



STRATEGIC PLAN

2024-2029



Samantha Bond
Executive Director

Approved:

EXECUTIVE SUMMARY

As First 5 Lake celebrates 25 years of service in Lake County, we are proud to present our new 5-year strategic plan. Over the past quarter-century, First 5 Lake has played a vital role in enhancing early childhood outcomes through targeted investments and community partnerships. As we look to the future, we remain dedicated to building on our legacy of success while adapting to meet the evolving needs of our community.

The strategic plan is a comprehensive roadmap designed to enhance the well-being of Lake County's children aged 0-5 and their families. The plan builds upon the organization's successes while addressing emerging challenges and opportunities. Key objectives include expanding access to high-quality early childhood education, improving health outcomes, strengthening family support services, and building systems that promote collaboration.

The strategic plan outlines a multi-faceted approach to achieving these goals, leveraging partnerships with local agencies, community organizations, and government entities. It emphasizes the importance of data-driven decision-making, continuous program evaluation, and community engagement. Additionally, the plan highlights the importance of fostering a supportive and inclusive organizational culture that values diversity, equity, and inclusion.

By implementing this strategic plan, First 5 Lake aims to make significant strides towards its vision of ensuring that all children in Lake County have the opportunity to reach their full potential. Through targeted investments, collaborative efforts, and a commitment to excellence, First 5 Lake is poised to continue to make a lasting impact on the lives of children and families in the community.

Samantha Bond
Executive Director



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INTRODUCTION

Commission & Staff

The local commission is comprised of nine (9) members, four (4) mandated by local ordinance and five (5) are considered “members-at-large”, who have the authority to administer and allocate Lake County’s Proposition 10 funds. Commissioners represent county government, public health, social services, education, early care, and family advocacy.

The Executive Director takes on the responsibility of Secretary of the Commission by overseeing operations, contributing as a community leader, providing information, advocating, promoting systems integration, and serving as an ambassador for the First 5 Lake Commission.

COMMISSIONERS		
Brock Falkenberg Superintendent of Schools Lake County Office of Education	Crystal Markytan Director of Social Services County of Lake	Anthony Arton Director of Health Services County of Lake
Michael Green District 4 Supervisor County of Lake	Carly Swatosh-Sherman At Large Educator Specializing in Child Development	Fawn Rave At Large Representative of a local CBO
Vacant At Large	Vacant At Large	Vacant At Large

STAFF	
Samantha Bond Executive Director	Hanaa Ali-Adeeb Program Support Specialist

Children's & Family Act

Prop 10

Proposition 10, also known as the California Children's and Families Act, is a state initiative that was passed in 1998 with the aim of prioritizing the well-being of children and families. This legislation established the First 5 California and 58 Local County First 5s, which allocates funding generated from a tax on tobacco products to promote early childhood development and improve the overall health and educational outcomes for young children. The funds support various initiatives, including prenatal care, parenting resources, and early childhood education programs. Proposition 10 recognizes the critical importance of the early years in a child's life and seeks to ensure that resources are dedicated to fostering a strong foundation for their physical, emotional, and cognitive development.

State Commission

The California Children and Families Commission, known as First 5 California, is responsible for state-level administration of funds, including utilizing twenty percent (20%) of the available revenues annually on mass media communications, parent and provider education, research, and evaluation. Their overarching goal is to promote, support, and optimize early childhood development by convening, partnering, and helping lead the movement to create and implement a comprehensive, integrated, and coordinated system for California's children prenatal through age five and their families.

County Commissions

Under the Children's and Families Act, local First 5 commissions play a vital role in implementing initiatives to enhance the well-being of children and families within their respective communities. Established in each county in California, these commissions are tasked with strategically allocating funds generated by the Proposition 10 tobacco tax to address local needs. By conducting needs assessments, collaborating with community partners, and engaging in outreach efforts, local First 5 commissions tailor programs to their unique demographics. The local commissions serve as crucial conduits for translating the broader goals of the Children's and Families Act into targeted, impactful interventions that directly benefit children and families in their specific regions.

First 5 Network and Association

The First 5 Association is a collaborative network that unites the individual First 5 county commissions across California, working collectively to advance the goals of the Children's and Families Act. Established to foster communication, resource-sharing, and best practices among county-level entities, the First 5 Association plays a pivotal role in promoting a unified and coordinated approach to early childhood development. This association serves as a platform for collaboration, enabling the sharing of insights, successful strategies, and challenges faced by local commissions.

Financial Management & Reporting

Independent Audit

The independent auditor for First 5 Lake plays a crucial role in ensuring transparency, accountability, and financial integrity within the organization. Tasked with impartially evaluating the financial statements and records, the independent auditor conducts a thorough examination to ascertain the accuracy and reliability of financial information. This process verifies compliance with regulatory standards and accounting principles and provides stakeholders, including the community, funders, and governing bodies, with a credible and unbiased assessment of First 5 Lake's financial health. By offering an objective perspective on financial matters, the independent auditor enhances trust in the organization, facilitates informed decision-making, and reinforces the commitment to fiscal responsibility, ultimately contributing to the overall effectiveness and credibility of First 5 Lake's mission and initiatives.

Reporting and Evaluation

Local First 5 Commissions are subject to rigorous reporting and evaluation requirements, which are essential components in ensuring accountability and transparency in their operations. Each commission is mandated to provide a comprehensive report detailing its financial activities, program outcomes, and the utilization of funds received through the Children's and Families Act. These evaluations often include measures of program effectiveness, efficiency, and adherence to established goals. By meeting these reporting and evaluation standards, local First 5 Commissions not only fulfill legal obligations but also demonstrate their commitment to responsible stewardship of resources, continuous improvement, and the overall success of early childhood development efforts in their respective regions.

