

SUMMARY ACTION MINUTES

REGULAR MEETING FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

Thursday, December 4, 2025, 9:00 A.M.

Orange County Transportation Authority Conference Center
550 South Main Street
Orange, California

SOLEDAD L. RIVERA
Chair

VICENTE SARMIENTO
Vice Chair

RAMIN BASCHSHI, MD
Commissioner

MADELYNN HIRNEISE
Commissioner

VERONICA KELLEY, DSW, LCSW
Commissioner

YVETTE LAVERY, MPA, MBE
Commissioner

KATY MCINNES
Commissioner

IRENE SALAZAR
Commissioner

AN TRAN
Commissioner

ATTENDANCE: Commissioners Baschshi, Hirneise, Kelley, Lavery, McInnes, Rivera, Salazar, Sarmiento and Rodriguez (Alternate for Tran)

EXCUSED: Commissioner Tran

PRESENT: PRESIDENT/CEO
COMMISSION COUNSEL
CLERK OF THE COMMISSION

Kimberly Goll
Cassie Trapesonian
Jamie Ross, Deputy

PLEDGE OF ALLEGIANCE

Pledge of Allegiance led by Commission Counsel, Cassie Trapesonian

PRESENTATIONS: (Item 1)

1. Receive Presentation on Family, Infant, Early Childhood Mental Health Roadmap

RECEIVED

SUMMARY ACTION MINUTES

CONSENT CALENDAR: (Items 2 – 6)

4 10 12356789 **APPROVED AS RECOMMENDED**

x

2. Approve First 5 Orange County Meeting Calendar for 2026
3. Adopt Fiscal Year 2026-27 Employer and Employee Retirement Contribution Rates as established and adopted by the Orange County Employees Retirement System
4. Appoint Tiberina Ugarcovici to the First 5 Orange County Technical Advisory Committee
5. Approve update to Policy 2.09 Teleconferencing
6. Approve new Standard Form Program Services Agreement

PUBLIC HEARING: (Item 7)

7. Conduct Public Hearing for Financial Statements

C.O. **CLOSED PUBLIC HEARING**

871234569 10 **APPROVED AS RECOMMENDED**

x

REGULAR ITEMS: (Items 8 - 9)

8. Receive update on Detect & Connect OC Activities

RECEIVED

9. Adopt resolution authorizing agreement with Health+ Studio to support implementation of the Family, Infant, Early Childhood Mental Health Roadmap

271345689 10 **APPROVED AS RECOMMENDED**

x

RESO: 25-046 C&FC

PRESIDENT/CEO REPORT: (Item 10)

10. Receive the President/Chief Executive Officers Report
 - a. Upcoming Consultant Request for Qualifications (RFQ)
 - b. Contract renewal for CalWORKS Home Visiting
 - c. Update on Jobs First Activities
 - d. Child Care Summit follow up
 - e. Financial update
 - f. Action Plan update

RECEIVED

PUBLIC & COMMISSION COMMENTS:

PUBLIC COMMENTS: None

COMMISSION COMMENTS:

Chair Rivera – Oral Re.: Wished everyone a happy holiday season.

SUMMARY ACTION MINUTES

CLOSED SESSION: (Item 11)

11. Closed Session will be Held as follows:

- a. Pursuant to Government Code Section 54957.6, to Meet with the Designated Representative, Chair Soledad Rivera, Regarding the Compensation of the President/CEO

C.O. **HELD; NO REPORTABLE ACTION**

SPECIAL CALENDAR: (Item 12)

12. Approve President/Chief Executive Officer Employment Agreement

8 10 12345679 **APPROVED AS RECOMMENDED**

x

ADJOURNED: 10:25 A.M.

*** KEY ***

Left Margin Notes

1 Ramin Baschshi, MD	A = Abstained
2 Madelynn Hirneise	X = Excused
3 Veronica Kelley, DSW, LCSW	N = No
4 Yvette Lavery, MPA, MBE	C.O. = Commission Order
5 Katy McInnes	
6 Soledad L. Rivera	
7 Irene Salazar	Reso = Resolution
8 Vicente Sarmiento	Ord = Ordinance
9 An Tran	
10 Veronica Rodriguez (Alternate)	

(1st number = Moved by; 2nd number = Seconded by)

/s/

SOLEDAD L. RIVERA

Chair

/s/

Jamie Ross, Deputy
Clerk of the Commission



1505 E. 17th Street, Suite 230
Santa Ana, CA 92705
714-834-5310 first5oc.org

Commissioners:

Soledad Rivera, Chair, Vicente Sarmiento, Vice Chair
Ramin Baschshi, M.D., Veronica Kelley Ph.D., Madelynn Hirneise
Yvette Lavery, Katy McInnes, Irene Salazar, An Tran

CEO/President: Kimberly Goll

**Agenda Item 1
December 4, 2025**

DATE: November 12, 2025

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO

A handwritten signature in cursive script that reads "Kimberly Goll".

ACTION: Receive Presentation on Family, Infant, Early Childhood Mental Health Roadmap

In 2023, First 5 Orange County contracted with Health+ Studio to facilitate the development of a countywide vision for Orange County's Family, Infant, and Early Childhood Mental Health (FIECMH). Additionally, Health+ Studio was tasked with developing a roadmap to outline how county partners can work together to create a robust and responsive mental health continuum of care for families with young children. This process was a collective effort, with the intentional engagement and participation of community partners, county agencies, and families from across the county at every step of development.

Sara Brown, Vice President of Health Systems and Family Resilience, Yvette Nunez, Program Officer, and Sara Silverio Marques from Health+ Studio will present an overview of the process, vision, and roadmap, and discuss recommended next steps. Sara Marques is the co-founder of Health+ Studio and an experienced public health leader. She has developed and implemented many public health programs and has extensive experience with capacity building and training around effective program design in childhood trauma, including experience with improving health outcomes for children impacted by adverse childhood experiences (ACEs).

ATTACHMENTS:

1. Presentation on FIECMH Roadmap
2. Roadmap Report

CONTACT: Sara Brown and Yvette Nuñez



Family, Infant, Early Childhood Mental Health in Orange County

December 5, 2025

Agenda

- Background
- Project Overview
- A Vision for FIECMH
- Recommendations
- Next Steps





Why is FIECMH Important?

- Lifelong mental health starts at birth/perinatally, setting the foundation to form relationships, and express and manage emotions
- Prevention occurs in the early years of life with attention to social and emotional development
- Families continue to experience effects of the COVID-19 pandemic on their mental health and well-being
- Families report struggling to meet basic needs like housing, food, and childcare
- Political climate is causing fear and uncertainty for many

Why a County Plan?

Fragmented funding for early childhood mental health

- Differences in how the term was interpreted/used
- Little coordination between service providers
- Services based on funding and not community needs
- Shifts away from promotion and prevention

Data and stakeholder input validates the need

- Mental health as a priority in the most recent OC Community Health Improvement Plan
- Early Development Index (EDI) data indicate a drop in emotional maturity in kindergarteners





We Work In Service of Making Health Possible For All

Health+ is a social impact agency.

We bring together our expertise in public health and best-in-class marketing to improve the design, engagement, and impact of strategies that promote health and well-being.

Our expertise is in supporting partners that seek to improve the health and well-being of children, adolescents, families, and communities.



Project Overview



Developing the Roadmap for FIECMH in Orange County

With funding from First 5 and HCA, Orange County partners have been working together since early 2024 to develop a community-envisioned continuum of care for family, infant, and early childhood mental health, and to collaboratively create a roadmap for how it will be realized and sustained.



A Community Engaged Process



FAMILIES

Community members,
including parents and
primary caregivers



COMMUNITY PARTNERS

CBOs, providers, and
other family-serving
organizations

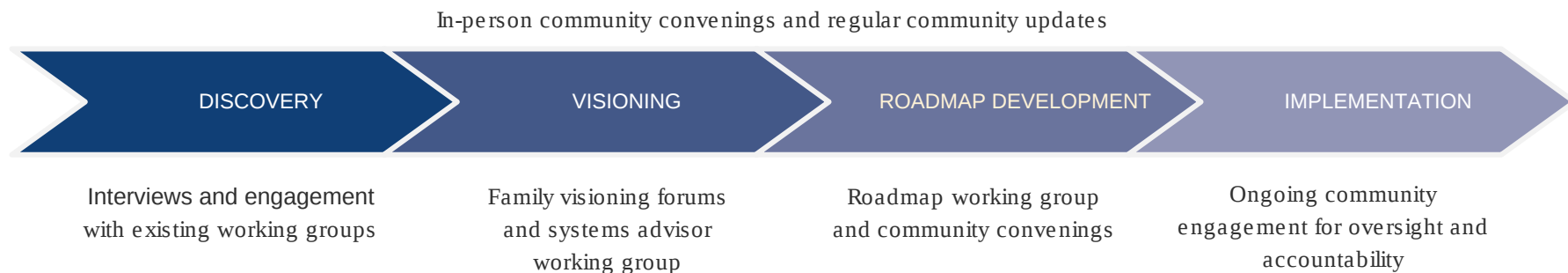


SYSTEM PARTNERS

Local and county agencies,
health systems

KEY INTEREST HOLDERS

A Community Engaged Process



Approximately **300** individuals, representing over **70** local organizations, contributed to the development of the vision and roadmap.

A working group of **17** community partners including First 5, SSA, OCDE, HCA, CHOC, local CBOs, as well as families, worked together to guide the development of the roadmap.

Grounding Our Work



What Is FIECMH?

PROMOTION



PREVENTION



INTERVENTION



FIECMH stands for **Family, Infant, and Early Childhood Mental Health** .

The roots of lifelong mental health—and health and well-being more broadly—begin early, even before birth. For everyone to be as healthy and well as possible, emphasizing early, proactive, and protective support versus reactive treatment is key.

FIECMH is about a child's growing ability to:

- Form **close and safe relationships** .
- Feel, handle, and show **all kinds of emotions** .
- Explore their world and learn .

Mental health is a **very important part of a child's overall development** and can impact their **well-being for their whole life** .

Why Include the Family in FIECMH?

While our systems of care often focus on either children or adults separately, FIECMH recognizes the interconnected nature of mental health between a child and their primary caregiver(s), and the role that support services can have for the well-being of both.



A child's family has **avery strong impact on their early life** .



The mental health of a child is **tied closely to the mental health of their family members** .
This means **everyone's well-being affects everyone else** in the family.

Promoting mental health, preventing mental health problems, and treating mental health conditions for families with young children means giving **mental health support to the *whole family*—not just the child** .

What Is a FIECMH Continuum of Care?

The **FIECMH Continuum of Care** is a range of promotion, prevention, and intervention supports and services that meet the mental health needs of children and families in various ways, including communitywide resources as well as individual, family, and group-based interventions, diagnosis, treatment, and care.

Promotion	Prevention	Intervention
Promoting and enhancing social and emotional well-being, reducing risks or stressors that may lead to mental health challenges, and surrounding children and their families with safe, stable, and equitable environments	Addressing mental health before a specific mental health condition has been identified, and intervening to minimize future mental health problems through universal, targeted screening and service navigation	Ensuring access to services that support assessment, diagnosis, treatment, and care focused on addressing early signs of mental health concerns, ongoing concerns, and crisis intervention

The Vision for Orange County



A Countywide, Community - Defined Approach

We envision an Orange County that **supports the mental health** of every child and family, helping them thrive at home, in school, within the community, and throughout their lives. **From pregnancy through age 8**, families are empowered by a community that works to promote mental health, reduce risks, and ensure access to support through a **comprehensive continuum of care**. Mental health is not only treated, but also valued and nurtured—**building resilience, strong families, and a connected community**.



Source: [OC FIECMH Vision Statement](#)

A Countywide, Community - Defined Approach

The OC FIECMH Continuum of Care is . . .	It includes a range of opportunities, supports, and services, such as . . .
● Comprehensive—inclusive of promotion, prevention, and intervention ● Responsive to and reflective of the Orange County community ● Accessible ● Welcoming and communal ● Cohesive and connected ● Sustainable	● Parenting classes and coaching ● Affordable and convenient childcare ● Help for families experiencing financial stress ● Clinical services that are easy to get to, affordable, and respectful of different cultures ● Safe spaces for families to play, like parks, recreational centers, and gathering places

Strengthening the FIECMH Continuum of Care



How Families and Community Partners Envision a Robust Continuum of Care

1. **Basic needs are met** (stable housing, living wages, quality childcare).

2. Families experience **belonging** in their communities and have **relationships** with neighbors and others outside their families that strengthen their resilience.

3. **Enrichment** is available **for the whole family** in the form of safe and welcoming parks, accessible recreation, and cultural opportunities.

4. Childcare providers and other non-clinical **professionals** who work with families **understand how their work supports FIECMH** and **have the tools** to do so.

5. Services for families provide a **welcoming environment** and intentionally communicate acceptance, belonging, and care.

6. **Services collaborate and communicate seamlessly** to ensure families receive the care they need with minimum friction.

7. Families receive **support to manage behavior** and **other challenges** while they wait for assessment or treatment.

8. Families are **quickly assessed and connected** with appropriate services.

9. Parents and caregivers **understand child development and behavior** well enough to identify when and how to **seek help *before* experiencing a crisis**.

10. Families have **access to activities** such as peer groups, parenting classes, and developmental playgroups that **help them support child development** and identify when a child may need extra help.

The Roadmap

FIECMH Network

A structure for building, monitoring, and sustaining the FIECMH Continuum of Care.

