind them is not automatically occurring. Instead, a review of the existing workload and needs is being done to determine if a new hire is necessary. Further, the use of retired annuitants is being explored to address limited-term workload.

Additionally, F5CA is looking into shifting expenditures, such as travel and training, to other funds when the activity being paid for directly supports the intent of that fund. However, per statute, employee compensation must be paid from the Administration fund. With this being the largest component of administrative spending, this limits F5CA's ability to address the deficit. Without a statutory change, F5CA will continue to experience the inability to fully and appropriately staff the agency to carry out the mission and goals as laid out in the Strategic Plan.

FISCAL MAPPING TO THE STRATEGIC PLAN

F5CA's Strategic Plan, adopted by the Commission in January 2014, and revised in February 2017, is the driving force behind program and operational expenditures incurred by F5CA. Generally, activities of the Commission, unless statutorily mandated, fall under at least one of the Strategic Priority Areas identified in the Strategic Plan. Attachment B maps expenditures identified in the Financial Plan to specific goals identified in the Strategic Plan. This attachment has been streamlined to reflect a higher level of detail, per the request of the Fiscal Advisory Committee.

ATTACHMENTS

- A. First 5 California Financial Plan FY 2015–16 through FY 2020–21
- B. First 5 California Fiscal Mapping to the Strategic Plan

**First 5 California
Financial Plan
FY 2015-16 through FY 2020-21**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Mass Media Communications (0631)						
Beginning Balance	\$23,219,354	\$16,016,172	\$11,441,285	\$15,992,914	\$20,948,687	\$25,246,310
Projected Expenditures and Obligations	33,608,425	30,343,353	16,967,547	20,102,000	20,102,000	20,102,000
Projected Revenue	25,742,742	25,222,500	20,990,280	24,504,960	23,834,520	23,162,520
Projected Interest	91,623	45,966	28,896	52,813	65,103	75,310
Federal Reimbursement for Kit	570,877	500,000	500,000	500,000	500,000	500,000
Year-end Balance	\$16,016,171	\$11,441,285	\$15,992,914	\$20,948,687	\$25,246,310	\$28,882,140
Education (0634)						
Beginning Balance	\$48,259,868	\$55,185,417	\$45,918,702	\$40,035,977	\$36,826,355	\$34,650,306
Projected Expenditures and Obligations	14,788,798	30,414,215	23,502,000	23,752,000	22,152,000	402,000
Projected Revenue	21,452,285	21,018,750	17,491,900	20,420,800	19,862,100	19,302,100
Projected Interest	262,062	128,750	127,375	121,578	113,851	104,335
Year-end Balance	\$55,185,417	\$45,918,702	\$40,035,977	\$36,826,355	\$34,650,306	\$53,654,741
Child Care (0636)						
Beginning Balance	\$32,054,668	\$37,214,941	\$35,463,241	\$31,033,170	\$28,352,279	\$25,326,837
Projected Expenditures and Obligations	7,868,166	14,434,706	15,002,000	15,002,000	15,002,000	2,000
Projected Revenue	12,871,371	12,611,250	10,495,140	12,252,480	11,917,260	11,581,260
Projected Interest	157,068	71,756	76,789	68,629	59,298	48,878
Year-end Balance	\$37,214,941	\$35,463,241	\$31,033,170	\$28,352,279	\$25,326,837	\$36,954,975
Research and Development (0637)						
Beginning Balance	\$33,505,868	\$41,873,677	\$32,962,673	\$26,691,078	\$22,160,139	\$17,276,099
Projected Expenditures and Obligations	4,666,936	21,636,631	16,864,000	16,864,000	16,864,000	864,000
Projected Revenue	12,871,371	12,611,250	10,495,140	12,252,480	11,917,260	11,581,260
Projected Interest	163,374	114,377	97,265	80,581	62,700	43,705
Year-end Balance	\$41,873,677	\$32,962,673	\$26,691,078	\$22,160,139	\$17,276,099	\$28,037,064
Unallocated (0639)						
Beginning Balance	\$13,647,716	\$14,560,216	\$16,281,878	\$17,675,925	\$20,249,850	\$22,608,085
Projected Expenditures and Obligations	7,716,637	6,731,574	5,652,000	5,652,000	5,652,000	5,652,000
Projected Revenue	8,580,914	8,407,500	6,996,760	8,168,320	7,944,840	7,720,840
Projected Interest	48,223	45,736	49,287	57,605	65,395	72,740
Year-end Balance	\$14,560,216	\$16,281,878	\$17,675,925	\$20,249,850	\$22,608,085	\$24,749,665
Program Accounts 0631, 0634, 0636, 0637, and 0639 Totals:						
Total Cigarette and Tobacco Tax Revenue	\$81,518,683	\$79,871,250	\$66,469,220	\$77,599,040	\$75,475,980	\$73,347,980
Total Resources Per Year	\$233,499,384	\$245,628,258	\$209,416,611	\$209,909,310	\$204,879,637	\$199,300,585
Total Expenditures Per Year	\$68,648,962	\$103,560,479	\$77,987,547	\$81,372,000	\$79,772,000	\$27,022,000
Total Over/Under	\$164,850,422	\$142,067,779	\$131,429,064	\$128,537,310	\$125,107,637	\$172,278,585