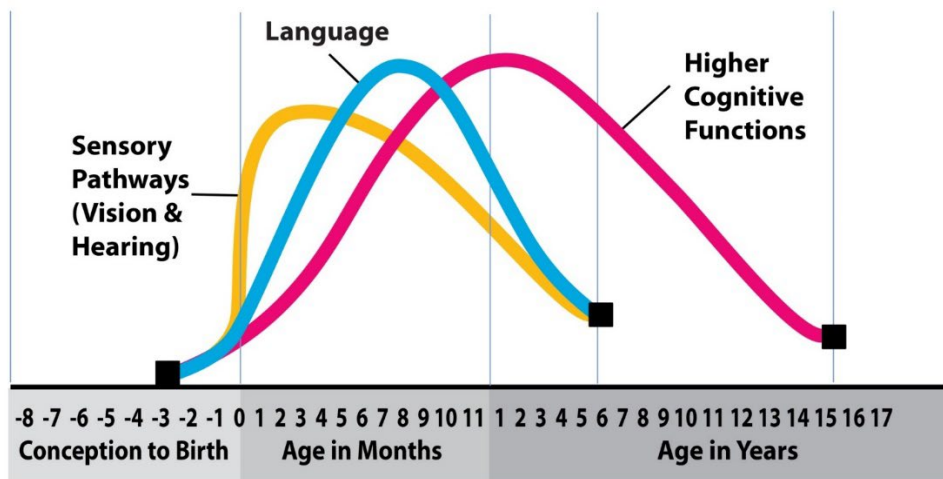
Each year, First 5 Lake implements a comprehensive evaluation process in accordance with state mandates and the Strategic Priorities laid out by the Commission. Each funded program is required to collaborate with the First 5 Lake staff and any external Evaluation Consultants to develop a logic model, Scope of Work (SOW), and Program Budget outlining specific activities aimed at achieving proposed goals and outcomes. Ongoing monitoring of program progress is ensured through site visits and quarterly reports. At the fiscal year's end, First 5 Lake prepares an evaluation report that is presented to the Commission for review and approval. The evaluation seeks to facilitate learning by assessing the effectiveness of methods, techniques, and activities in achieving positive child and family outcomes. First 5 Lake's evaluation framework aims to inform decision-making, guide program development, document partner and Commission impact, and ensure accountability to the community regarding the utilization of Prop 10 funds.

WHY THE FIRST 5 YEARS?

In the earliest years of a child’s life, the cognitive, physical, social, and emotional foundation is laid for a lifetime. These first five years constitute a period of peak brain development, marked by the formation of more than one million new neural connections every second. The significance of this developmental window cannot be overstated. Investing in the well-being of young children during this critical phase is essential, as it sets the stage for lifelong outcomes. Positive influences help shape a resilient foundation, fostering cognitive and emotional capacities that endure into adulthood.

Human Brain Development

Synapse formation is dependent on early experiences



Synapse formation begins declining before Age 3

1

Conversely, there are numerous factors that can impede development during these early years. Toxic stress resulting from extreme poverty, insecure or disorganized attachment, and poor health are among some of the challenges that can derail healthy development. Recognizing the vulnerability of this period underscores the importance of targeted interventions and community supports to mitigate adverse influences, ensuring that every child has the opportunity to thrive. By prioritizing early childhood well-being, society can proactively address factors that hinder development, fostering a generation equipped with the resilience and skills necessary for future success and societal contributions.

¹ C.A. Nelson, Center on the Developing Child Harvard University (2000) Human Brain Development <https://developingchild.harvard.edu/resources/inbrief-science-of-eecd/>



Adverse Childhood Experiences (ACEs) encompass a range of stressful or traumatic events occurring during childhood that can have enduring negative impacts on an individual's physical and mental well-being. Examples of ACEs include abuse, neglect, household dysfunction, or witnessing violence. The cumulative effect of these experiences can significantly increase the risk of health issues, behavioral challenges, and emotional difficulties throughout a person's life. An adverse community environment further amplifies these challenges, as factors such as poverty, crime, lack of access to quality education, and limited social support contribute to a less-than-optimal setting for healthy development. The combined influence of 3 Realms of ACEs emphasizes the critical need for comprehensive interventions that address both individual and systemic factors, working towards creating environments that support resilience, well-being, and positive outcomes for children and families. Historical trauma can also have profound impacts on individuals and communities, influencing mental, emotional, and physical well-being across generations.

What does a child need to thrive?

For a child to thrive, a holistic approach that addresses their cognitive, physical, social, and emotional needs is essential. Supportive and responsive relationships with caregivers form the cornerstone of a child's well-being, providing a secure foundation for healthy development. Access to quality early education fosters cognitive skills and a love for learning. Regular prenatal and pediatric health care ensures that physical well-being is safeguarded from the earliest stages. Additionally, a nurturing

² PACEs Connection (2020) 3 Realms of ACEs <https://www.pacesconnection.com/pages/3RealmsACEs>

environment can help protect against toxic stress, such as adverse childhood experiences. Recognizing and addressing these multifaceted needs creates the conditions for a child not only to survive but to truly flourish, laying the groundwork for a resilient and successful future.

³Protective Factors



The five protective factors are fundamental pillars that collectively contribute to the healthy development and well-being of children and families. First and foremost, parental resilience is crucial, emphasizing the importance of caregivers' ability to bounce back from adversity and navigate life's challenges. Social connections form another protective factor, highlighting the significance of supportive relationships within families and communities. Knowledge of parenting and child development serves as a third factor, emphasizing the importance of informed caregiving practices. Concrete support in times of need underscores the necessity of accessible resources and assistance for

families facing stressors. Finally, the social and emotional competence of children is recognized as a vital protective factor, emphasizing the cultivation of skills that enable children to navigate and manage their emotions effectively. These protective factors collectively create a robust framework that enhances the overall resilience and thriving of children and families, fostering a foundation for positive development and success.