Priorities

The most important areas of the continuum to strengthen

Developed through the visioning process

Strategies

Cross-cutting approaches to address the priorities

Developed in collaboration with advisory groups

Actions

Key steps for each strategy to bring OC closer to a complete continuum

Developed in convenings and with advisory groups

Priorities for Strengthening the Continuum of Care



Basic needs are met (stable housing, living wages, childcare, and safety)



Families **understand early child development and mental health** well enough to identify when and how to seek help *before* reaching a crisis.



Families **get timely help** to figure out what support they need and to be connected with appropriate services.



Families have **access to opportunities that promote FIECMH and support healthy child development** .

Strategies for Strengthening the Continuum of Care

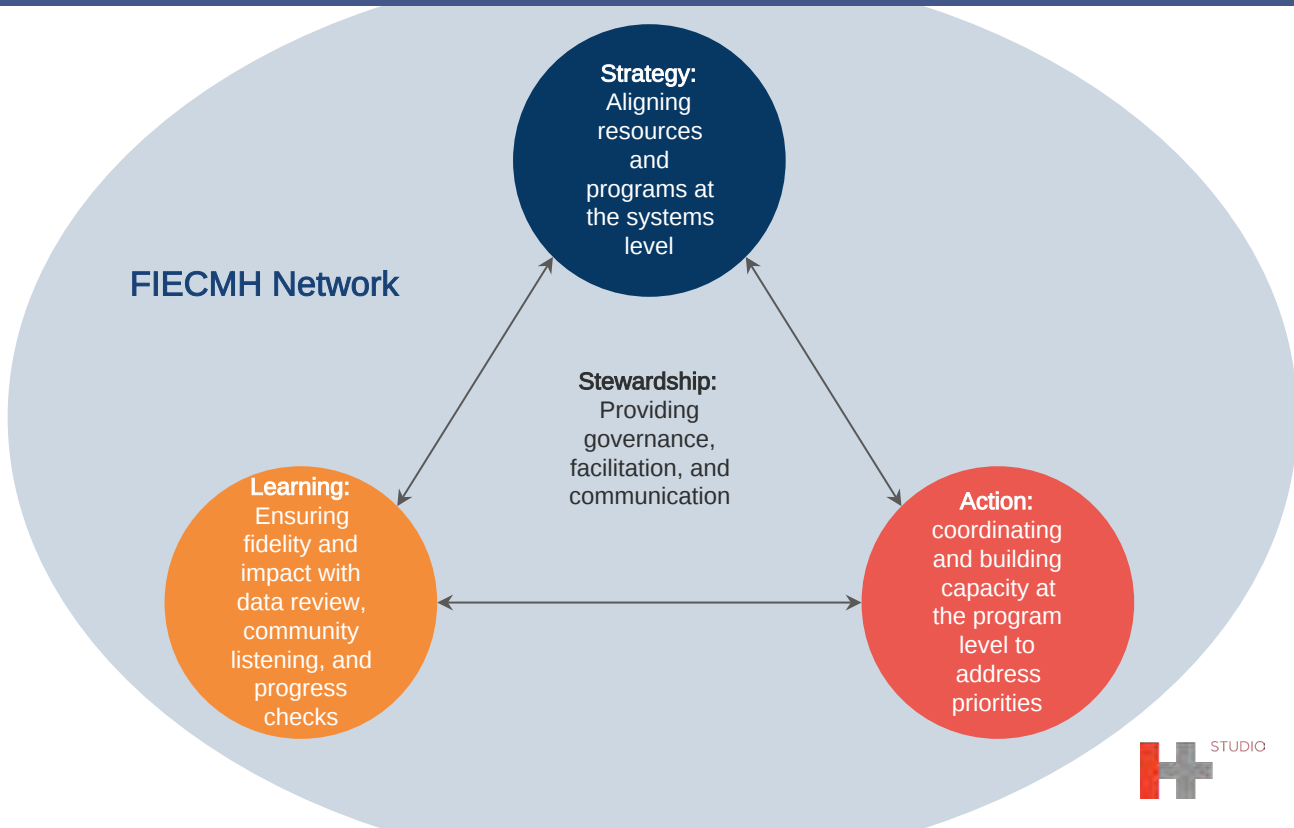
- Enhance Navigation and Accessibility to Services
- Increase Knowledge and Awareness
- Strengthen Capacity at the Organizational and Systems Levels
- Empower Informal Networks and Community-Based Initiatives
- Create and Sustain a Focused, Reflective, and Responsive System

Achieving a Unified and Coordinated Approach to FIECMH

Key Roles and Guiding Principles to Advance the Roadmap

Guiding Principles:

- Secure cross-sector, multi-agency support
- Cultivate and embed FIECMH expertise
- Focus on action
- Monitor progress and evaluate outcomes
- Build on what exists
- Continue to engage the community



Next Steps for First 5 Orange County

- Contract with Health+ to ensure that the momentum built through this process doesn't falter in the transition to implementation
- Leverage First 5 OC's capacity to serve in a backbone role, in partnership with Health+, to implement the following:
 - Identify governance structure and steering committee
 - Develop charter
 - Continue engagement with community partners and families with young children
- Return to the First 5 OC Board with update on FIECMH

A Roadmap for Family, Infant, and Early Childhood Mental Health in Orange County



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A Message from the Roadmap Working Group

The FIECMH Initiative launched in January 2024 with the goal of bringing the Orange County community together to find better ways to meet the mental and behavioral health needs of families with young children living in Orange County. There was a growing consciousness around the need to address mental health across the community, along with national efforts bringing attention to the importance of promoting mental health in early childhood as a protective factor for both caregiver and child. At the same time, expected changes to the funding landscape were creating increased uncertainty around the availability of supports and services focused on early childhood mental health.

The result of the past two years of work is the **Orange County Roadmap for Family, Infant, and Early Childhood Mental Health (FIECMH)**. This Roadmap is a guide for implementing and sustaining the community's vision for supporting FIECMH in Orange County—a vision that was codeveloped with input from community members from across the county. Together, we identified four areas as being most significant for improving mental health and well-being for families with young children, and then developed strategies and actions for addressing them.

We hope that you will join us as we move toward implementing these strategies and actions—whether in a leadership capacity, by bringing recommendations from the Roadmap into your workplaces or communities, or simply by talking about these efforts with someone new to FIECMH. However you choose to participate, we are grateful for the work you do to support families and young children and look forward to working with you to bring our community's vision for family, infant, and early childhood mental health to life.

In collaboration,
The OC FIECMH Roadmap Working Group

Lisa Armus

Program Supervisor
All for Kids

Sandy Avzaradel, MSEd, IECMH-E®

Founder and Executive Director
Start Well Family, Infant, Early Childhood Mental Health Consultation
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Valerie Brauks, MA, FAPA

Executive Director
Children and Families Coalition
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Vice President of Health Systems and Family Supports
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Cynthia Perez

Parent, Member and Administrator
Careshare OC

Janira Perez

Director of Strategic Program Development
MOMS Orange County

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Founder and Executive Director
OMID Multicultural Institute for Development
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Vice President of Community Impact Programs
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Assistant Deputy Director of Children and Youth Services,
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Orange County Health Care Agency
Alternate: Alicia Lemire, Senior Health Services Manager

Michelle Smith

MHSA Senior Manager, MHSA Program Planning & Administration
Orange County Health Care Agency

Cheryl Vargo, MS Community Health Manager, Orange County Service Area
Kaiser Permanente, Southern California Region

Michael Weiss, DO

Vice President of Population Health
Children's Hospital of Orange County (now part of Rady Children's Health)
Alternate: Terri Iler, EdD; Director of Community Clinical Outreach

Why Read This Report



This report presents a vision for family, infant, and early childhood mental health (FIECMH) in Orange County, grounded in community expertise and an understanding of family needs. It also presents a plan for making this vision a reality for all families across the county. This work serves as a North Star for FIECMH in Orange County.

This report is for Orange County system and community partners that form the perinatal and early childhood network of care, including policy- and decision-makers, stewards and funders, family-facing providers, and community champions and advocates.

Key Takeaways

The Orange County Vision for Family, Infant, and Early Childhood Mental Health:

- Focuses on children and their families from prenatal to age 8
- Recognizes that children's mental health & well-being are interconnected with those of their primary caregivers
- Emphasizes that mental health—specifically social and emotional health—is a critical aspect of overall health and development
- Calls on those who interact with families with young children in diverse settings to support family mental health

Systems are always evolving, and the context that informs this plan will shift. To remain adaptable and responsive, the plan presents recommendations for key priorities and strategies and how to strengthen oversight, accountability, and coordination across the OC FIECMH Network.

Community partners have outlined ways to strengthen & sustain the FIECMH continuum of care by ensuring that:



Families' basic needs are met.



Families get timely help to figure out what support they need and to be connected with appropriate services.



Families understand early childhood development and mental health well enough to identify when and how to seek help before reaching a crisis.



Families have access to opportunities that promote family, infant, and early childhood mental health, and support healthy child development.

Supporting the Mental Health of Families with Young Children in a Shifting Landscape

The roots of lifelong mental health start before a child is born and continue to grow during the early childhood period, setting the foundation for a person's ability to form relationships, express and manage emotions, and explore the world in healthy ways. As children develop, their mental health can improve with prevention and intervention at every stage, which can help them do well in school and decrease their likelihood of experiencing more severe mental health challenges as they age.¹

Despite the significance of this period in a child's life, Orange County partners recognized that impending shifts in the funding landscape for early childhood programs (especially those focused on mental health promotion, prevention, and intervention) would likely make sustaining early childhood programs more difficult. In addition, local efforts to leverage state initiatives and funding opportunities—such as the Child Youth and Behavioral Health Initiative (CYBHI) and CalAIM—were not integrating consideration of early childhood. There were many stakeholders providing mental health services, often with little to no coordination between them. Sometimes services and programs were offered based on specific funding opportunities rather than community need. Several countywide, community-engaged initiatives had come and gone, leaving community partners unsure if they had created any real change for families with young children seeking mental healthcare in the county.

Additionally, in March 2024 California voters passed Proposition 1, which replaced the Mental Health Services Act (MHSA) with the Behavioral

Health Services Act (BHSA) across the state, a change that further shifts funding away from promotion- and prevention-related mental health services in Orange County.²

Meanwhile, county needs assessments and health improvement plans continue to show that mental health is a priority for families,³ and yet data trends show an increase in mental health concerns for families and children. For example, between 2015 and 2021, data from the California Healthy Kids Survey showed an increase in self-reported mental health challenges for both middle and high school students,⁴ and in 2023, for the first time in seven years, Orange County's Early Development Index (EDI) data indicated a drop in emotional maturity in kindergarteners.⁵

The data make sense: These are families that continue to weather the effects of the COVID-19 pandemic on their mental health and well-being, and who have consistently reported that they struggle to meet basic needs such as housing, food, stable wages, and childcare—all in a political climate causing uncertainty and fear for many.

In response to this evolving context, and with funding from First 5 Orange County and the Orange County Health Care Agency,⁶ county partners came together to develop a community-envisioned continuum of care for family, infant, and early childhood mental health, and a roadmap for how it should be realized and sustained. Health+ Studio, a social impact agency with a health equity focus, was contracted to facilitate and document this process.

¹ Breaking Barriers California, California's Children & Youth Behavioral Health Ecosystem, February 2023.

² OC Health Care Agency, Orange County Mental Health Services Act Plan Update, 9–12.

³ OC Health Care Agency, OC Community Health Improvement Plan, 2024.

⁴ California Department of Education, California Healthy Kids Survey Dashboard.

⁵ First 5 Orange County, Early Development Index, 13–14.

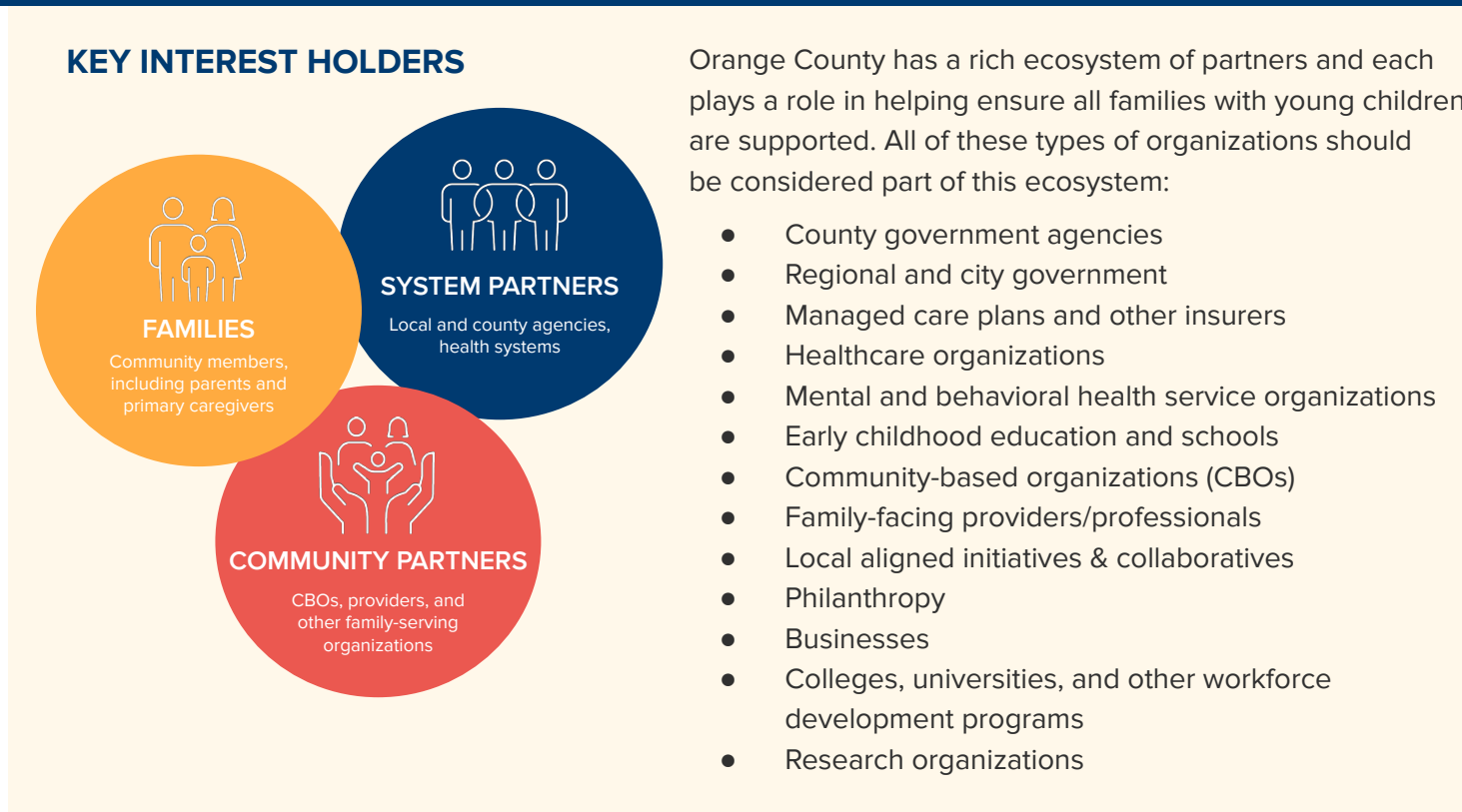
⁶ Funding supported Health+ Studio in facilitating and documenting the process and outcomes, gathering community partners together at in-person events, and providing stipends to parent and caregiver participants.