**First 5 California
Financial Plan
FY 2015-16 through FY 2020-21**

	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Administration (0638)						
Beginning Balance	\$19,292,131	\$15,758,074	\$11,806,278	\$7,438,954	\$3,576,860	(\$568,164)
Projected Expenditures and Obligations	8,551,615	8,451,989	8,482,812	7,841,774	7,997,622	8,157,459
Projected Revenue	4,958,970	4,446,580	4,068,480	3,940,980	3,823,180	3,705,180
Projected Interest	58,588	53,613	47,008	38,700	29,418	19,170
Year-end Balance	\$15,758,074	\$11,806,278	\$7,438,954	\$3,576,860	(\$568,164)	(\$5,001,273)
ALL FIRST 5 CALIFORNIA FUNDS						
Total Revenue	\$86,477,653	\$84,317,830	\$70,537,700	\$81,540,020	\$79,299,160	\$77,053,160
Total Resources Per Year	\$257,809,073	\$265,886,525	\$225,338,377	\$221,327,944	\$212,309,095	\$202,456,771
Total Expenditures Per Year	\$77,200,577	\$112,012,468	\$86,470,359	\$89,213,774	\$87,769,622	\$35,179,459
Total Over/Under	\$180,608,496	\$153,874,057	\$138,868,018	\$132,114,170	\$124,539,473	\$167,277,312
Total 15% Reserve	\$12,971,648	\$12,647,675	\$10,580,655	\$12,231,003	\$11,894,874	\$11,557,974
Net After Reserve	\$167,636,848	\$141,226,383	\$128,287,363	\$119,883,167	\$112,644,599	\$155,719,338