A dynamic collective support system emerges within the community. External influences stemming from the neighborhood, community, school, family, caregivers, and peers often contribute to children's learning, behavioral, and emotional challenges. Protective factors play a crucial role in mitigating these risks by fostering the development of strong, interconnected families and caring, responsive communities. At the core of this framework is the child, whose healthy development is not solely achieved through direct services but also through the reinforcement of families and the cultivation of supportive communities.

³ Center for the Study of Social Policy's Strengthening Families Framework (2020) cspp.org/resources/strengthening-families-101

ABOUT LAKE COUNTY

Nestled in Rural Northern California and established in 1861, Lake County boasts the largest natural freshwater lake in the state, complemented by picturesque rolling hills, vineyards, orchards producing pears, apples, walnuts, and olive groves, parks, the world's largest geothermal field, and the purest air in California. This region offers a beautiful living environment with abundant outdoor activities, including fishing, boating, hiking, cycling, bird watching, and more, featuring its highest peak at 7,056 feet.

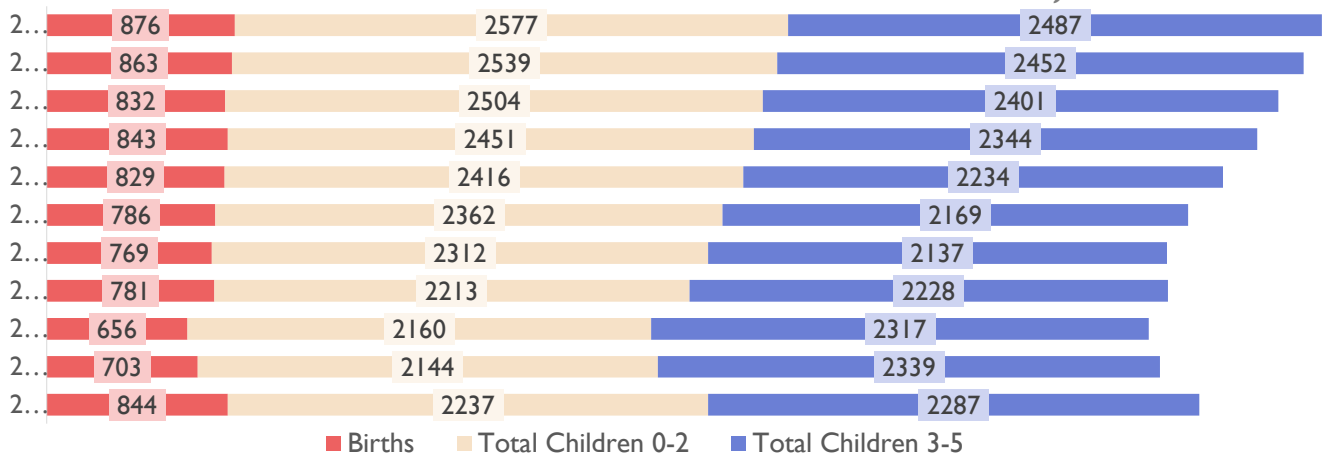
The county's economic foundation relies on agriculture and tourism, grappling with challenges such as seasonal employment and relatively low wages, contributing to elevated poverty rates. Presently, major employers include the healthcare system and local government, including schools.

Consistently ranking as one of the least healthy counties in California, Lake County faces various challenges affecting the well-being of its residents. These include issues like drug and alcohol misuse, food and housing insecurity, limited educational and employment opportunities, and transportation access.

Over the summers from 2015 to 2018, Lake County endured severe wildfires, resulting in the destruction of over 171,000 acres, the loss of more than 1,300 homes, and damage to numerous commercial properties. This was followed by flooding in the burn scars and the challenges brought about by a global pandemic. Despite experiencing various natural disasters in the past decade, the 68,191 residents of Lake County exhibit remarkable resilience and a strong sense of community.

While birth rates across California have witnessed a significant decline, Lake County has seen growth or relative stability in the number of births.⁴

CHILDREN AGE 0-5 IN LAKE COUNTY, CA



⁴ Department of Finance (2023) Historical and Projected Fertility Rates and Births, Calendar Year 1990-2040

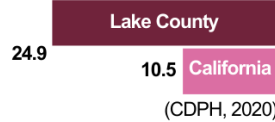
Mental Health

Mental, social, and emotional well-being.

1 IN 5 WOMEN EXPERIENCE MATERNAL MENTAL HEALTH CONDITIONS DURING PREGNANCY OR THE FIRST YEAR POSTPARTUM. **75% OF THOSE WOMEN WILL GO UNTREATED** (AHA, 2022)

DRUG OVERDOSE DEATHS: (per 100,000 population) Large group of drugs, most notably narcotics/opioids and sedatives. LAKE COUNTY IS **301% HIGHER** THAN CA AVERAGE (CDPH, 2022)

SUICIDE MORTALITY RATE (# of deaths per 100,000)



Nutrition

Affordable access and a choice of healthy food.

68.8% OF WOMEN IN LAKE COUNTY ONLY BREASTFEED AND **93.1% DO ANY BREASTFEEDING** (CDPH, 2020)

31% OF CHILDREN IN LAKE COUNTY PARTICIPATE IN CALFRESH (CDSS, 2022) AND **18% ARE FOOD INSECURE** (Feeding America, 2021)

CHILDHOOD OBESITY IN CHILDREN 2-4 ENROLLED IN WIC IN CALIFORNIA



Health Care

Connect and engage in preventative primary care and are physically healthy

21% OF PRESCHOOLERS IN LAKE COUNTY HAVE CURRENT TOOTH DECAY PRESENT, WITH 7% HAVING SEVERE TOOTH DECAY (LCOE First 5 Lake AR, 2023)

91% OF KINDERGARTENERS IN LAKE COUNTY HAVE ALL THE REQUIRED IMMUNIZATIONS (KidsData, 2020)

97% OF CHILDREN 0-5 IN LAKE COUNTY HAVE HEALTH INSURANCE AND 82% ARE ENROLLED IN MEDI-CAL (F5 Center for Children's policy, 2023)

Education

Childcare is available and children are ready for kindergarten.