The Vision: A Comprehensive, Countywide, and Community-Defined Approach to Supporting Family, Infant, and Early Childhood Mental Health

Centering the Orange County Community Through Focused Engagement

Community engagement—the process of including community members in problem-solving, planning, and design—has been at the center of the FIECMH Initiative since its inception. A community-engaged process recognizes that different partners bring unique and necessary perspectives to setting a vision and determining how to achieve it. It centers the experiences and priorities of families, and draws on the expertise of service providers, community-based organizations, healthcare systems, and local and county agencies in delivering and sustaining support to communities. In addition, it intentionally seeks to include people living in Orange County whose voices have been underrepresented in previous community input projects and processes. For a more comprehensive and detailed look at the Initiative’s approach to community engagement, see the Initiative Overview.⁷

Figure 1. The Orange County Ecosystem Supporting the FIECMH Vision



⁷ Imboden et al., “Initiative Overview,” 2024.

The engagement process involved . . .

- In-depth interviews with Orange County community partners and conversations with collaboratives
- In-person and virtual convenings with the FIECMH Network to ensure and maintain broad engagement in the process
- Visioning/priority-setting sessions and tabling events specifically for parents and caregivers
- Regular input from the Systems Advisory Group
- Working sessions with the Roadmap Working Group to develop concrete recommendations included in the Roadmap

In all, around **300** individuals, representing over **70** local organizations, contributed to the development of the vision and Roadmap.

Developing the Vision

Since its launch, the FIECMH Initiative has existed within ongoing efforts to better support the mental health of families in Orange County—which means that there have been many opportunities to leverage what was already in place. To establish a baseline, the project team at Health+ Studio reviewed best practices in FIECMH, as well as the current state of mental health supports and services available to families with young children in Orange County. They also reviewed data and insights from reports on early development, social progress, and the conditions of children.⁸ They surfaced lessons learned from multiple Orange County collaboratives and collective impact efforts focused on supporting parents and young children, and connected with community-based organizations committed to building programs in partnership with community members.

To ensure that families' perspectives were front and center, the Initiative hosted six visioning workshops and two tabling events with parents and caregivers, where they were given space to articulate their own vision for FIECMH. The Health+ Studio team synthesized what they heard during these events with what they had been learning in consultation with systems advisors and other community partners to develop the countywide, community-defined vision for what FIECMH can (and should) look like in Orange County.

⁸ County of Orange Social Services Agency, "30th Annual Report on the Conditions of Children," 2024.



As part of developing the vision, families and community partners painted a picture of what a robust and fully functioning continuum of care included:

1. **Basic needs are met**, such as stable housing, living wages, quality childcare, and safety.
2. Families experience **belonging** in their communities and have **relationships** with neighbors and others outside their families that strengthen their resilience.
3. **Enrichment** is available **for the whole family** in the form of safe and welcoming parks, accessible recreation, and cultural opportunities.
4. Childcare providers and other nonclinical **professionals** working with families **understand how their work supports FIECMH** and **have the tools** to do so.
5. Services for families provide a **welcoming environment** and intentionally communicate acceptance, belonging, and care.
6. **Services collaborate and communicate seamlessly** to ensure families receive the care they need and encounter minimal barriers.
7. Families receive **support to manage behavior and other challenges** while they wait for assessment or treatment.
8. Families are **quickly assessed and connected** with appropriate services.
9. Parents and caregivers **understand child development and behavior** well enough to identify when and how to **seek help before experiencing a crisis**.
10. Families have **access to activities** such as peer groups, parenting classes, and developmental playgroups that **help them support child development** and identify when a child may need extra help.

Ultimately, the vision statement and these 10 areas where the continuum could be enhanced were the foundation for setting the priorities, strategies, and actions outlined in the OC FIECMH Roadmap.

Vision Statement

We envision an Orange County that **supports the mental health** of every child and family, helping them thrive at home, in school, within the community, and throughout their lives. **From prenatal through age 8**, families are empowered by a community that works to promote mental health, reduce risks, and ensure access to support through a **comprehensive continuum of care**. Mental health is not only treated but also valued and nurtured—**building resilience, strong families, and a connected community**.

The OC FIECMH Continuum of Care is . . .	It includes a range of opportunities, supports, and services, such as . . .
• Comprehensive—inclusive of promotion, prevention, and intervention • Responsive to and reflective of the Orange County community • Accessible • Welcoming and communal • Cohesive and connected • Sustainable	• Parenting classes and coaching • Affordable and convenient childcare • Help for families experiencing financial stress • Clinical services that are easy to get to, affordable, and respectful of different cultures • Safe spaces for families to play, like parks, recreational centers, and gathering places

To see a more detailed description of the vision, see the full brief: “A Countywide Approach to Family, Infant, and Early Childhood Mental Health: A Vision for Orange County.”⁹

The Roadmap: Strengthening and Sustaining the Family, Infant, and Early Childhood Mental Health Continuum of Care

Since the Initiative’s inception, key interest holders have consistently vocalized the need for a coordinated and action-oriented plan that serves as a North Star—a plan that is flexible enough to respond to rapidly evolving contexts, support relationship-building between organizations, and improve collaboration among community partners.

⁹ To review the full vision statement developed as part of the OC FIECMH Initiative, see: Silvério Marques, S. et al., “A Countywide Approach to FIECMH,” 2025.



Why Roadmap Implementation Needs to Be Coordinated and Adaptable

- **Early childhood development is nonlinear and context-dependent.** A rigid, one-size-fits-all approach cannot respond to the diverse needs of families across neighborhoods, socioeconomic backgrounds, immigration statuses, and cultural practices. An adaptive model allows real-time adjustments based on what families actually need, not what was predicted in a planning document.
- **Mental health crises and community stressors emerge unpredictably.** Economic downturns, natural disasters, public health emergencies, school disruptions, and localized trauma events (violence, displacement, etc.) don't follow strategic planning timelines. An action-oriented, adaptive governance structure can rapidly redirect resources, shift messaging, and mobilize support when families need them most, rather than wait for annual review cycles to respond.
- **Funding streams and policy environments shift constantly.** Federal grants change with administrations, state priorities evolve, local budgets fluctuate, and philanthropic interests shift. A model that can move from one strategy to another, blend funding sources, and demonstrate impact quickly is more sustainable than a model locked into assumptions about resource availability that may no longer be true six months later.
- **Evidence about what works in early childhood mental health is still emerging.** While the importance of early intervention is well established, specific strategies for reaching all families (especially those experiencing poverty, racism, or multiple stressors) require continuous learning and improvement. An adaptive model allows for learning, measuring, and adjusting so the county invests in approaches with proven local impact rather than scaling programs that don't work in this specific context.
- **Trust and engagement require community codesign.** Families—especially those historically marginalized by systems—will only participate if they see themselves reflected in the work and experience tangible benefits quickly. An inclusive model that brings parents, caregivers, community leaders, and frontline workers into decision-making builds legitimacy and ensures solutions are culturally relevant, accessible, and actually used rather than ignored.

The plan for the FIECMH continuum of care starts by identifying the priority focus areas, answering the question: *What are the most urgent areas of attention to enhance the FIECMH continuum of care?*

The strategies that follow answer the question: *How can partners address these priorities?* Priorities and strategies are summarized in Figure 2 and detailed in the sections that follow.

Figure 2. Summary of Priorities and Strategies

Priority Focus Areas

1. Families' **basic needs are met**
2. Families **understand early childhood development and mental health** well enough to identify when and how to seek help *before* reaching a crisis.
3. Families **get timely help** to figure out what support they need and to be connected with appropriate services.
4. Families have **access to opportunities that promote** family, infant, and early childhood mental health, and support healthy child development.

Strategies



Enhance Navigation and Accessibility to Services

Make promotion, prevention, and intervention services and programs more visible, understandable, and reachable for families by removing administrative and practical barriers to engagement and increasing access to navigation services.



Strengthen Capacity at the Organizational & Systems Levels

Families rely on a wide network of organizations—like healthcare providers, schools, childcare centers, and community groups. To better serve families, these systems and the people who work in them need the right tools, resources, and support to respond effectively to family mental health needs.



Empower Informal Networks and Community-Based Initiatives

Support the natural helpers in families and communities, like neighbors, extended family, and grassroots groups to foster social connection and promote mental well-being.



Increase Knowledge and Awareness

Share information widely so families know about FIECMH and its relationship to child development and parental mental health. Include information about basic needs and resource support, as those unmet needs also impact FIECMH.



Create and Sustain a Focused, Reflective, and Responsive System

Build and maintain a system of supports and services that aligns with the vision and has the ability to respond as contexts and conditions for families evolve.

Priorities: Areas to Focus On

These priority areas were honed in spring 2025 from input provided by key interest holders on the most significant areas of focus for improving family mental health and well-being.

Priority Area 1: Families' basic needs are met.

Unmet basic needs (such as housing, employment, food, childcare, and safety) have a profound effect on the mental health and well-being of families. Parents who are in “survival mode” because of financial stress, demanding work schedules, or unsafe conditions—at home, at work, or in the community—may struggle to be emotionally present for their children, and families who lack stable housing can find it difficult to reach and stay connected to service providers. Providers working with families with unmet basic needs also experience challenges in delivering support and services to families because these needs may take precedence. Meeting administrative requirements, such as providing a permanent address or

maintaining contact with a permanent phone number, can also present barriers.

Addressing unmet basic needs, however, is not something that one system or sector can do alone. It requires cross-sector collaboration and systemwide focus. Child development and mental health providers and systems must recognize the relationship between unmet basic needs and mental health—the barriers they may pose for families seeking or engaged in support services and how they are intertwined with early childhood mental health goals—and work with others to promote systemic solutions that prevent families from experiencing unmet basic needs in the first place.

What are the goals for this priority area?

- Every family has their basic needs met, including stable housing, living wages, a safe community, and quality, affordable, and convenient childcare, which allows them to be more present with their families.
- Unmet basic needs do not get in the way of families connecting to opportunities for mental health promotion activities and services.

Priority Area 2: Families understand early childhood development and mental health well enough to identify when and how to seek help *before* reaching a crisis.

Parents and caregivers want to better understand early child development, including how it relates to FIECMH, so that they know how to promote family mental health and understand and manage their children's behavior. They want to know when and how to seek help—*before* a crisis occurs.

All family-facing professionals should have the knowledge to support families' efforts to learn about child development and FIECMH, even if just by connecting them to the right resources. That includes both professionals who work directly in mental health *and* those who don't, such as pediatricians and nurses, early childhood educators, and other nonclinical staff who interact with families on a regular basis. This priority calls on providers working outside of traditional mental health spaces to be active collaborators in promoting protective factors and helping families take proactive steps in getting additional support—without shame or blame.

In addition, this priority aims to increase awareness around the importance of mental health in adults and its connection to the well-being of the children under their care.

What are the goals for this priority area?

- Empower all parents, caregivers, and family-facing professionals with a strong understanding of child development and behavior, as well as their relationship to mental health.
- Professionals, caregivers, and parents understand the importance of supporting their own mental health as a necessary condition for the well-being of the children they care for.
- Create a shift in the narrative around challenging behaviors, mental health diagnoses, and services that reduces stigma and encourages early engagement with support systems.
- Families feel confident that they have the knowledge and skills to identify mental health needs and seek support for themselves or their children when they need it.

Priority Area 3: Families get timely help to figure out what support they need and to be connected with appropriate services.