**First 5 California
Financial Plan
FY 2015-16 through FY 2020-21**

Line Items by Fund	Strategic Plan	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
1 Mass Media Communications (0631)							
Beginning Balance		\$23,219,354	\$16,016,172	\$11,441,285	\$15,992,914	\$20,948,687	\$25,246,310
Parent Signature Program - Education and Outreach	3.1	29,699,468	27,144,426	11,865,547	15,000,000	15,000,000	15,000,000
Parent Signature Program - 1-800 Number	3.1	89,420	110,580	100,000	100,000	100,000	100,000
Parent Signature Program - Kit for New Parents	3.1	3,535,494	3,083,639	5,000,000	5,000,000	5,000,000	5,000,000
Child Signature Program	1.1, 1.2, 2.1, 2.2	0	0	0	0	0	0
Miscellaneous	3.1	883,229	2,707	0	0	0	0
ProRata		2,000	2,000	2,000	2,000	2,000	2,000
Total Expenditures		34,209,611	30,343,353	16,967,547	20,102,000	20,102,000	20,102,000
Prior Year Adjustments		(601,186)	0	0	0	0	0
Adjusted Expenditures		33,608,425	30,343,353	16,967,547	20,102,000	20,102,000	20,102,000
Projected Revenue		25,742,742	25,222,500	20,990,280	24,504,960	23,834,520	23,162,520
Projected Interest		91,623	45,966	28,896	52,813	65,103	75,310
Federal Reimbursement for Kit		570,877	500,000	500,000	500,000	500,000	500,000
Other Revenue							
Total Revenues		26,405,243	25,768,466	21,519,176	25,057,773	24,399,623	23,737,830
Year-end Balance		\$16,016,172	\$11,441,285	\$15,992,914	\$20,948,687	\$25,246,310	\$28,882,140
15% Reserve		3,861,411	3,783,375	3,148,542	3,675,744	3,575,178	3,474,378
Net Year-end Balance		\$12,154,761	\$7,657,910	\$12,844,372	\$17,272,943	\$21,671,132	\$25,407,762
2 Education (0634)							
Beginning Balance		\$48,259,868	\$55,185,417	\$45,918,702	\$40,035,977	\$36,826,355	\$34,650,306
Statewide Summit	2.1, 2.2, 3.1	0	250,000	0	250,000	0	250,000
Co-Sponsorship Funding		180,000	98,000	150,000	150,000	150,000	150,000
Educare	1.2, 2.1	1,547,215	1,550,000	1,350,000	1,350,000	0	0
Teacher Signature Program - CARES Plus	1.2, 2.1, 2.2	1,296,400	0	0	0	0	0
Child Signature Program	1.1, 1.2, 2.1, 2.2	0	0	0	0	0	0
Child Signature Program 1 and 3 Extension	1.1, 1.2, 2.1, 2.2	10,525,840	0	0	0	0	0
First 5 IMPACT	1.1, 1.2, 1.3 2.1, 2.2	1,488,786	26,511,215	20,000,000	20,000,000	20,000,000	0
Proposed Pilot Programs	1.2, 1.3	0	2,000,000	2,000,000	2,000,000	2,000,000	0
QRIS Training and Technical Assistance	2.1, 2.2	0	0	0	0	0	0
Miscellaneous		446,339	3,000	0	0	0	0
ProRata		2,000	2,000	2,000	2,000	2,000	2,000
Total Expenditures		15,486,579	30,414,215	23,502,000	23,752,000	22,152,000	402,000
Prior Year Adjustments		(697,781)	0	0	0	0	0
Adjusted Expenditures		14,788,798	30,414,215	23,502,000	23,752,000	22,152,000	402,000
Projected Revenue		21,452,285	21,018,750	17,491,900	20,420,800	19,862,100	19,302,100
Miscellaneous revenue-Child Summit							
Projected Interest		262,062	128,750	127,375	121,578	113,851	104,335
Total Revenue		21,714,347	21,147,500	17,619,275	20,542,378	19,975,951	19,406,435
Year-end Balance		\$55,185,417	\$45,918,702	\$40,035,977	\$36,826,355	\$34,650,306	\$53,654,741
15% Reserve		3,217,843	3,152,813	2,623,785	3,063,120	2,979,315	2,895,315
Net Year-end Balance		\$51,967,574	\$42,765,889	\$37,412,192	\$33,763,235	\$31,670,991	\$50,759,426