35% OF CHILDREN 0-5 IN LAKE COUNTY HAVE ACCESS TO LICENSSED CHILDCARE (NCO & LCOE, 2023)

33% OF KINDERGARTEN STUDENTS IN LAKE COUNTY WERE KINDERGARTEN READY (KEDP, 2022)

Development

Identify children in need of additional resources or services.

5.52% OF THE 0 TO 3-YEAR-OLD POPULATION IN THE REDWOOD COAST REGIONAL CENTER CATCHMENT AREA ARE SERVED BY EARLY START (F5A, 2021)

Economic Security

Sustainable income and above the Federal Poverty Level

CHILD POVERTY RATE: Percentage of children under the age of 18 living in poverty
1 IN 4 CHILDREN IN LAKE COUNTY LIVE IN POVERTY (US Census, 2021)

UNEMPLOYMENT RATE (California EDD, 2023)
LAKE COUNTY 5.5%
CALIFORNIA 4.5%

MEDIAN HOUSEHOLD INCOME (US Census, 2022)



Ages & Stages Flagged Delays

Data not readily available at this time

Protective Factors

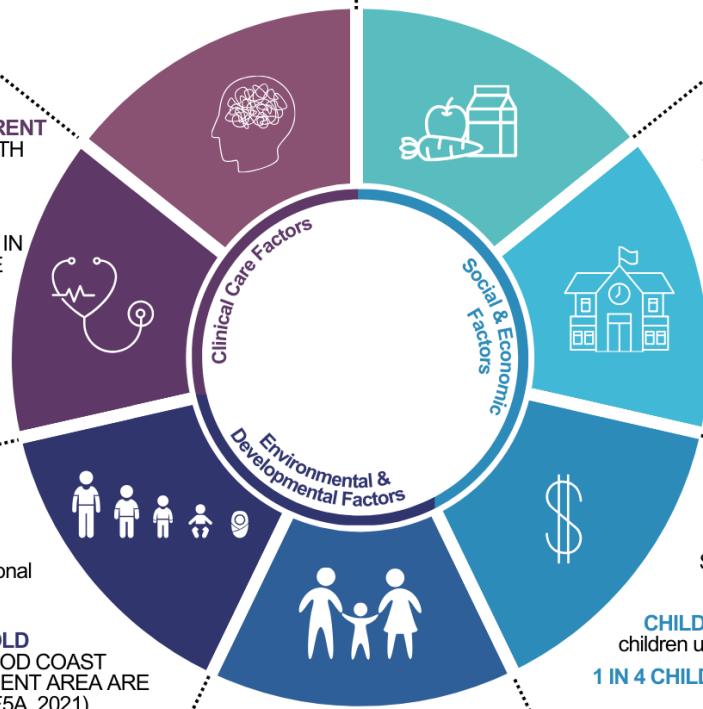
Characteristics that have been shown to strengthen families and increase positive outcomes.

CHILD ABUSE & NEGLECT: Substantiated cases per 1,000 children (CCWIP, 2022)
LAKE COUNTY: 7.4
CALIFORNIA: 6.1

DOMESTIC VIOLENCE: # of domestic violence-related calls for assistance per 1,000 adults (CA DOJ, 2022)
LAKE COUNTY 9.3
CALIFORNIA 5.3

SINCE 2015 **OVER 60% OF LAKE COUNTY HAS BURNED** AND **38 OUT OF 45 LAKE COUNTY COMMUNITIES LIVE IN HIGH THREAT OF FIRE** (Lake County Community Wildfire Protection Plan, 2022)

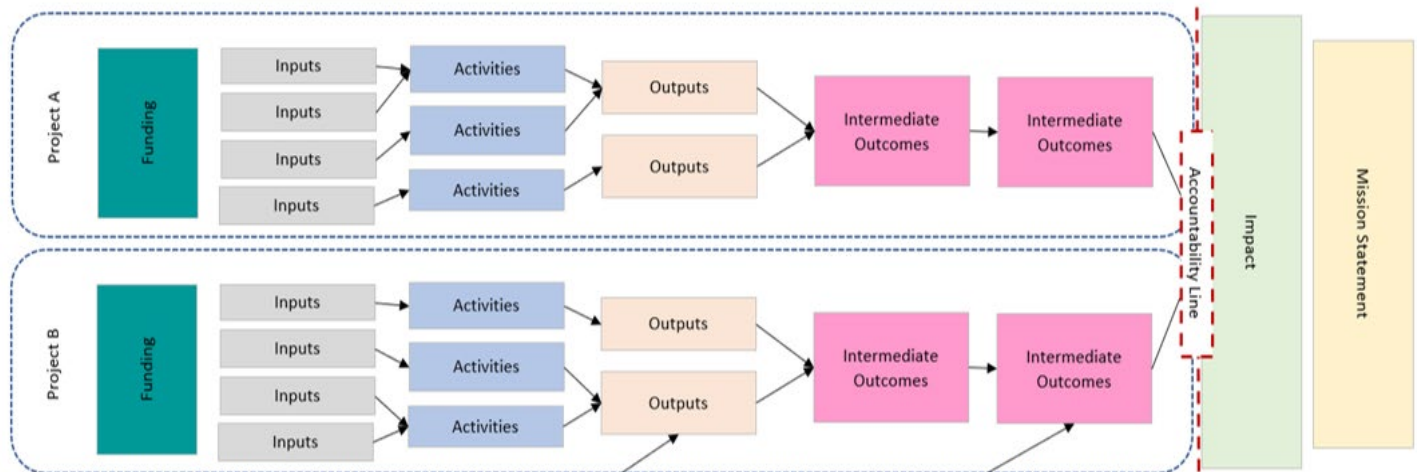
HOUSEHOLDS IN LAKE COUNTY WITH **BROADBAND INTERNET** (US Census, 2021)
82.9%