Families need easier access and “shorter bridges” to support. Complex insurance systems, confusing language, intake and screening fatigue, fears around family separation via involvement with child welfare or the legal system, and stigma all act as barriers between families and the resources they need. Provider shortages complicate the process by slowing connection to services. Addressing these challenges increases the accessibility of the continuum and makes it more cohesive, both of which are crucial to meeting the vision’s goal that every family have access to appropriate, high-quality mental health services.

What are the goals for this priority area?

- Create a comprehensive continuum of mental healthcare that is accessible to all families in Orange County, regardless of location, service type, or insurance, and that offers culturally competent, high-quality mental health support services in a language families understand.
- A cohesive and connected system of mental health supports in which service providers and stakeholders work seamlessly together to meet families’ changing needs, ensure best fit, and facilitate transitions as children age.
- Significant reduction in the time between onset of a challenge and assessment, as well as the time between assessment and connection to services.
- Simplified processes and clear pathways to services, which make the system easy to navigate for both families and providers.

Priority Area 4: Families have access to opportunities that promote FIECMH and support healthy child development.

Spaces and activities that support families in promoting child development, strengthening relationships, and fostering social connections are crucial to promoting family mental health and well-being. Also essential is addressing barriers like time, location, cost, and transportation for these activities, as well as finding ways to intentionally welcome families into these spaces.

These opportunities may be structured activities (such as parent-child classes or developmental playgroups), unstructured activities (such as parent or social groups), or open spaces (like parks).

In addition, this priority calls on local leaders, businesses, and other institutions within the county operating outside of traditional mental health spaces to understand and promote factors that reduce or buffer mental health risks and foster mental well-being (also known as protective factors).

What are the goals for this priority area?

- All families have widespread, easy, and affordable access to a diverse range of supportive activities and opportunities that:
 - Promote child development, mental health, and parenting skills development, such as peer groups, parenting classes, and developmental playgroups.
 - Build social connection within and across communities.
- Professionals and organizations outside of traditional mental health spaces see their role in fostering environments for mental well-being for families and take action on it.

Strategies & Actions: How to Address the Priority Areas

Between May and December 2025, the Roadmap Working Group collaborated to develop strategies and actions for addressing the priority areas. Each strategy is designed to cut across all four of the priority areas. The actions within each strategy are recommendations for systems and community partners.

While strategies 1 to 4 outline how to strengthen the continuum of care, strategy 5 intentionally specifies actions for advancing the strategies and actions outlined in the Roadmap. Strategy 5 is designed to create and sustain a system of supports and services that aligns with the vision and has the ability to respond as the contexts and conditions for families evolve.

Strategy 1. Enhance Navigation and Accessibility to Services

Make promotion, prevention, and intervention services and programs more visible, understandable, and reachable for families by removing administrative and practical barriers to engagement and increasing access to navigation services.

- **Improve communication.** Make system navigation easier to understand by using clear language and helpful tools (like guides or maps of services).
- **Simplify and support access.** Remove unnecessary paperwork, wait times, or confusing processes that make it hard to get help. Remove logistical & practical barriers, such as language, transportation, and childcare. Also work to increase the visibility of existing services.
- **Provide navigation support.** Use relationship-based approaches to connect families to services, ensuring support can be provided to families with different types of health insurance, ability to pay, and/or language needs.
- **Improve availability of promotion, prevention, and clinical support programs** for families with children ages 0–8, as well as expectant parents.

Strategy 2. Increase Knowledge and Awareness

Share information widely so that families and professionals know about FIECMH and its relationship to child development, parental mental health, and basic needs. Make information and guidance accessible to families, and work to increase willingness among families to seek mental health services when needed.

- **Share practical information with families.** Leverage existing state and local resources (such as fliers, workshops, videos, and online guides) that explain what developmental milestones are and what mental health looks like in young children (and how to know if there might be an issue), and how families can support healthy development at home.
- **Educate professionals.** Provide training for teachers, childcare providers, doctors, community health workers, peer support specialists, and others who interact with families so that they know what to look for and how to guide families toward help.
- **Raise public awareness.** Normalize conversations about mental health, highlighting the connection between family well-being and child development. Share messages that show how unmet basic needs and parent and caregiver mental health affect children's growth and resilience. Help families understand the benefits of addressing concerns early instead of waiting until challenges grow into crises, and encourage them to act promptly when a need is identified. Public awareness activities can happen through such channels as community events, social media, and trusted messengers.

Strategy 3. Strengthen Capacity at the Organizational and Systems Levels

Families rely on a wide network of organizations—like healthcare providers, schools, childcare centers, and community groups. To better serve families, these systems and the people who work in them need the right tools, resources, and support to respond effectively to family mental health needs.

- **Elevate local expertise.** Support county agencies, healthcare providers, community organizations, and parent leaders in sharing what they know about early childhood and family mental health. Their insights should help shape local and state policies.
- **Secure long-term funding.** Outline funding priorities and prepare a proposal to local funders to keep effective programs running, especially those that:
 - Use relationship-based approaches to connect families, ensuring support can be provided to families regardless of insurance or income.
 - Provide mental health consultation to professionals working with young children.
 - Serve specific communities through culturally appropriate FIECMH programs and services, with particular attention to small, culturally specific organizations
- **Improve payment systems.** Partner with health networks to make it easier for programs to get paid or reimbursed for the services they provide, including meeting with managed care plan leaders and health networks across the county.
- **Expand and support the workforce.** Collaborate with leaders in schools, healthcare, and other family-serving systems to identify training gaps and create learning opportunities that build knowledge about family and early childhood mental health.
- **Maximize use of available funding.** Ensure that county government, managed care plans, community-based organizations, and local educational agencies are accessing all available funding to support FIECMH efforts and coordinating among recipients to avoid duplication.

Strategy 4. Empower Informal Networks and Community-Based Initiatives

To foster social connection and promote mental well-being for families with infants and young children, support the natural helpers in families and communities—like neighbors, extended family, and grassroots groups.

- **Support community connections.** Strengthen neighborhood groups, parent networks, and grassroots initiatives that bring families together and promote mental well-being.

- **Promote child- and family-friendly spaces.** Share clear standards for what makes a place welcoming and supportive for children and families. This could include things like safe play spaces, accessible services, programs designed with family needs in mind—or replicating and expanding existing efforts.
- **Encourage city-level responsibility.** Work with local governments to recognize their role in promoting FIECMH.
- **Find funding for and test community-led solutions.** Support neighborhood-based, community-driven projects that are led by local residents and tailored to meet the specific needs and priorities of their communities.

Strategy 5. Create and Sustain a Focused, Reflective, and Responsive System

Build and maintain a system of supports and services that aligns with the vision and has the ability to respond as the contexts and conditions for families evolve.

- **Grow and strengthen the OC FIECMH Network aligned with the vision and Roadmap.** Promote and champion the vision outlined in the Roadmap to build shared understanding. Expand the Network by actively including community-based organizations and grassroots, community-led initiatives. Foster collaboration across all partners to ensure the Network reflects the values and goals of the Roadmap.
- **Monitor and evaluate.** Define and monitor process and outcome measures that help ensure that families with young children are getting the support and services they need for improved mental health and well-being. Leverage existing data sets where possible.
- **Coordinate efforts to reduce duplication and maximize resources.** Collaborate with aligned initiatives and partnerships to reduce overlap, share responsibilities, and work together on implementing parts of the Roadmap more effectively.
- **Create and maintain feedback loops** between county and government agencies, community-based organizations and service providers, and parents and community members.
- **Support collaborative fundraising** and program development, including fostering pathways for braiding and blending funding across county partners.

Advancing the Roadmap: Achieving a Coordinated, Adaptive, and Action-Oriented Approach to Family, Infant, and Early Childhood Mental Health

Advancing the priorities and plan developed by community partners and articulated in the Roadmap will require coordinated effort from the broad and diverse network of key interest holders that contribute to FIECMH in Orange County.

The following section includes a set of guiding principles to be considered in next steps in order to be responsive to community needs, along with recommendations to ensure that the momentum built through this process is sustained.

Guiding Principles

To maintain momentum and trust:

- Cross-sector, multiagency support for the Roadmap needs to be secured as evidence that community partners see the Roadmap as a tool that will guide the work of supporting FIECMH into the future.
- The breadth of expertise and activity across Orange County should be acknowledged by:
 - Building on what already exists
 - Sustaining activities that are already producing positive outcomes
 - Seeking to develop new initiatives only where there is a clear gap to fill
- Activities should remain focused on action and include clear ways to review data trends, monitor progress, and evaluate outcomes.
- The OC community's vision for FIECMH and priority focus areas should be integrated into the work of existing collaboratives or work groups strategically to reduce duplication and maximize resources.
- Individuals and organizations involved in making decisions about and steering the work of implementing the Roadmap should have:
 - Expertise in the 0–8 age range
 - Perinatal, infant, or early childhood mental health expertise (which can include promotion, prevention, and/or clinical intervention)
 - A footprint in Orange County
 - Awareness of and support for the Roadmap
- The work should include ongoing engagement with community partners and families with young children in order to remain responsive to emerging needs and accountable to each other, to families, and the broader community.

Roles

To ensure the work moves forward, implementation of the Roadmap must include a concerted focus on three key functions:

1. **Strategy** to align resources and programs at the systems level, with special attention paid to blending and braiding funding to sustain core programs and support improvements to the continuum of care
2. **Learning** to monitor data and outcomes and ensure that community partners and systems leaders engage in dialogue to review data and make adjustments as needed
3. **Action** that supports coordination and capacity-building at the program level with a focus on the outlined priorities

Figure 3. Overview of Key Roles to Advance the Roadmap



Recommendations for Immediate Next Steps

- Identify an interim steward or backbone entity for the Roadmap to shepherd the development of an oversight structure.
- Onboard county agencies and other key organizations to the Roadmap in order to build engagement and buy-in for the outlined framework, support the integration of Roadmap recommendations into existing initiatives, and help identify partnerships and funding to support key actions.

- Develop an oversight body to build out the roles identified in Figure 2.
 - Identify and convene the organizations and individuals to be part of a steering committee or leadership body.
 - Develop a charter for the broader FIECMH Network, including strategy, learning, and action group(s) to begin addressing the actions identified for each strategy.
- By the end of Q1 2026, report back to community partners who participated in developing the Roadmap with updates on actions undertaken so far.

Moving from Roadmap to Reality

The Roadmap for Family, Infant, and Early Childhood Mental Health in Orange County was developed with valuable contributions from teachers, doctors and nurses, early childhood educators, parents and caregivers, systems leaders, children’s librarians, mental health therapists, childcare providers, city leaders, disability advocates, and many more family and early childhood champions across Orange County. At all levels and across all sectors, Orange County partners have shown up to participate in this process with thoughtfulness and enthusiasm, sometimes with frustration, and other times even with joy. That energy is a testament to the overwhelming support for FIECMH that exists in the county at large—and it will be crucial as the work shifts from Roadmap development to Roadmap implementation.



Acknowledgments

The funding for this work was generously provided by First 5 Orange County and the Orange County Health Care Agency. We are especially grateful to Kim Goll from First 5 OC and Michelle Smith from OC HCA, who have both been instrumental advisors and champions of the work. We are also grateful to Melinda Konoske, Anaiah Brown, Sara Brown, and Yvette Nuñez for their guidance and logistical support over the past two years.

We have a deep appreciation for the Orange County community members who shared their knowledge, expertise, and ideas around mental health supports and services in Orange County. Their number is many, but we are especially indebted to Hoda Shawky and Dianna Daly for helping to onboard us in the project's early stages, as well as Iliana Soto Welty, Renae Kennedy, and Lara Kain, who helped to align us with related efforts to serve families and young children in Orange County.

We would also like to thank Jamie McDonald, Katie Balderas, Heather Huszti, and Mayu Iwatani of the Systems Advisory Group for their insights and support across the length of the project, as well as the members of the Roadmap Working Group for their tireless efforts developing the strategies and actions outlined in the Roadmap.

We are also grateful to the following organizations that helped us connect with Orange County families, parents, and caregivers: Pretend City Children's Museum, Families and Communities Together OC (FaCT) and its Family Resource Centers (FRCs), Tiyya, Careshare OC, the First 5 OC Fatherhood Coalition, and MECCA.

Finally, this work would not have been possible without the contributions of the Orange County families who participated in this process. We are deeply grateful for their willingness to share their lived experience navigating the mental health continuum of care, and their hopes for what it might look like in the future.

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Appendices

Glossary

Family/Parent/Caregiver: Terms at times used interchangeably to refer to the adult figures who take primary responsibility of caring for a child.

Continuum of Care: A range of promotion, prevention, and intervention supports and services that meet the mental health needs of children and families in various ways, including community-wide resources as well as individual, family, and group-based interventions, diagnosis, treatment, and care.

Roadmap Terminology

Priorities → These are the big things we need to focus on to make sure families have the right support for their mental health and well-being.

Strategies → These are the approaches or methods we'll use to tackle those priorities. Think of them as “how we'll go about it.”

Actions → These are the concrete steps or types of work that need to happen within each strategy.

Key Interest Holders → These are the people or groups who have a role to play in making the plan real (such as families, service providers, schools, and community groups). All the key interest holders together are referred to as the OC FIECMH Network.

Definition of Family, Infant and Early Childhood Mental Health (FIECMH)

What is FIECMH?

FIECMH stands for **Family, Infant, and Early Childhood Mental Health**. The OC FIECMH Roadmap focuses on expectant parents and families with children ages 0–8 because the roots of lifelong mental health—and health and well-being more broadly—begin early, even before birth. For everyone to be as healthy and well as possible, emphasizing early, proactive, and protective support versus reactive treatment is key.

FIECMH is about the mental health of babies and young children—and that of their caregivers.