**First 5 California
Financial Plan
FY 2015-16 through FY 2020-21**

Line Items by Fund	Strategic Plan	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
3 Child Care (0636)							
Beginning Balance		\$32,054,668	\$37,214,941	\$35,463,241	\$31,033,170	\$28,352,279	\$25,326,837
Child Signature Program	1.1, 1.2, 2.1, 2.2	0	0	0	0	0	0
Child Signature Program 1 and 3 Extension	1.1, 1.2, 2.1, 2.2	1,484,413	0	0	0	0	0
Teacher Signature Program - CARES Plus	1.2, 2.1, 2.2	14,478,865	0	0	0	0	0
First 5 IMPACT	1.1, 1.2, 1.3 2.1, 2.2	1,570,294	14,429,706	15,000,000	15,000,000	15,000,000	0
Miscellaneous		220,050	3,000	0	0	0	0
ProRata		2,000	2,000	2,000	2,000	2,000	2,000
Total Expenditures		17,755,621	14,434,706	15,002,000	15,002,000	15,002,000	2,000
Prior Year Adjustments		(9,887,455)	0	0	0	0	0
Adjusted Expenditures		7,868,166	14,434,706	15,002,000	15,002,000	15,002,000	2,000
Projected Revenue		12,871,371	12,611,250	10,495,140	12,252,480	11,917,260	11,581,260
Projected Interest		157,068	71,756	76,789	68,629	59,298	48,878
Other Revenue							
Total Revenue		13,028,439	12,683,006	10,571,929	12,321,109	11,976,558	11,630,138
Year-end Balance		\$37,214,941	\$35,463,241	\$31,033,170	\$28,352,279	\$25,326,837	\$36,954,975
15% Reserve		1,930,706	1,891,688	1,574,271	1,837,872	1,787,589	1,737,189
Net Year-end Balance		\$35,284,235	\$33,571,553	\$29,458,899	\$26,514,407	\$23,539,248	\$35,217,786
4 Research and Development (0637)							
Beginning Balance		\$33,505,868	\$41,873,677	\$32,962,673	\$26,691,078	\$22,160,139	\$17,276,099
Annual Report		12,000	12,000	12,000	12,000	12,000	12,000
General Research Software		8,906	8,459	0	0	0	0
CARES Plus Program Data Collection and Storage	1.2, 2.1, 2.2	0	0	0	0	0	0
California Health Interview Survey	1.1, 1.2	850,000	850,000	850,000	850,000	850,000	850,000
Child Signature Program	1.1, 1.2, 2.1, 2.2	0	0	0	0	0	0
Child Signature Program 1 and 3 Extension	1.1, 1.2, 2.1, 2.2	1,484,413	0	0	0	0	0
Quality Improvement Study-CSU Northridge	2.2	125,299	0	0	0	0	0
Proposed Pilots	1.2, 1.3	844,834	7,475,000	7,000,000	7,000,000	7,000,000	0
First 5 IMPACT	1.1, 1.2, 1.3 2.1, 2.2	712,028	13,287,972	9,000,000	9,000,000	9,000,000	0
Miscellaneous Expenditures		271,732	1,200	0	0	0	0
ProRata		2,000	2,000	2,000	2,000	2,000	2,000
Total Expenditures		4,311,212	21,636,631	16,864,000	16,864,000	16,864,000	864,000
Prior Year Adjustments		355,724	0	0	0	0	0
Adjusted Expenditures		4,666,936	21,636,631	16,864,000	16,864,000	16,864,000	864,000
Projected Revenue		12,871,371	12,611,250	10,495,140	12,252,480	11,917,260	11,581,260
Projected Interest		163,374	114,377	97,265	80,581	62,700	43,705
Total Revenue		13,034,745	12,725,627	10,592,405	12,333,061	11,979,960	11,624,965
Year-end Balance		\$41,873,677	\$32,962,673	\$26,691,078	\$22,160,139	\$17,276,099	\$28,037,064
15% Reserve		1,930,706	1,891,688	1,574,271	1,837,872	1,787,589	1,737,189
Net Year-end Balance		\$39,942,971	\$31,070,985	\$25,116,807	\$20,322,267	\$15,488,510	\$26,299,875

**First 5 California
Financial Plan
FY 2015-16 through FY 2020-21**

Line Items by Fund	Strategic Plan	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
5 Unallocated (0639)							
Beginning Balance		\$13,647,716	\$14,560,216	\$16,281,878	\$17,675,925	\$20,249,850	\$22,608,085
Small Population County Funding Augmentation	2.2	3,948,193	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
California Smoker's Helpline	2.2, 3.1	1,825,133	1,400,000	1,400,000	1,400,000	1,400,000	1,400,000
Strategic Planning Consultant Amendment		68,749	18,957	0	0	0	0
Child Signature Program	1.1, 1.2, 2.1, 2.2	0	0	0	0	0	0
Help Me Grow	1.1, 2.1	131,909	0	0	0	0	0
Trusted Messenger	3.1	1,000,000	1,000,000	0	0	0	0
Miscellaneous		60,617	0	0	0	0	0
Stakeholder Meeting Facilitation	1.2	100,000	250,000	250,000	250,000	250,000	250,000
ProRata		2,000	2,000	2,000	2,000	2,000	2,000
Total Expenditures		7,075,983	6,731,574	5,652,000	5,652,000	5,652,000	5,652,000
Prior Year Adjustments		640,654	0	0	0	0	0
Adjusted Expenditures		7,716,637	6,731,574	5,652,000	5,652,000	5,652,000	5,652,000
Projected Revenue		8,580,914	8,407,500	6,996,760	8,168,320	7,944,840	7,720,840
Projected Interest		48,223	45,736	49,287	57,605	65,395	72,740
Total Revenue		8,629,137	8,453,236	7,046,047	8,225,925	8,010,235	7,793,580
Year-end Balance		\$14,560,216	\$16,281,878	\$17,675,925	\$20,249,850	\$22,608,085	\$24,749,665
15% Reserve		1,287,137	1,261,125	1,049,514	1,225,248	1,191,726	1,158,126
Net Year-end Balance		\$13,273,079	\$15,020,753	\$16,626,411	\$19,024,602	\$21,416,359	\$23,591,539