STRATEGIC PLANNING PROCESS & FRAMEWORK

Theory of Change

The Theory of Change is a comprehensive and dynamic framework that serves as a roadmap for understanding how and why an initiative is expected to lead to desired outcomes. It provides a strategic approach to planning, implementing, and evaluating programs or interventions by outlining the necessary steps and underlying assumptions that connect activities to intended impacts. At its core, the Theory of Change is a visual representation of the causal relationships between inputs, activities, outputs, outcomes, and impacts.



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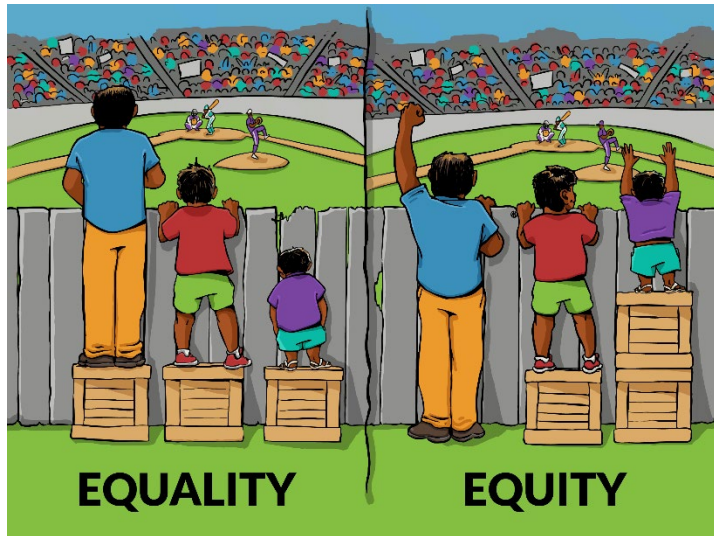
In essence, the Theory of Change delves into the logic behind an intervention, illustrating the sequence of events and factors that are anticipated to produce the desired change. It goes beyond a linear cause-and-effect model, considering the complexity of social systems and acknowledging the multiple pathways through which change can occur. This framework encourages stakeholders to articulate their assumptions, making implicit beliefs explicit and facilitating a more transparent and nuanced understanding of the intervention's theory.

An effective Theory of Change guides program design and implementation and becomes a valuable tool for monitoring and evaluation. It enables organizations to track progress, identify areas for adaptation, and assess the contribution of specific activities to the overall impact. Ultimately, the Theory of Change is a powerful tool for fostering accountability, learning, and continuous improvement within the realm of social interventions and program development.

⁵ Center for Theory of Change <https://www.theoryofchange.org/what-is-theory-of-change/>

Target Universalism

Targeted Universalism represents the pursuit of universal goals or objectives through measures, programs, or interventions that are specifically tailored or targeted. This approach distinguishes itself from universal strategies and policies, where both the goals and implementation processes are universally applied, treating everyone alike. In the framework of Targeted Universalism, the objectives remain universal, but the implementation processes are precisely targeted. This sets it apart from targeted policies, which initiate with specific goals for particular groups.



The essence of Targeted Universalism lies in its commitment to elevating all groups toward a shared aspiration point, even though the paths or efforts to attain that goal may vary. This nuanced approach recognizes and addresses the unique needs of different groups while maintaining a universal vision for the ultimate objectives.⁶

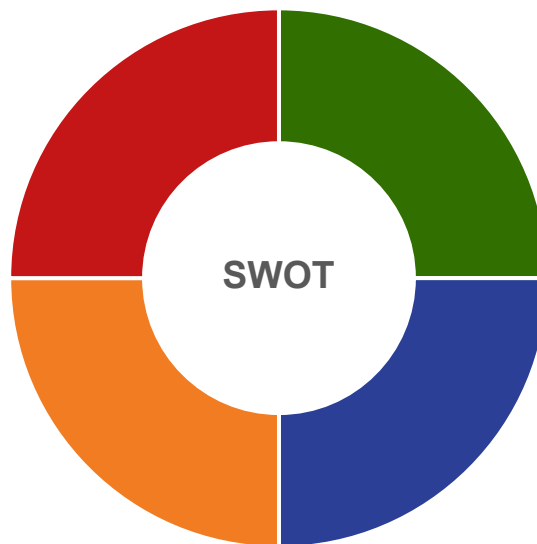
SWOT Analysis

STRENGTHS

- Adapting to a fast-changing world
- Supporting developmental screenings, parent education, and the health of families
- Connecting the community of service providers and collaborating with partners.
- Being a trusted brand and focusing of the first 5 years

OPPORTUNITIES

- Enhance diversity and inclusion responsiveness.
- Increase bilingual information accessibility.
- Provide early intervention and guidance for new parents.
- Foster increased collaboration and planning for funded programs.
- Improve local visibility and awareness for First 5.



WEAKNESSES

- Not enough bilingual information
- Awareness and reach
- Implementation capacity
- Limited data
- Staffing and capacity constraints

THREATS

- Rapidly declining funding
- Changing policy & legislative landscape
- Competition for resources
- External factors impacting families

⁶ Interaction Institute for Social Change (2016) Illustrating Equality vs Equity

PURPOSE, VISION, AND OUR VALUES

Purpose:

First 5 Lake promotes early childhood well-being by supporting the social-emotional, physical, and educational needs of children ages 0 to 5 for their health and future success.