It is a **very important part of a child's social and emotional development**. It impacts their ability to:

- Form relationships and build emotional connection
- Understand and express emotions
- Learn to interact with others

FIECMH is also connected to a child's **overall health** and can impact their **well-being for their whole life**. It affects **other important things as they grow**, like how well they do in school, how they build relationships, how they handle bad experiences, and how well they can bounce back from tough times.

Some young children may experience **signs of a mental health condition** like anxiety, or a neurodevelopmental condition such as attention deficit hyperactivity disorder (ADHD) or autism spectrum disorder (ASD). Addressing social and emotional health and development also supports the early identification and management of these co-occurring conditions. Some children and families may benefit from focused treatment services as well.

Why do we include the family?

Relationships between young children and their caregivers have a direct impact on the child's social and emotional development starting in infancy. FIECMH specifically recognizes:

- A child's **family has** a very **strong impact on their early life**.
- The mental health of a child is **tied closely to the mental health of their family members**.

This means **everyone's well-being affects everyone else** in the family.

While systems of care often focus on children and adults separately, FIECMH emphasizes that promoting mental health, preventing mental health problems, and treating mental health conditions for families with young children means giving **support to the whole family—not just the child**.

How is FIECMH supported?

FIECMH is supported in various ways, from everyday interactions between caregivers and their children to community-wide resources. It includes:

Promotion	Prevention	Intervention
Promoting social and emotional well-being at home, at school, and in the community. Reducing risks or stressors that may lead to mental health challenges. Surrounding children and their families with safe, stable, and equitable environments.	Addressing mental health before a specific mental health condition has been identified and universal, targeted screening and service navigation.	Ensuring access to services that support assessment, diagnosis, treatment, and care focused on addressing early signs of mental health concerns, ongoing concerns, and crisis intervention.



Agenda Item 2 December 4, 2025

DATE: October 6, 2025

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO

ACTION: Approve First 5 Orange County Meeting Calendar for 2026

SUMMARY:

First 5 Orange County conducts regularly scheduled meetings throughout the year. This item recommends approval of meeting dates for calendar year 2026.

DISCUSSION:

First 5 Orange County Board Members are appointed by the Orange County Board of Supervisors to direct the policy, funding, and business to improve outcomes for children, prenatally through age five, and their families. Staff recommends that the First 5 Orange County Board continues to meet during the same day, months, and location as shown below:

Date	Time	Location
Wednesday, February 4, 2026	9:00 am	OCTA Conference Center
Wednesday, April 1, 2026	9:00 am	OCTA Conference Center
Wednesday, June 3, 2026	9:00 am	OCTA Conference Center
Wednesday, August 5, 2026	9:00 am	OCTA Conference Center
Wednesday, October 7, 2026	9:00 am	OCTA Conference Center
Wednesday, December 2, 2026	9:00 am	OCTA Conference Center

First 5 OC Board member attendance requirements are set by Article 25 Section 1-2-337 of the County of Orange Ordinances, establishing the Children and Families Commission (First 5 Orange County). The ordinance mandates that failure of a Board member to attend four (4) consecutive meetings or a total of six (6) meetings within a 12-month period results in automatic removal from the First 5 OC Board. This is regardless of the meeting type – regular, special, study session, etc. The Clerk of the Board is required to certify the vacancy to the Board of Supervisors within five days of the missed meeting. The 12-month period runs continuously and is not based on the calendar year. To avoid any vacancies in office, please note the calendar of meetings attached so that you can accommodate the attendance requirements.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action has been reviewed in relation to the Strategic Plan and is consistent with all goal areas. There is no funding action proposed for this item.

PRIOR COMMISSION ACTIONS:

- December 2024 – Approve the 2025 First 5 Orange County Meeting Calendar
- December 2023 – Approve the 2024 First 5 Orange County Meeting Calendar
- December 2022 – Approve the 2023 First 5 Orange County Meeting Calendar
- December 2021 – Approve First 5 Orange County Children and Families Commission and Technical Advisory Committee Meeting Calendar for 2022

RECOMMENDED ACTION:

Approve the 2026 First 5 Orange County meeting calendar.

ATTACHMENTS:

None

CONTACT:

Cristina Munoz



Agenda Item 3 December 4, 2025

DATE: November 5, 2025

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO 

ACTION: Adopt Fiscal Year 2026-2027 Employer and Employee Retirement Contribution Rates as Established and Adopted by the Orange County Employees Retirement System

SUMMARY:

First 5 Orange County is a participant of the Orange County Employees Retirement System (OCERS). This item requests approval for the annual adoption of the employer and employee retirement contribution rates as required by Assembly Bill 538 (effective January 1, 2006).

DISCUSSION:

On June 16, 2025, the OCERS Board of Trustees adopted new employer and employee retirement contribution rates for Fiscal Year 2026-2027, inclusive for First 5 OC. These rates are based on a comprehensive actuarial study of the Retirement System. The December 31, 2024 Actuarial Valuation Report presents the OCERS funding requirements for Fiscal Year 2026-2027 and is located on the OCERS website at www.ocers.org.

First 5 OC employees fall within two OCERS retirement plans. Plan J includes retirement system members who started employment before January 1, 2013. Plan U includes all members starting after January 1, 2013.

Employer Contribution

The newly adopted employer contribution rates for Plans J and U (provided on Attachment 1) consist of two components: the Normal Retirement Rate which covers retirement costs going forward; and the Unfunded Accrued Actuarial Liability (UAAL) rate which covers retroactive retirement costs.

Normal Retirement Rate: The Fiscal Year 2026-2027 employer Normal Rate for Plan J members of 15.29% is the same as the prior year. Employer rates for Plan U members will decrease to 9.09% from the previous rate of 9.15%. Rate changes are due to the actual contributions and other experience factored into the December 31, 2024 actuarial valuation.

Unfunded Accrued Actuarial Liability Rate: First 5 OC paid off our current UAAL on November 15, 2017, and the Fiscal Year 2026-2027 rates reflect that payment. The UAAL rate without the payoff adjustment would have been near 26% instead of the current proposed rate of 5.63%.

Employee Contribution

The employee Normal Rate (also provided on Attachment 1) is determined by employee age at entry to OCERS and will experience an increase of 0.01% for Fiscal Year 2026-2027 for Plan J members and a decrease of 0.04% for Plan U members, based on the average entry age of 28.

Staff recommends that the First 5 OC Board adopt the employer and employee retirement contribution rates as recommended and adopted by OCERS for Fiscal Year 2026-2027.

Early Payment Discount

On July 21, 2025, the OCERS Board approved an early payment of employer contributions program for the contribution year 2026-2027. The necessary steps for First 5 OC to participate in the early payment discount for Fiscal Year 2026-2027 are being implemented. Securing a 7% discount by early payment is a prudent budgeting decision that will not impact required cash flow nor interest earnings.

STRATEGIC PLAN & FISCAL SUMMARY:

The Fiscal Year 2026-2027 retirement contribution rate schedule recommended and adopted by OCERS has been reviewed in relation to the Strategic Plan and is consistent with prior practice and supports all goal areas of the Strategic Plan. The Fiscal Year 2026-2027 retirement contribution rates will be incorporated into the Fiscal Year 2026-2027 budget.

PRIOR COMMISSION ACTIONS:

- December 2024 – Adopted implementation of employer and employee retirement contribution rates as recommended and adopted by OCERS for FY 2025-2026
- December 2023 – Adopted implementation of employer and employee retirement contribution rates as recommended and adopted by OCERS for FY 2024-2025
- October 2017 – Authorized payment of the Children and Families Commission of Orange County's Unfunded Actuarial Accrued Liability to OCERS in an amount not to exceed \$1,800,000.

RECOMMENDED ACTION:

Adopt implementation of Fiscal Year 2026-2027 employer and employee retirement contribution rates as established and adopted by the Orange County Employees Retirement System (OCERS) on June 16, 2025.

ATTACHMENT:

1. Fiscal Year 2026-2027 Orange County Employees Retirement System (OCERS) Employee Contribution Rates

CONTACT: Michael Garcell

**Active Participating Employers:**CITY OF SAN JUAN
CAPISTRANO

COUNTY OF ORANGE

ORANGE COUNTY
CEMETERY DISTRICTORANGE COUNTY CHILDREN
& FAMILIES COMMISSIONORANGE COUNTY
EMPLOYEES RETIREMENT
SYSTEMORANGE COUNTY FIRE
AUTHORITYORANGE COUNTY IN-HOME
SUPPORTIVE SERVICES
PUBLIC AUTHORITYORANGE COUNTY LOCAL
AGENCY FORMATION
COMMISSIONORANGE COUNTY PUBLIC
LAW LIBRARYORANGE COUNTY
SANITATION DISTRICTORANGE COUNTY
TRANSPORTATION
AUTHORITYSUPERIOR COURT OF
CALIFORNIA, COUNTY
OF ORANGETRANSPORTATION
CORRIDOR AGENCIES

9/11/2025 | 3:21 PM PDT

Ms. Kim Goll

kim.goll@cfcoc.ocgov.com

Orange County Children and Families Commission

1505 East 17th Street, Suite 230

Santa Ana, CA 92705

Re: New Employer/Employee Contribution Rates 2026/2027

Dear Ms. Goll:

At the June 16, 2025 regular board meeting, the Board of Retirement adopted fiscal year 2026/2027 employer and employee contribution rates for the existing plans as part of the December 31, 2024 Actuarial Valuation Report. These new rates will go into effect **beginning with pay period 15 in 2026**.

The attached schedules include both the employer rates and a listing of the employee contribution rates for your various plans. Additional plan information, including a detailed breakdown of the UAAL by rate group, can be found in the Actuarial Valuation as of December 31, 2024 located on the OCERS website at: www.ocers.org Forms & Publications, Financial Reports page.

If you have any questions or require additional information, feel free to contact me at (714) 558-6206 or by email at tbowman@ocers.org.

Regards,

DocuSigned by:

Tracy Bowman

1F40C2352C3A468...

Tracy Bowman
Director of Finance

cc: Michael Garcell (Michael.Garcell@cfcoc.ocgov.com), Erica Lin (Erica.Lin@ac.ocgov.com), Evarista Narciso (Evarista.Narciso@ac.ocgov.com), Chi Vu (Chi.vu@ac.ocgov.com)



**Orange County Children and Families Commission
Employer / Employee Contribution Rates
Effective Pay Period 15, June 26, 2026**

<u>Employer Contribution Rates</u>			
Rate Group	Plan	Rate	
#2	J (General)	Normal	15.29%
		UAAL	5.63%
		Total	20.92%
#2	U – PEPRA	Normal	9.09%
		UAAL	5.63%
		Total	14.72%

***Reverse Pickups:**

OCCFC bargaining units under the 2.7% at 55 plans are subject to an employee-paid reverse pickup which has not been accounted for in the employer rate above. Any reverse pickup arrangements are between the employer and employee bargaining units. The reverse pickup rate schedule is available online at:

<https://www.ocers.org/sites/main/files/file-attachments/reversepickups.pdf>

<u>Employee Contribution Rates</u>		
Age	Plan J (2.7% @ 55)	PEPRA
		Plan U (2.5% @ 67)
16	9.88%	7.37%
17	10.06%	7.05%
18	10.24%	6.71%
19	10.43%	6.84%
20	10.62%	6.96%
21	10.82%	7.09%
22	11.02%	7.23%
23	11.22%	7.36%
24	11.43%	7.50%
25	11.64%	7.64%
26	11.85%	7.78%
27	12.07%	7.92%
28	12.30%	8.07%
29	12.53%	8.22%
30	12.76%	8.37%
31	13.00%	8.53%
32	13.25%	8.68%
33	13.51%	8.84%
34	13.76%	9.01%
35	14.01%	9.17%
36	14.26%	9.34%
37	14.52%	9.52%
38	14.77%	9.70%



**Orange County Children and Families Commission
Employer / Employee Contribution Rates
Effective Pay Period 15, June 26, 2026
(continued)**

**Employee Contribution Rates
(continued)**

Entry Age	Plan J (2.7% @ 55)	PEPRA
		Plan U (2.5% @ 67)
39	15.03%	9.88%
40	15.29%	10.06%
41	15.56%	10.25%
42	15.82%	10.45%
43	16.08%	10.64%
44	16.33%	10.85%
45	16.55%	11.06%
46	16.73%	11.27%
47	16.85%	11.48%
48	16.91%	11.69%
49	16.86%	11.90%
50	16.71%	12.11%
51	16.44%	12.33%
52	16.16%	12.55%
53	16.69%	12.77%
54	17.25%	13.00%
55	17.25%	13.22%
56	17.25%	13.44%
57	17.25%	13.63%
58	17.25%	13.80%
59	17.25%	13.92%
60	17.25%	13.99%
61	17.25%	13.99%
62	17.25%	13.90%
63	17.25%	13.74%
64	17.25%	13.61%
65	17.25%	14.05%
66 and thereafter	17.25%	14.52%

Average entry age and discounted percentages applicable to employee contributions paid under Section 31581.1 are:

Rate Group	Plan	Discounted Percentage	Average Entry Age
#2	Plan J (General)	99.50%	28



Agenda Item 4 December 4, 2025

DATE: October 21, 2025

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO 

ACTION: Appoint Tiberina Ugarcovici to the First 5 Orange County Technical Advisory Committee

SUMMARY:

This item recommends the appointment of Tiberina Ugarcovici to the First 5 Orange County Technical Advisory Committee for a three-year term.