Program Accounts 0631, 0634, 0636, 0637, 0639 Totals:							
Total Cigarette and Tobacco Tax Revenue		\$81,518,682	\$79,871,250	\$66,469,220	\$77,599,040	\$75,475,980	\$73,347,980
Total Resources Per Year		\$233,499,385	\$245,628,258	\$209,416,611	\$209,909,311	\$204,879,638	\$199,300,586
Total Expenditures Per Year		\$68,648,962	\$103,560,478	\$77,987,547	\$81,372,000	\$79,772,000	\$72,022,000
Total Over/Under		\$164,850,423	\$142,067,779	\$131,429,065	\$128,537,311	\$125,107,638	\$172,278,586
Total 15% Reserve		\$12,227,802	\$11,980,688	\$9,970,383	\$11,639,856	\$11,321,397	\$11,002,197
Net After Reserve		\$152,622,620	\$130,087,092	\$121,458,682	\$116,897,455	\$113,786,241	\$161,276,389

6 Administration (0638)							
Beginning Balance		\$19,643,280	\$16,107,214	\$12,163,588	\$7,234,164	\$3,523,250	(\$464,534)
Administrative Expense	4.1, 4.2	7,817,375	7,947,989	7,170,812	7,322,774	7,478,622	7,638,459
SCO Admin Charges		3,000	3,000	3,000	3,000	3,000	3,000
FI\$Cal Charges		8,000	8,000	8,000	8,000	8,000	8,000
ProRata		484,514	485,000	1,293,000	500,000	500,000	500,000
Total Budgeted Expenditures		\$8,312,889	\$8,443,989	\$8,474,812	\$7,833,774	\$7,989,622	\$8,149,459
Prior Year Adjustments		230,726	0	0	0	0	0
Adjusted Fund Balance Expenditures		8,543,615	8,443,989	8,474,812	7,833,774	7,989,622	8,149,459
Projected Revenue		4,290,457	4,203,750	3,498,380	4,084,160	3,972,420	3,860,420
CDE Travel Reimbursement		634,258	243,000	0	0	0	0
Projected Interest		82,835	53,613	47,008	38,700	29,418	19,170
Other Revenue							
Total Revenue		\$5,007,549	\$4,500,363	\$3,545,388	\$4,122,860	\$4,001,838	\$3,879,590
Year-end Balance		\$16,107,214	\$12,163,588	\$7,234,164	\$3,523,250	(\$464,534)	(\$4,734,403)
15% Reserve		\$643,569	\$630,563	\$524,757	\$612,624	\$595,863	\$579,063
Net Year-end Balance		\$15,463,645	\$11,533,025	\$6,709,407	\$2,910,626	(\$1,060,397)	(\$5,313,466)

ALL FIRST 5 CALIFORNIA FUNDS							
Total Cigarette and Tobacco Tax Revenue		\$85,809,139	\$84,075,000	\$69,967,600	\$81,683,200	\$79,448,400	\$77,208,400
Total Resources Per Year		\$238,506,934	\$250,128,621	\$212,961,999	\$214,032,171	\$208,881,476	\$203,180,176
Total Expenditures Per Year		\$77,192,577	\$112,004,467	\$86,462,359	\$89,205,774	\$87,761,622	\$35,171,459

**First 5 California
Financial Plan**
FY 2015-16 through FY 2020-21

Line Items by Fund	Strategic Plan	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Total Over/Under		\$161,314,358	\$138,124,154	\$126,499,640	\$124,826,397	\$121,119,854	\$168,008,717
Total 15% Reserve		\$12,871,371	\$12,611,250	\$10,495,140	\$12,252,480	\$11,917,260	\$11,581,260
Net After Reserve		\$148,442,987	\$125,512,904	\$116,004,500	\$112,573,917	\$109,202,594	\$156,427,457