Vision:

Every child in Lake County has the opportunity to thrive and reach their full potential.

Core Values:

Integrity

Upholding integrity by doing the right thing, even in the absence of oversight, and ensuring transparency in our programs and services.

Collaboration

Engaging with the community, fostering a spirit of inclusivity, and actively seeking complementary collaboration to find a space where collective efforts thrive.

Commitment

Dedication to the values and goals and to serve the community.

Reliability

Maintain a continuous and consistent presence as a committed partner in the community.

Accountability

Assuming responsibility for the outcomes of our community programs and services by engaging in ongoing evaluation of both quantitative and qualitative data to optimize the best outcomes.

PRIORITY AREAS

The strategic plan is structured around four (4) primary priority areas: Child Health, Child Development, Family Support, and Systems of Care. These areas are designed to align with the original purpose of the Children and Families Act and are in accordance with the reporting structure of First 5 California. The priority areas are defined as:

Child Health:

Fostering optimal health by identifying, treating, and mitigating risks that jeopardize children's well-being, potentially resulting in developmental delays and disabilities in young children.

Child Development:

Focusing on educating, screening, and ensuring the availability of high-quality, accessible, and affordable child development programs and early education, both within homes and at facilities.

Family Supports:

Providing parents, families, and communities with relevant, timely, and culturally appropriate information, education, services, and supports.

Systems of Care:

Practices that improve and promote collaboration and communication across systems to meet the needs of children and families and can be a model for system partners.

The aim is to move the outcomes of these priority areas closer to or better than the California Average to improve the overall well-being of children and families within Lake County. Based on these definitions, we have established goals and objectives with strategic outcomes to steer our work over the next five years.

Priority I: Child Health

All children receive health supports prenatal through age 5 and child health care services prioritize prevention measures, diagnostic screenings, and perinatal maternal health care services.

Objectives	Result Area	Strategy	Outcome
Families have access to perinatal supports.	Perinatal & Early Childhood Home Visiting	Home Visitor and Doula trainings and coordination efforts.	Increased access and utilization of perinatal health care.
	General Health Education & Promotion	Outreach and education about the importance of early and regular prenatal care.	
	Prenatal & Infant/Toddler Pediatric Supports	Provider and parent education around Perinatal Mood Anxiety Disorders and Infant & Early Childhood Mental Health.	
Families have access to and knowledge of Early Care and Education Programming.	General Health Education & Promotion	Information and education about the value of regular well child visits.	Increased access to preventive medical and dental care for children ages zero through five.
Children have access to oral health services and education.	Oral Health Education & Treatment	Oral Health education and treatment services.	Increase the number of children receiving oral health screenings.
Children’s basic needs are met.	General Health Education & Promotion	Appropriate nutrition services and resources (to include breastfeeding).	Increased number of children whose basic needs are met.
		Diaper resources for families.	
Children live in safe and stable environments	General Health Education & Promotion	Safe environment practices, instruction, and support.	Decreased deaths and injuries to children ages zero through five.

Priority 2: Child Development

All children birth through age 5 have high-quality, nurturing environments that meet the social, emotional, physical, and cognitive needs of young children.

Objective	Result Area	Strategy	Outcome
The Early Care and Education (ECE) field offers high quality educational instruction and environments for young children.	Quality Early Learning Supports	ECE provider trainings and resources.	Increased knowledge and application of high-quality education amongst ECE providers.
Families have access to and knowledge of Early Care and Education Programming.	Quality Early Learning Supports	Outreach and education about what qualifies as high-quality care, what UPK resources are available and how to access all types of care.	Increased opportunities for parents to choose the ECE setting that best meets the needs of their children.
Children receive early screening and intervention for developmental delays and other special needs.	Early Intervention	Developmental screenings	Increased number of children screened for a developmental delay prior to entering kindergarten.

Priority 3: Family Support

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

Objective	Result Area	Strategy	Outcome
Families and those that serve them understand child development	Targeted Intensive Family Support Services	Family strengthening activities (to include but not be limited to parenting education).	Increased understanding of child development and utilization of positive parenting practices.
	General Family Support	PACEs and Developmental Milestones outreach and education information.	
Families have access to community supports and resources.	General Family Support	Resource and referral information to families with young children.	Increased accessibility of services /or activities to parents of/and children prenatal through age five.
		Playgroups	Increased community engagement.
Families read to their children on a regular basis.	Family Literacy and Book Programs	Early literacy reading and education efforts.	Increased reading practices of families with children ages zero through five.

Priority 4: Systems of Care

Systems practice and promote collaboration and communication across systems to meet the needs of children and families.

Objective	Result Area	Strategy	Outcome
Services are responsive to the needs of children and their families.	Systems Building	First 5 participates in collaborative efforts that impact families with young children.	Systems servicing children and their families are integrated, interconnected, equitable, and accessible.
State, county and local policies and practices effectively serve families with young children.	Policy and Public Advocacy	First 5 will monitor state, county and local policies and practices that impact young children and their families.	
Lake County has the resources necessary to implement and sustain high-impact initiatives that serve families with young children.	Systems Building	First 5 will leverage and expand existing funding that supports services to families with young children.	

Every child in Lake County has the opportunity to thrive and reach their full potential.

CORE VALUES

COLLABORATION

Engaging with the community, fostering a spirit of inclusivity, and actively seeking complementary collaboration to find a space where collective effort thrive.

RELIABILITY

Maintain a continuous and consistent presence as a committed partner in the community.

COMMITMENT

Dedication to the values and goals and to service the community.