DISCUSSION:

First 5 Orange County uses the Technical Advisory Committee (TAC) to support and strengthen our systems work. TAC members are appointed based on expertise in the early childhood systems in which First 5 OC participates and works to improve. These include, but are not limited to, developmental screening and linkage to services, home visiting, early childhood mental health, and child care.

TAC members have the following roles:

- Serve on a countywide collaborative that is working to improve systems that serve young children and families in alignment with First 5 OC's Strategic Plan.
- Participate in TAC meetings including an annual community summit on a topic related to early childhood.
- Bring their related expertise and advice to First 5 OC staff on an ongoing basis and to Board meetings as appropriate.

Current TAC members include representatives from key organizations and systems of care in Orange County including Health Care Agency, Social Services Agency, CalOptima Health, and the University of California, Irvine as well as one at-large community member. Gail Araujo currently covers our strategic plan priority area of home visiting, representing the Home Visiting Collaborative and OC Social Services Agency as their Division Director for Family Self-Sufficiency & Adult Services. Gail's three-year term is scheduled to conclude in April 2026; however, she wishes to conclude her service on the TAC early.

Staff recommends appointing Tiberina Ugarcovici, the Deputy Division Director of Family Self-Sufficiency & Adult Services at Social Services Agency, for a three-year term beginning December 5, 2025. Like Gail, Tiberina will serve as the liaison to the TAC from the Home Visiting Collaborative.

Tiberina brings deep expertise in policy implementation, operations management, and human services program administration. Throughout her tenure, she has held key leadership roles, including as Senior Manager over regional operations for CalWORKs and as a leader of the Policy team guiding critical policy and procedural alignment with state and federal mandates. She has a strong commitment to cross-system collaboration and integrated service delivery which will serve the TAC well. A brief biography for her is provided as Attachment 1.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action presented in this staff report has been reviewed in relation to the Strategic Plan and is consistent with applicable goals and outcomes.

PRIOR COMMISSION ACTIONS:

- December 2024 – Approve modifications to the Technical Committee Bylaws and Appoint Loan English and Misael Hernandez as Alternates
- August 2024 – Appoint Susan McClintic and Marie Jeannis to the First 5 Orange County Technical Advisory Committee
- August 2023 – Appoint Jade Jenkins to the First 5 Orange County Technical Advisory Committee
- February 2023 – Approve Restructure of Technical Advisory Committee and Bylaws
- December 2022 – Discuss and Provide Direction on Next Steps for Determining the Configuration of the Technical Advisory Committee

RECOMMENDED ACTION:

Appoint Tiberina Ugarcovici to the First 5 Orange County Technical Advisory Committee.

ATTACHMENT:

1. Tiberina Ugarcovici biography

CONTACT: Lisa Burke

Tiberina Ugarcovici

Deputy Division Director of Family Self-Sufficiency & Adult Services
Orange County Social Services Agency

Tiberina Ugarcovici currently serves as the Deputy Division Director of Family Self-Sufficiency & Adult Services (FSS & AS) at the Orange County Social Services Agency (SSA), a role she has held since May 2024. With over 19 years of dedicated service at SSA and a distinguished career in public service, Ms. Ugarcovici brings deep expertise in policy implementation, operations management, and human services program administration.

Throughout her tenure, she has held key leadership roles across Human Resources and FSS & AS, including as Senior Manager overseeing regional operations for CalWORKs and Welfare-to-Work, and as a leader of the Policy team guiding critical policy and procedural alignment with state and federal mandates. She has also supported vital programs such as Foster Care Eligibility and Mutual Clients/Linkages, demonstrating a strong commitment to cross-system collaboration and integrated service delivery.

Prior to her time at SSA, Ms. Ugarcovici served in various administrative and Human Resources roles with the Orange County Employees Retirement System. She holds a bachelor's degree in organizational leadership from Chapman University and brings to the committee a strategic mindset, a passion for public service, and a proven ability to drive impactful, community-centered solutions.



Commissioners:

Soledad Rivera, Chair, Vicente Sarmiento, Vice Chair,
Ramin Baschshi, M.D., Madelynn Hirneise, Veronica Kelley Ph.D.,
Yvette Lavery, Katy McInnes, Irene Salazar, An Tran

CEO/President: Kimberly Goll

**Agenda Item 5
December 4, 2025**

DATE: November 10, 2025

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO

ACTION: Approve Update to Policy 2.09 Teleconferencing

SUMMARY:

This item requests approval of recommended updates to First 5 Orange County's Policy 2.09, Teleconferencing based on recent amendments to the Ralph M. Brown Act ("Brown Act") (Government Code Section 54950 et seq.).

DISCUSSION:

First 5 Orange County's Administrative Policies and Procedures undergo an annual review to ensure relevance and legal compliance. At the August 2025 meeting, staff presented updated Policies and Procedures which were approved by the Board. Subsequent to that meeting, the Governor signed Senate Bill (SB) 707 (Chapter 327, Statutes of 2025), which made significant amendments to the Brown Act, including teleconferencing options available for local agencies. This agenda item provides an overview of the relevant changes to the Brown Act that apply to First 5 Orange County and an updated policy for Board review and approval (Attachment 1).

The Brown Act requires local governments to conduct business at open and public meetings. Prior to the COVID-19 pandemic, teleconferencing was only permitted if the public could participate from each teleconference location noticed on the meeting agenda. During the pandemic, however, greater flexibility was provided through Assembly Bill (AB) 361 (Chapter 165, Statutes of 2021) to protect the health and safety of agency board members, staff, and attendees during the proclaimed state of emergency. In 2022, the Legislature amended the Brown Act again through AB 2449 (Chapter 285, Statutes of 2022) to permit an alternative, but limited, means of teleconferencing for "just cause" and "emergency circumstances." The First 5 Orange County Board adopted the teleconferencing Policy 2.09 in December 2022 to allow Board members to utilize the teleconferencing options available under the Brown Act and set out the requirements Board members must follow in order to teleconference during a First 5 OC Board meeting.

In October, SB 707 was signed by the Governor making many changes to the Brown Act for specified legislative bodies. Notably, many of the more significant changes to the Brown Act related to public access and meeting translations do not apply to First 5 Orange County as it does not meet the definition of an "eligible legislative body" under the bill. Additionally, SB 707 created new teleconferencing options for subsidiary and multijurisdictional bodies, which also do not apply to First 5 Orange County's Board of Commissioners. It did, however, modify the teleconferencing provisions for "just cause" and "emergency circumstances" by streamlining and merging those into one teleconferencing category. Therefore, updates to First 5 OC's teleconferencing policy are recommended.

A brief overview of the three different teleconferencing options available to the First 5 Orange County Board is discussed below. The teleconferencing options are discretionary, meaning that an agency can utilize any, or none, of the teleconferencing options set forth in the Brown Act.

Option 1: Traditional (pre-pandemic) Teleconferencing

Under the traditional teleconferencing rules, remote participation by a Board member is permitted so long as the teleconference location is noticed on the agenda, open to the public for participation, and is accessible. While a Board member's teleconference location is generally not geographically limited, at least a quorum of Board members must participate from locations within Orange County.

Option 2: Teleconferencing During a Proclaimed State of Emergency

Public agencies have another teleconferencing option specifically for use during a proclaimed state of emergency. Under this option, the teleconference locations do not have to be noticed on the agenda or made available to the public, and there is no requirement for the agency to provide any physical location from which the public may attend or comment. However, the public must be able to address the legislative body via an internet-based service or call-in option. If the state of emergency continues, the Board can continue to hold remote meetings if it makes specified findings every 45 days.

Option 3: Just Cause

This option was formerly for "just cause" and "emergency circumstances," but it has been streamlined with the passage of SB 707, and, effective January 1, 2026, a Board member can teleconference into a meeting for just cause without noticing the location on the agenda or making the location available for public participation for specified reasons, which include:

- Childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely.
- A contagious illness that prevents a member from attending in person.
- A need related to a physical or mental condition that is not otherwise subject to state or federal disability laws.
- Travel while on official business of First 5 Orange County or another state or local agency.
- An immunocompromised child, parent, grandparent, grandchild, sibling, spouse, or domestic partner of the member that requires the member to participate remotely.
- A physical or family medical emergency that prevents a member from attending in person.
- Military service obligations.

To teleconference for just cause, a Board member must notify the legislative body of the need to teleconference due to just cause at the earliest opportunity possible, including at the start of a regular meeting, and must include a general description of the circumstances relating to the need to appear remotely during the meeting. If a Board member participates remotely, the public must be able to remotely hear and visually observe the in-person meeting and remotely address the legislative body via either a (1) two-way audiovisual platform (meaning it provides both an interactive video conference and a two-way telephonic function) or (2) a two-way telephonic service and a live webcasting of the meeting. In addition, the remote Member must participate through both audio and visual technology (meaning the Board member must appear on camera) and must disclose at the meeting, before any action is taken, whether any other adults are present in the room and the nature of the member's relationship with any such individuals. Additionally, there must be an in-person quorum of Board members attending from a single meeting location. There is a limitation on participating remotely for just cause up to two times per calendar year. If

there is a disruption in the livestreaming that prevents the public from being able to observe, hear, or participate in the meeting, then no action can be taken until public access is restored.

Although these options are available under the Brown Act, First 5 Orange County must be able to comply with all the terms of the statute, including having the required technical equipment and streaming capabilities. This can be a challenge for agencies like First 5 Orange County that hold public meetings at a host agency. However, First 5 Orange County has taken measures to permit remote public participation to allow Board members to teleconference using the various options permitted under the Brown Act and will permit Board members to teleconference so long as all statutory obligations can be met for a particular meeting.

Additionally, SB 707 codified a recent opinion of the California Attorney General which determined that a member of a legislative body who has a disability can participate in meetings remotely as a reasonable accommodation pursuant to state and federal disability laws. To do so, the member must participate through both audio and visual technology, unless the disability results in a need to participate off camera, and the member must disclose whether any adults are in the room with them and the nature of their relationship.

The annual review of the Teleconferencing Policy by First 5 OC staff remains in place and part of Policy 2.09. The updated Policy requests authorization for the President/CEO, in consultation with Commission Counsel, to make updates to the Policy to comply with changes to the Brown Act or other state laws and promptly distribute any revisions to Board members. These types of routine updates will be brought to the First 5 Orange County for consideration during the annual policies and procedures review, and any major changes to the Policy will be agendaized separately for review and approval.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action has been reviewed in relation to the Strategic Plan and is consistent with all goal areas. There is no specific funding action proposed for this item.

PRIOR COMMISSION ACTIONS:

- August 2025 – Approved the updated Administrative Policies and Procedures
- June 2024 – Approved the updated Administrative Policies and Procedures
- June 2023 – Approved the updated Administrative Policies and Procedures
- December 2022 – Approved Teleconferencing Policy

RECOMMENDED ACTION:

Approve the updated Administrative Policy 2.09 Teleconferencing.

ATTACHMENT:

1. Policy and Procedure – 2.09 Teleconferencing

CONTACT: Cassie Trapesonian

POLICIES AND PROCEDURES

No: 2.09

Teleconferencing

PURPOSE

The purpose of this policy is to outline the procedures for the First 5 Orange County Children and Families Commission Board of Commissioners to participate in public meetings by teleconference pursuant to the Ralph M. Brown Act (Government Code Section 54950 et seq.).

POLICY STATEMENT

It is the policy of First 5 Orange County Board of Commissioners to hold public meetings in accordance with the Ralph M. Brown Act ("Brown Act"). The Board of Commissioners has elected to permit Commission Members to participate in public meetings in accordance with the teleconferencing provisions set forth in the Brown Act, including, but not limited to, traditional teleconferencing as well as teleconferencing for just cause. Teleconferencing is available for both regular and special meetings.

For any meeting where a Commissioner participates by teleconference, First 5 Orange County will provide notice on the agenda of the means by which members of the public may access the meeting and provide public comment. Any action taken during the meeting will be done by rollcall vote. This Policy sets forth the procedures for Commission Members to submit requests to participate in meetings via teleconference.

1. Traditional Brown Act Teleconferencing

The traditional teleconferencing method allows Commission Members to participate from a publicly noticed location that is open and accessible to the public. Commissioners may participate remotely under the traditional teleconferencing method provided that all of the following requirements are met:

a. The request to teleconference must be timely submitted to the Executive Assistant to the President/CEO prior to the agenda posting deadline. To provide First 5 Orange County with ample time to comply with the Brown Act noticing requirements, the request must be provided at least 9 days prior to a regular meeting and 5 days prior to a special meeting. The teleconference location will be identified on the meeting agenda. Once noticed on the agenda, the teleconference location becomes subject to Brown Act requirements for posting and public accessibility.

b. The teleconference location is accessible under Americans with Disabilities Act requirements.

- c. The teleconference location is open to members of the public to participate in the meeting and address the Board of Commissioners.
- d. The meeting agenda is posted at the teleconference location in accordance with the timeframes required by the Brown Act.
- e. A quorum of the Commission Members participates in the meeting from locations within the jurisdiction of First 5 Orange County.

2. Teleconferencing due to "Just Cause"

The Brown Act also permits teleconferencing for "just cause," as defined by Government Code Section 54953.8.3, provided that the meeting is broadcasted publicly through a two-way audiovisual platform or a two-way telephonic service with live webcasting and members of the public are able to participate in and view the meeting remotely through an internet-based service or call-in option.