**First 5 California
Financial Plan
FY 2015-16 through FY 2020-21**

Expenditures by Program*	Amount	Term	Funding Source (F5CA Account)	Expenditures Incurred through 2015-16	Proposed Expenditures	Total Expenditures
EXISTING/APPROVED:						
Child Signature Program	\$135,000,000	July 1, 2012 - June 30, 2015	Mass Media Communications	19,850,619	0	19,850,619
			Education	39,660,012	0	39,660,012
			Child Care	9,925,309	0	9,925,309
			Research and Development	9,934,254	0	9,934,254
			Unallocated	9,925,309	0	9,925,309
			Total	\$89,295,503	\$0	\$89,295,503
Teacher Signature Program - CARES Plus	\$42,000,000	July 1, 2013 - June 30, 2016	Education	145,571	0	145,571
			Child Care	17,357,060	0	17,357,060
			Research and Development	884,511	0	884,511
			Total	\$18,387,142	\$0	\$18,387,142
Child Signature Program 1 and 3 Extension	\$13,600,000	July 1, 2015 - June 30, 2016	Education	10,525,840	0	10,525,840
			Child Care	1,484,413	0	1,484,413
			Research and Development	1,484,413	0	1,484,413
			Total	\$13,494,666	\$0	\$13,494,666
First 5 IMPACT	\$190,000,000	July 1, 2015 - June 30, 2020	Education	1,488,786	86,511,215	88,000,000
			Child Care	1,035,677	59,964,323	61,000,000
			Research and Development	712,028	40,287,972	41,000,000
			Total	\$3,236,490	\$186,763,510	\$190,000,000
Dual Language Learner Pilot	\$20,000,000	July 1, 2016 - June 30, 2020	Education	0	4,000,000	4,000,000
			Research and Development	0	16,000,000	16,000,000
			Total	\$0	\$20,000,000	\$20,000,000
PROPOSED:						
Family Engagement Pilots	\$16,000,000	July 1, 2016 - June 30, 2020	Education	0	4,000,000	4,000,000
			Research and Development	0	12,000,000	12,000,000
			Total	\$0	\$16,000,000	\$16,000,000

* Only programs with multiple funding sources identified.

**First 5 California
Fiscal Mapping to the Strategic Plan**

Goal #	Goal Name	Goal Description	Total	2016-17	2017-18	2018-19	2019-20	2020-21
Strategic Plan Area 1								
1.1	Child Health	Children prenatal through age 5 and their families access the full spectrum of health and behavioral health services needed to enhance their well-being.	\$ 208,781,419	\$ 55,613,520	\$ 44,850,000	\$ 44,850,000	\$ 44,850,000	\$ 850,000
1.2	Early Learning	Children birth through age 5 benefit from high quality early education, early intervention, family engagement, and support that prepares all children to reach their optimal potential in school and life.	\$250,885,818	\$ 65,356,261	\$ 51,100,000	\$ 51,100,000	\$ 51,100,000	\$ 850,000
1.3	Family and Community Support and Partnership	Families and communities are engaged, supported, and strengthened through culturally effective resources and opportunities that assist them in nurturing, caring, and providing for their children's success and well-being.	\$206,000,010	\$ 58,763,520	\$ 48,000,000	\$ 48,000,000	\$ 48,000,000	\$ -

Goal #	Goal Name	Goal Description	Total	2016-17	2017-18	2018-19	2019-20	2019-20
Strategic Plan Area 2								
2.1	Leadership as a Convener and Partner	Work with First 5 county commissions, state agencies, and other stakeholders to convene, align, collaborate on, support, and strengthen statewide efforts and initiatives to facilitate the creation of a seamless system of integrated and comprehensive programs and services to improve the status and outcomes for children prenatal through age 5 and their families.	\$220,297,035	\$ 56,563,520	\$ 45,350,000	\$ 45,600,000	\$ 44,000,000	\$ 250,000
2.2	Resource Exchange and Stewardship	Strategically fund and co-fund, align resources, facilitate the exchange of information and best practices, and seek new opportunities to maximize positive impact for children prenatal through age 5 and their families.	\$243,196,194	\$ 60,413,520	\$ 49,400,000	\$ 49,650,000	\$ 49,400,000	\$ 1,650,000

Goal #	Goal Name	Goal Description	Total	2016-17	2017-18	2018-19	2019-20	2019-20
Strategic Plan Area 3								
3.1	Communications	Build public will in investing in early childhood by communicating the potential for positive outcomes for children and families, and the importance of prevention and early intervention.	\$149,118,872	\$ 31,991,145	\$ 18,365,547	\$ 21,750,000	\$ 21,500,000	\$ 20,350,000
3.2	Legislative Engagement and Leadership	Advocate for and influence policy change, both directly and in partnership with First 5 county commissions and other allies, from the local to federal levels that increase investments to improve conditions for children prenatal through age 5 and their families.	\$10,000	\$ -	\$ -	\$ -	\$ -	\$ -

Goal #	Goal Name	Goal Description	Total	2016-17	2017-18	2018-19	2019-20	2019-20
Strategic Plan Area 4								
4.1	Internal Structure and Systems	Create and implement an integrated and transparent approach to internal planning, communication, and decision making.	\$0	\$ -	\$ -	\$ -	\$ -	\$ -
4.2	Team Development and Engagement	Develop management and staff awareness, understanding, knowledge, capacity, and involvement within and across organizational areas.	\$93,000	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500	\$ 15,500