INTEGRITY

Upholding integrity by doing the right thing, even in the absence of oversight, and ensuring transparency in our programs and services.

ACCOUNTABILITY

Assuming responsibility for the outcomes of our community programs and services, by engaging in ongoing evaluation of both quantitative and qualitative data to optimize the best outcomes.

CHILD HEALTH

All children receive health supports prenatal through age 5 and child health care services prioritize prevention measures, diagnostic screenings, and perinatal maternal health care services.

FOCUS OF CHANGE

FAMILY SUPPORTS


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

SYSTEMS OF CARE

Systems practice and promote collaboration and communication across systems to meet the needs of children and families

CHILD DEVELOPMENT

All children birth through age 5 have high-quality, nurturing environments that meet the social, emotional, physical, and cognitive needs of young children.



First 5 Lake promotes early childhood well-being by supporting the social-emotional, physical, and educational needs of children 0-5 for their health and future success.

SUSTAINABILITY PLAN

FY2023 – FY2028

Purpose of the Plan

This Long-Range Sustainability Plan is intended to strengthen the organization's fiscal discipline and support the financial stewardship role of the Prop 10 funding by projecting the long-term implications of fiscal actions taken by the First 5 Lake Commission. The plan ensures that the majority of the Prop 10 funding is utilized within the County of Lake and includes a multi-year outlook of current anticipated revenues, as well as established annual administrative and programmatic limits against forecasted revenue and fund balance.

Specifically, the Long-Term Financial Plan utilizes the following overarching approach:

- Uses the most recent audited fund balance as a starting point (July 1, 2022 - June 30, 2023) to update actual revenues and expenditures;
- Includes updated revenue forecasts based on the most current available data from the Department of Finance (DOF) and California Department of Tax and Fee Administration (CDTFA), which reflects the impact due to Proposition 31;
- Includes actual and forecasted spending in support of Strategic Plan goals;
- Includes project expenditures for all investments approved by the Commission, including those that have received a multi-year allocation and Investments Prior to Strategic Plan 2024-2029; and
- Forecasts ending fund balance for each fiscal year through June 30, 2028.

This plan represents a fiscal stability system that considers the long-range financial implications of current and proposed policies, programs and assumptions; assesses needs, trends, opportunities, and potential shortfalls the commission will face in the future and actions needed to address these issues; and forecasts future revenues, expenditures, and reserves.

Background

The Commission last reviewed its Long-Range Financial Plan in April 2023. That review encompassed the 5-year period between FY22-23 to FY26-27. The revised draft includes extending the plan one year into the future. The plan also reflects the Commission's current commitment to funding services for one year commencing in FY23-24 and aligning these services to the Strategic Plan. The revenue and expenditures presented for FY23-24 are based upon the annual budget approved at the First 5 Lake Commission's April 2023 meeting and subsequent revision at the February 2024 meeting.

Over the past several years, First 5's across California have experienced reduced income due to the decrease in tobacco tax revenue. The passage of Prop. 38, a ban on tobacco flavors, has created a drastic decline in tobacco revenues. While First 5 Lake has experienced declining revenue, the generous provision of the Small Population County Funding Augmentation (SPCFA) from First 5 California (F5CA) has helped sustain the organization over the years.

Strategic Roadmap

The First 5 Lake Commission has been operating within the framework of its 2019-2024 Strategic Plan which is reviewed annually. And is entering into a new strategic framework beginning 2024-2029.