"Just cause" means any of the following circumstances:

- Childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely.
- A contagious illness that prevents a member from attending in person.
- A need related to a physical or mental condition that is not otherwise subject to state or federal disability laws.
- Travel while on official business of First 5 Orange County or another state or local agency.
- An immunocompromised child, parent, grandparent, grandchild, sibling, spouse, or domestic partner of the member that requires the member to participate remotely.
- A physical or family medical emergency that prevents a member from attending in person.
- Military service obligations.

In order to teleconference for just cause, all of the following must be met:

- a. The request must be submitted to the Executive Assistant to the President/CEO at the earliest opportunity possible and include a description of the circumstances relating to their need to appear remotely during the meeting (however, the Commissioner is not required to disclose any medical diagnosis or disability or personal medication information that is otherwise protected under state or federal law). The President/CEO will promptly notify the rest of the Board of that Commissioner's need to teleconference for just cause.
- b. The Brown Act does not permit a Commissioner to teleconference for just cause for more than two (2) meetings per calendar year.
- c. A Commission Member must make a separate request for each meeting to participate remotely as the Brown Act does not permit ongoing requests.
- d. A least a quorum of the Commission Members must attend the meeting in person from a single location that is identified on the agenda and open to the public.
- e. If a Commissioner participates remotely due to just cause, First 5 Orange County must provide a means by which the public may remotely hear, visually observe the meeting, and remotely address the Commission through a call-in option or internet-based service option (i.e., Zoom). If First 5 Orange County cannot broadcast the meeting to the public

for technological or other reasons, the request will be denied.

f. The remote Commission Member must participate in the meeting through both audio and visual technology, meaning that the Commission Member's camera should be on at all times during the meeting.

g. Before any action is taken during the meeting, the remote Commission Member must disclose at the meeting whether any other adults are present in the room and the nature of the Commissioner's relationship with any such individuals.

h. No action can be taken during the meeting in the event of a disruption that prevents First 5 Orange County from broadcasting the meeting to members of the public, or in the event of a disruption within First 5 Orange County's control that prevents members of the public from offering public comments, until public access is restored.

The meeting minutes will identify any Commissioners who participated through teleconferencing as well as the specific provision of law that authorized the teleconferencing method used.

If the requirements in this Policy cannot be met, then the Board Chair, in consultation with staff, shall deny the request to participate by teleconference to avoid a Brown Act violation, which might otherwise jeopardize the business conducted at the meeting. This Policy is not intended to encourage members to teleconference into meetings when members would otherwise not attend meetings because of more pressing personal or professional matters or due to illness. The Board of Commissioners recognizes that circumstances occur during the year which require the immediate attention of its members and will cause them to miss a meeting.

Additionally, this Policy does not prohibit the Board of Commissioners from utilizing any additional teleconferencing methods that are expressly permitted by the Brown Act (i.e., teleconferencing during a proclaimed state of emergency). This Policy also does not prohibit a Commissioner with a disability from participating in any meetings remotely as a reasonable accommodation pursuant to state or federal disability laws. Any reasonable accommodation requests should be submitted to the Executive Assistant to the President/CEO.

The President/CEO, in consultation with Commission Counsel, may make updates to this Policy to comply with changes to the Brown Act or other state laws, which will be promptly distributed to the Commissioners and included in the annual policies and procedures update approved by the Commissioners.

ATTACHMENT:

N/A



Agenda Item 6 December 4, 2025

DATE: November 14, 2025

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO

A handwritten signature in cursive script, appearing to read "Kimberly Goll", written in dark ink.

ACTION: Approve New Standard Form Program Services Agreement

SUMMARY:

First 5 Orange County has agreements with various organizations that receive First 5 Orange County funding to provide services for children and families prenatally through age five. These agreements include standard terms and conditions, which define the requirements for contracting with First 5 OC. The standard form agreements are periodically reviewed, and this item requests approval of a new short-form Contractor/Grantee agreement.

DISCUSSION:

Historically, the First 5 OC Board has approved all boilerplate agreements to be used for contracts valued over \$50,000 and authorized the President/CEO and Commission Counsel to make minor and non-substantive revisions and to include language required by external funding sources (such as State or County funding). The current templates approved by the First 5 OC Board and used by staff include Professional Services, Consultant, Grantee (both non-profit and for profit), Public Entity, and School District agreements. The boilerplate templates were reviewed, updated, and brought to the Board for approval in 2023 and 2024 to clarify contracting language, remove outdated and duplicative provisions, clarify other requirements consistent with standard contracting terms by public agencies, and accommodate different requirements that come with leveraging other funding sources.

Staff and Commission Counsel are requesting approval of a new short-form contractor/grantee agreement. The existing Grantee agreement was initially drafted for use with grantees providing direct client services and, as such, required more intensive contract requirements, such as increased reporting obligations, staffing plans, etc. Staff will continue to use that agreement template for direct client services or as otherwise appropriate but is requesting approval of a new short-form agreement to use with grantees and contractors that are providing more simplified and routine services that don't involve direct client interaction, and that would not necessarily qualify as consulting or professional services, such as capacity building and systems work.

The draft agreement, included as Attachment 1, has been reviewed by staff and Commission Counsel and is recommended for Board approval. Consistent with prior approvals, staff requests continued authorization for the President/CEO and Commission Counsel to make minor, non-substantive revisions to the agreements when necessary and to include any language in the agreements that may be required by external funding sources. Staff's request to make non-substantive revisions also includes authority to make revisions such as permitting mutual

indemnification/termination when warranted, removing or modifying inapplicable contract terms from the templates when appropriate, and the discretion to determine which exhibits are appropriate to include.

STRATEGIC PLAN & FISCAL SUMMARY:

This action has no funding impact.

PRIOR COMMISSION ACTIONS:

- April 2024 – Revised Grantee, Public Entity, and School District Agreements
- April 2023 – Revised Professional Services and Consultant Agreements
- December 2016 – Revised Standard Form Agreements
- December 2013 – Revised Standard Form Agreements
- May 2010 – Approved updated Standard Form Agreements

RECOMMENDED ACTION:

Approve new standard form Contractor/Grantee agreement (short-form).

ATTACHMENT:

1. Contractor/Grantee Agreement (short-form)

CONTACT: Cassie Trapesonian and Michael Garcell

AGREEMENT FCS-XX-XX

BY AND BETWEEN

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

AND

FOR THE PROVISION OF SERVICES

This **AGREEMENT** (“Agreement”) entered into as of the [day] day of [month], 20[XX] (“Date of Agreement”) is by and between the **CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**, a public body and legal public entity (“COMMISSION”), and [Entity Name], a California [Entity Type] (“CONTRACTOR”). This Agreement shall be administered by the President/CEO of COMMISSION, or his or her authorized designee (“ADMINISTRATOR”).

RECITALS

A. In order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the “Act”), implementing the Children and Families First Initiative passed by the California electorate in November of 1998, establishing the California Children and Families Commission, and providing for establishment in each county of Children and Families Commissions, including COMMISSION.

B. COMMISSION adopted its Strategic Plan to define how funds authorized under the Act should best be used to meet the critical needs of Orange County’s children prenatal through age five as codified in the Act, which plan has been amended and after the Date of Agreement may be further amended, updated, or revised (“Strategic Plan”).

C. CONTRACTOR is a [entity type].

D. On [date], [describe Commission action, President/CEO authority, or other authorization to enter into agreement].

E. COMMISSION desires to contract with CONTRACTOR to provide services, carry out certain performance obligations, and achieve certain outcomes, while promoting the purposes of the Act and the Strategic Plan on the terms and conditions set forth in this Agreement and the Project Summary, Exhibit A, and Project Budget, Exhibit B (together, “Services”).

F. As and if applicable, COMMISSION and CONTRACTOR desire to enter into matching fund program opportunities with the California Children and Families Commission (“First 5 California”) and other matching fund opportunities as may become available.

G. CONTRACTOR desires to provide Services in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in this Agreement. CONTRACTOR represents and maintains that it is uniquely qualified by virtue of its experience, training, education,

reputation, and expertise to provide these Services to COMMISSION and has agreed to provide such Services as provided herein. COMMISSION does not have the personnel or specialized technical expertise able to perform the Services contracted for herein.

NOW, THEREFORE, based on the Recitals, which are a substantive part of this Agreement, and agreed mutual consideration, COMMISSION and CONTRACTOR agree as follows:

1. TERM OF AGREEMENT. The term of this Agreement shall commence on [date] and terminate on [date] (“Term”), unless earlier terminated pursuant to the provisions of Paragraph 20 of this Agreement. CONTRACTOR and ADMINISTRATOR may mutually agree in writing to extend the Term of this Agreement, provided that COMMISSION’s Maximum Payment Obligation in this Agreement does not increase as a result.

2. ALTERATION OF TERMS.

2.1 This Agreement, together with and including any Exhibits, fully express all understandings of the parties and is the total Agreement between the parties as to the subject matter of the Agreement. No addition to, or alteration of, the terms of this Agreement shall be valid unless made in the form of a written amendment to this Agreement executed by both parties. Notwithstanding the above, PROFESSIONAL and ADMINISTRATOR may mutually agree in writing to make modifications to the activities, tasks, deliverables, performance timeframes, payment intervals, percentage of Initial Payment(s), and the percentage of Retention Amount(s) as specified in this Agreement, including the Exhibits, provided any of the revisions do not alter the overall goals and basic purpose of the Agreement and do not increase COMMISSION’s Maximum Payment Obligation,.

2.2 The Project Summary will be subject to a periodic review to determine consistency with the COMMISSION's strategic direction. Changes to level of Services set forth in the Scope of Services may be directed by ADMINISTRATOR to bring the Agreement scope into better alignment with the COMMISSION's evolving strategic direction. These changes may include, but are not limited to, reprioritization of the targeted service population, redirection of resources to provide additional or less intensive Services, and increased focus on sustainability strategies. If PROFESSIONAL is unable to redirect its program to be consistent with this direction, COMMISSION may reduce Services to be provided by PROFESSIONAL under this Agreement.

3. STATUS OF CONTRACTOR. CONTRACTOR is, and shall at all times remain, an independent contractor to COMMISSION in providing Services for this Agreement. As a condition to commencing performance of any Services for this Agreement and to be eligible for any compensation for Services rendered, CONTRACTOR shall execute an Acknowledgment of Independent Contractor Status, Exhibit C, attached hereto and fully incorporated by this reference. CONTRACTOR is and shall remain wholly responsible for the manner in which it performs the Services required by the terms of this Agreement. Nothing in this Agreement shall be construed as creating the relationship of employer and employee (neither a contract nor regular employee), or principal and agent, between COMMISSION and CONTRACTOR or any of CONTRACTOR’s employees, subcontractors, or agents. CONTRACTOR assumes exclusive responsibility for the acts of its employees, subcontractors, or agents as they relate to the Services to be provided during the Term of this Agreement and the course and scope of employment of any such employees, subcontractors, or agents. Neither CONTRACTOR or its officials, officers, agents, employees, or subcontractors shall, in any respect whatsoever, be entitled to any rights or privileges of COMMISSION employees and shall not be considered in any manner to be COMMISSION employees. COMMISSION shall neither have nor exercise any control or direction over the methods by which CONTRACTOR shall perform its obligations under this

Agreement. COMMISSION shall not be responsible or liable for the acts or failure to act, whether intentional or negligent, of any employee, agent, subcontractor, or volunteer of CONTRACTOR (hereinafter referred to as "personnel"). CONTRACTOR shall pay all wages, salaries, and other amounts due its employees in connection with this Agreement and shall be responsible for all reports and obligations respecting them, such as social security, income tax withholding, unemployment compensation, workers' compensation, and similar matters. CONTRACTOR shall indemnify and hold harmless COMMISSION from any liability, damages, costs, and expenses of any nature arising from alleged violations of personnel practices and employment laws. Should any of CONTRACTOR's personnel or a state or federal agency allege claims against COMMISSION involving the status of COMMISSION as employer, joint or otherwise, of said personnel, or allegations involving any other independent contractor misclassification issues, CONTRACTOR shall defend and indemnify COMMISSION in relation to any allegations made and shall reimburse COMMISSION for any costs, including attorneys' fees, the COMMISSION incurs arising out of such claim or determination, including, but not limited to, any benefits COMMISSION is required to provide, or payroll taxes or workers' compensation claims it is required to pay, as well as for the payment of any penalties and interest.

4. CONTRACTOR DELEGATION AND ASSIGNMENT. Neither this Agreement nor any interest herein nor claim hereunder may be assigned by CONTRACTOR either voluntarily or by operation of law, nor may all or any part of this Agreement be subcontracted by CONTRACTOR, without the prior written consent of ADMINISTRATOR. Any attempted assignment in violation of this paragraph shall be ineffective, null and void, and constitute a material breach of this Agreement entitling COMMISSION to any and all remedies at law or in equity, including termination of this Agreement.

5. GENERAL INDEMNIFICATION. CONTRACTOR agrees to and shall indemnify, defend with counsel approved in writing by COMMISSION, hold harmless COMMISSION, its Commissioners, officers, agents, and employees from and against all liability, claims, losses, demands, injuries to or death of any person or persons, or damages to property, including but not limited to property of Commissioners, officers, employees, or agents of COMMISSION (together, "Claims"), including defense costs, resulting from court action or in any manner arising out of, pertaining to, related to, or incident to any intentional, malicious, negligent acts, inactions, errors, or omissions of CONTRACTOR, its officers, employees, agents, or Subcontractors in the performance of this Agreement.

5.1 No elected official, no public official, no Commissioner, no officer, no committee member, no employee, and no agent of COMMISSION shall be personally liable to CONTRACTOR, any successor in interest, or to any Subcontractor in the event of any default or breach by COMMISSION or for any amount that may become due to CONTRACTOR or to its successor or for breach of any obligation of the terms of this Agreement.