Context of the Sustainability Plan

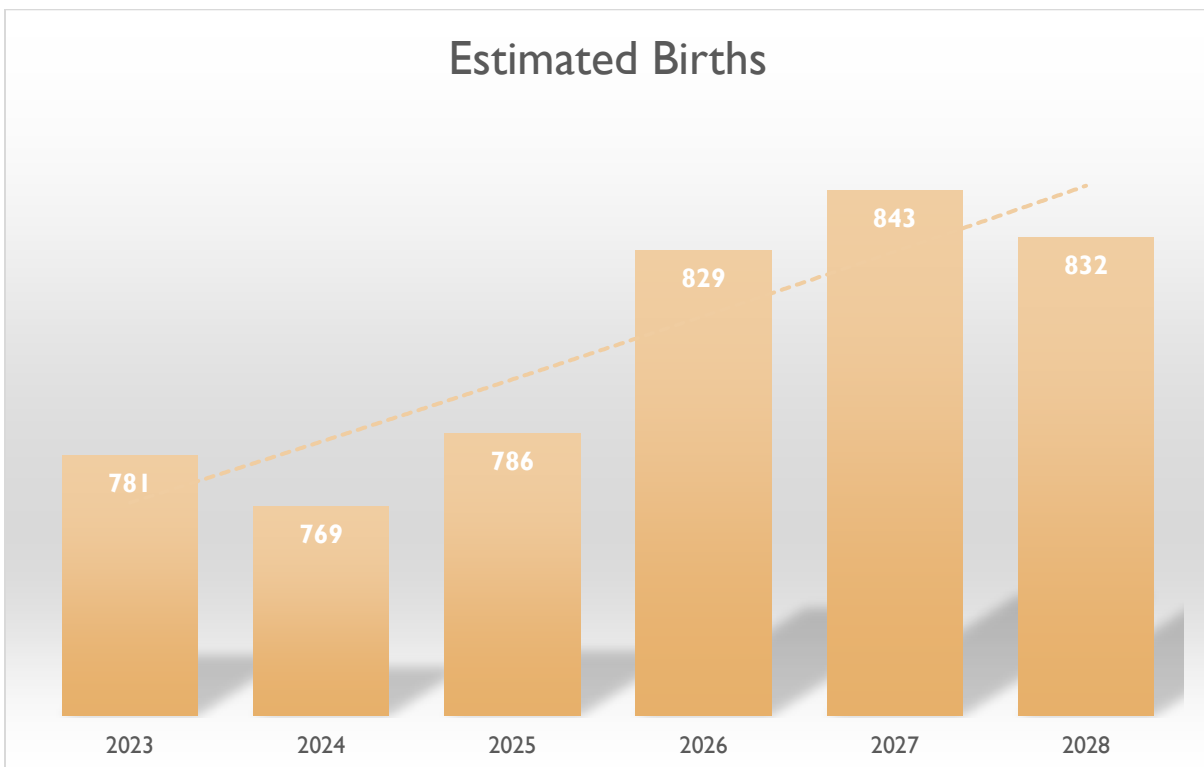
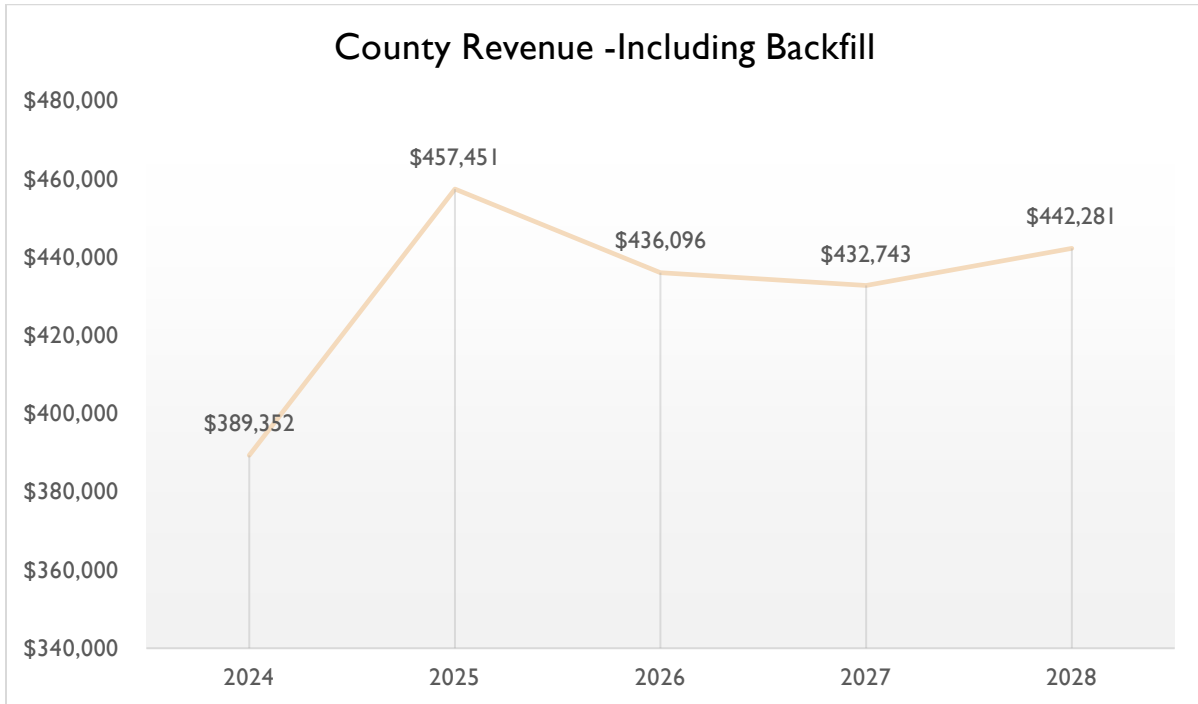
Knowns:

- The Small Population County Funding Augmentation was approved by First 5 CA through FY 2024-25, setting an annual grant amount of \$161,377 per year, regardless of Prop.10 revenues.
- The Home Visiting Technical Assistance Grant has one more year on the contract in the amount of \$165,870.
- New contracts are set to be in place before July 1, 202 for a three-year period with a not to exceed \$750,000 (or \$250,000 per year).
- If F5L's fund balance declines, interest income will also decline.

Assumptions:

- Prop 10 funding will continue to decline at a greater rate with the flavor ban that was approved by voters in November 2022.
- Current staffing structure will remain in place (a full-time Executive Director and a full-time First 5 Support Specialist) and will be paid in accordance with the County of Lake salary grade/step reports. Cost of living increases of 3% have been included but are not guaranteed.
- The SPCFA will be renewed in July 2025, but at an unknown amount. (The First 5 California Commission approved continuation of the SPCFA but specific details on the amount to be received by First 5 Lake has not been discussed at this time).
- Office equipment will continue to depreciate and require replacement on a regular schedule.

The following data sets have been provided by the Department of Finance and First 5 California regarding the forecasted Prop 10 and Prop 56 revenues, and anticipated birth rates for the County of Lake:



Strategies:

- The First 5 Lake Commission will reduce spending in FY24-25 in order to not spend reserves.
- The First 5 Lake Commission will ensure that a minimum of a year of operations remains in reserves to ensure there is enough cash flow to cover costs should funding end or be delayed.
- The First 5 Lake Commission will reduce spending in discretionary special projects, travel/transportation, and evaluation if funding continues to decline.
- The First 5 Lake staff and Commissioners will advocate for new sources of revenue to fund First 5 CA that are not tied to the declining tobacco tax revenue.
- First 5 Lake staff will shift a greater portion of their time toward service provision and systems building in order to keep administrative spending beneath the 20% threshold established by the Commission.
- Multi-year grant awards will decrease to ensure there is adequate cash flow to sustain First 5 operations and maintain fund balance.

Summary

The strategy of the Plan as presented is adequate for First 5 Lake operations through FY 2027-28 but will need to be adapted to be sustainable in future years if the SPCFA income is decreased or eliminated and Prop.10 revenue continues to decline.