6. INSURANCE. Without limiting CONTRACTOR's liability for indemnification of COMMISSION as set forth in Paragraph 5 above, CONTRACTOR shall obtain and maintain in effect, during the term of this Agreement, the following insurance coverage and provisions:

6.1 Evidence of Coverage. Prior to commencement of any Services under this Agreement, CONTRACTOR shall provide on an insurance industry approved form a Certificate of Insurance (COI) certifying that coverage as required in this Paragraph 6 has been obtained and remains in force for the period required by this Agreement. A certified copy of the policy or policies shall be

provided by CONTRACTOR upon request of ADMINISTRATOR at the address specified in Paragraph 19. Each policy shall meet the following requirements:

6.1.1 Required Coverage Forms

(a) Commercial General Liability coverage shall be written on Insurance Services Office (ISO) form CG 00 01, or a substitute form providing liability coverage at least as broad.

(b) Business Auto Liability coverage shall be written on ISO form CA 00 01, CA 00 05, CA 0012, CA 00 20, or a substitute form providing coverage at least as broad.

6.1.2 Required Endorsements. Commercial General Liability policy shall contain the following endorsements, which shall accompany the Certificate of Insurance:

(a) An Additional Insured endorsement using ISO form CG 2010 or CG 2033 or a form at least as broad naming the COMMISSION, and its elected and appointed officials, officers, employees, agents as Additional Insureds.

(b) A primary non-contributing endorsement evidencing that CONTRACTOR's insurance is primary and any insurance or self-insurance maintained by the COMMISSION shall be excess and non-contributing.

6.1.3 Notice of Cancellation or Change of Coverage Endorsement: Each policy shall include an endorsement evidencing that the policy shall not be canceled or changed so as to no longer meet the specified COMMISSION insurance requirements without thirty (30) days prior written notice of the cancellation or change being delivered to ADMINISTRATOR at the address shown on the COI; or, ten (10) days' notice for non-payment of premium. This shall be evidenced by policy provisions or an endorsement separate from the COI.

6.1.4 Separation Clause Endorsement: Each policy shall include an endorsement evidencing that the policy provides coverage separately to each insured who is seeking coverage or against whom a Claim is made or a suit is brought, except with respect to the company's limit of liability (standard in the ISO CG 0001 policy).

6.1.5 Termination of Insurance. If insurance is terminated for any reason, CONTRACTOR agrees to purchase an extended reporting provision of at least two (2) years to report Claims arising from work performed, or any action or any inaction in connection with this Agreement.

6.1.6 Qualifying Insurers. All coverages shall be issued by insurance companies that must be:

(a) Rated A-:VIII or better or FPR Ratings of 9 through 7, and have a Financial Size Category (FSC) of VIII or better according to the current Best's Key Rating Guide/Property-Casualty/United States or ambest.com; or

(b) A company of equal financial stability that is approved by ADMINISTRATOR or his or her Risk Management designee; and

(c) Admitted in the State of California.

6.1.7 Deductible Amounts in Standard Policy. COMMISSION acknowledges that a deductible amount on a policy of insurance is acceptable, but only as approved in writing in the sole discretion of ADMINISTRATOR, or his or her Risk Management designee; provided no approved deductible shall in any way limit liabilities assumed by CONTRACTOR under this Agreement, including:

(a) Any policy deductible or self-insured retention on any insurance policy (except auto) which exceeds \$25,000. Such policy requires prior written approval of ADMINISTRATOR or his or her Risk Management designee.

(b) Any policy deductible or self-insured retention on automobile liability over \$5,000. Such policy requires prior written approval of ADMINISTRATOR or his or her Risk Management designee.

(c) All self-insured retentions or deductibles shall be clearly stated on the COI. If no self-insured retentions or deductibles apply, indicate this on the COI.

6.1.8 Subcontractor Insurance Requirements. Should any of the Services under this Agreement be provided by a Subcontract, CONTRACTOR shall require each Subcontractor, of any tier, to provide the coverages mentioned in this Paragraph 6, or CONTRACTOR may insure any Subcontractor under its own policies.

6.1.9 Occurrence Versus Claims Made Coverage. It is the intent of COMMISSION to secure “occurrence” rather than “claims made” coverage whenever possible. If coverage is written on a “claims made” basis, the COI shall clearly so state. In addition to coverage requirements above, each policy shall provide that:

(a) Policy retroactive date coincides with or precedes CONTRACTOR’s start of work (including subsequent policies purchased as renewals or replacements).

(b) CONTRACTOR will make every effort to maintain similar insurance during the required extended period of coverage following completion of Services, including the requirement of adding all additional insureds.

(c) Policy allows for reporting of circumstances or incidents that might give rise to future claims.

6.2 Types of Insurance Policies/Coverages Required. CONTRACTOR shall provide insurance through a policy or policies with the following types and coverages, subject to the requirements of Subparagraph 6.1 above.

6.2.1 Comprehensive General Liability Insurance. Comprehensive General Liability Insurance for bodily injury, including death, and property damage which provides not less than One Million Dollars (\$1,000,000) combined single limit (CSL) per occurrence and not less than Two Million Dollars (\$2,000,000) annual aggregate.

(a) The coverage shall include:

(i) Premises and Operations.

(ii) Products/Completed Operations with limits of One Million Dollars (\$1,000,000) per occurrence and One Million Dollars (\$1,000,000) annual aggregate to be maintained for two (2) years following the end of the term of this Agreement.

(iii) Contractual Liability expressly including liability assumed under this agreement, except such requirement does not apply to service contracts.

(iv) Personal Injury Liability.

6.2.2 Comprehensive Automobile Liability Insurance. Comprehensive Automobile Liability Insurance for bodily injury, including death, and property damage which provides total limits of not less than One Million Dollars (\$1,000,000) CSL per occurrence and One Million Dollars (\$1,000,000) annual aggregate applicable to all owned, non-owned, and hired vehicles/watercraft.

6.2.3 Workers' Compensation Insurance. Workers' Compensation Insurance shall be maintained. Statutory California Workers' Compensation coverage shall include a broad form all-states endorsement and waiver of subrogation.

6.2.4 Employers' Liability Coverage. Employers' Liability Coverage of not less than One Million Dollars (\$1,000,000) per occurrence for all employees engaged in Services or operations under this Agreement.

6.2.5 Professional Liability. If the Project Summary, Exhibit A, includes or requires staffing or services by a licensed professional, such as physician, dentist, pharmacist, registered nurse, psychologist, accountant, engineer, architect, etc., then insurance policy(ies) and coverage for professional liability/errors and omissions is required in an amount not less than One Million Dollars (\$1,000,000) per claims made or per occurrence and One Million Dollars (\$1,000,000) aggregate. If CONTRACTOR's professional liability policy is a "claims made" policy, CONTRACTOR shall agree to maintain professional liability coverage for two (2) years following the termination of this Agreement.

6.3 Change in Coverage. COMMISSION expressly retains the right to require CONTRACTOR to increase or decrease insurance of any of the above insurance types throughout the term of this Agreement. Any increase, decrease, or waiver of insurance requirements will be as deemed by ADMINISTRATOR, or his or her Risk Management designee, as appropriate to adequately protect COMMISSION. COMMISSION shall notify CONTRACTOR in writing of changes in the insurance requirements. If CONTRACTOR does not provide copies of acceptable COIs and endorsements incorporating such changes within thirty (30) days of receipt of such notice, this Agreement may be in breach without further notice to CONTRACTOR, and COMMISSION shall be entitled to all legal remedies.

6.4 Duration of Insurance. CONTRACTOR shall maintain all coverage and insurance for the entire term and for any extended period agreed upon within this Agreement.

6.5 Maintain Records of Insurance Coverage. CONTRACTOR shall maintain records regarding all coverage and insurance for the term of this Agreement and for any extended period agreed upon within this Agreement.

6.6 Withhold Payment for Lack of Required Coverage. COMMISSION reserves the right to withhold payments to CONTRACTOR in the event of material noncompliance with the applicable insurance requirements outlined in this Paragraph 6.

6.7 Remedies for Failure to Provide or Maintain Required Insurance or Endorsements. In addition to any other remedies COMMISSION may have if CONTRACTOR or any Subcontractor fails to provide or maintain any insurance required by this Paragraph 6 to the extent and within the time required by this Agreement, COMMISSION may, at its sole option:

(a) Obtain the insurance and deduct and retain the amount of the premiums for the insurance from any monies due under this Agreement.

(b) Order CONTRACTOR and any Subcontractor to cease performance of the Services and withhold any payment(s) which become due to CONTRACTOR or any Subcontractor until CONTRACTOR or Subcontractor demonstrates compliance with the insurance requirements of this Agreement.

(c) Immediately and without further cause terminate this Agreement.

6.8 Exercise of any of the above remedies are in addition to any other remedies COMMISSION may have and are not the exclusive remedies for CONTRACTOR's or Subcontractor's failure to maintain or secure appropriate policies or endorsements. Nothing in this Agreement shall be construed as limiting in any way the extent to which CONTRACTOR or any Subcontractor may be held responsible for payments of damages to persons or property resulting from CONTRACTOR's or any Subcontractor's performance under this Agreement.

7. GENERAL TERMS AND CONDITIONS.

7.1 Scope of Services. CONTRACTOR shall provide the Services set forth and described in the Project Summary, Exhibit A and within Project Budget, Exhibit B. The Services shall include CONTRACTOR's proposal or bid, if any, which is incorporated herein by this reference. In the event of any inconsistency or conflicting terms between the proposal and this Agreement, the terms of this Agreement, inclusive of Exhibits, shall take precedence.

7.2 No Supplanting Government Funds. In furtherance of the express directives of the Act, CONTRACTOR shall not supplant government funds intended for the purposes of this Agreement with any other funds intended for the purposes of this Agreement. CONTRACTOR shall not submit an invoice for payment from COMMISSION or apply sums received from COMMISSION with respect to that portion of its obligations which have been paid by another governmental source of revenue. CONTRACTOR is required to ensure that, in the performance of this Agreement, all funding shall be expended and used to supplement, not supplant, existing levels of service.

7.3 Compliance with Laws. CONTRACTOR shall provide all Services in accordance with all applicable federal and state laws, statutes, regulations, and local ordinances and resolutions, including all provisions of the Act, as any may now exist or as amended or added after the Date of Agreement.

7.4 Familiarity and Care of Work. CONTRACTOR warrants and shall be satisfied that (a) it has thoroughly investigated and considered the Services, (b) it has carefully considered how the

Services should be performed, will be implemented, and will be completed, and (c) it fully understands the facilities, difficulties, and restrictions, attending carrying out the performance obligations of this Agreement. CONTRACTOR shall adopt reasonable methods during the term of this Agreement to furnish continuous protection to the property (real and personal property), facilities, equipment, persons providing or receiving Services, work product, records, and other papers to prevent losses or damages. CONTRACTOR shall be responsible for all losses or damages to persons or property (including real property, personal property, both tangible and intangible), except the losses or damages caused by COMMISSION's sole negligence. CONTRACTOR shall correct any incomplete, inaccurate, or defective work or service at no further cost to COMMISSION when the inaccuracies are due to negligence, inaction, or intentional misconduct of CONTRACTOR.

7.5 Severability. Whenever possible, each provision of this Agreement shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be determined to be invalid by a final judgment or decree of a court of competent jurisdiction, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of that provision, or the remaining provisions of this Agreement unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

7.6 California Law. This Agreement shall be construed and interpreted both as to validity and to performance in accordance with the laws of the State of California. Legal actions concerning any dispute, claim, or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Orange, State of California, and CONTRACTOR covenants and agrees to submit to the personal jurisdiction of the court in the event of any action.

7.7 Waiver. No delay or omission in the exercise of any right or remedy of a non-defaulting party on any default shall impair any right or remedy or be construed as a waiver. One party's consent or approval of any act by the other party requiring the other party's consent or approval shall not be deemed to waive or render unnecessary the party's consent to or approval of any subsequent act of the party. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

7.8 Rights and Remedies Cumulative. Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of the rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

7.9 Covenant Against Discrimination. In the performance of this Agreement, CONTRACTOR shall not engage in, nor permit any employee or agent to engage in, discrimination in employment of persons or provision of Services or assistance, nor exclude any person from participation in, nor deny any person the benefits of, nor or subject any person to discrimination under any program or activity funded in whole or in part with COMMISSION funds on the grounds of race, religion, color, national origin, ancestry, physical handicap, medical condition, marital status, gender, or sexual orientation, except as permitted by applicable provisions of federal and state law. CONTRACTOR shall comply with Title II of the Americans with Disabilities Act, (42 U.S.C. §12101, *et. seq.*) as it relates to public accommodations.

7.10 Legal Action. In addition to any other rights or remedies, either party may take legal action, at law or at equity, to cure, correct, or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

7.11 Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, each party shall bear its own costs and attorneys' fees.

7.12 Use of Commission Name and Logo. CONTRACTOR shall use COMMISSION's name and logo on all materials, promotional information, and products that relate to Commission-funded programs, unless otherwise agreed to between CONTRACTOR and ADMINISTRATOR at ADMINISTRATOR's sole discretion. CONTRACTOR shall comply with COMMISSION's guidelines related to the use of COMMISSION's name and logo as stated in its Policies and Procedures Guide.

7.13 Time of Essence. Time is of the essence in the performance of this Agreement.

7.14 No Broker or Finders' Fee. CONTRACTOR warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

7.15 No Use of Funds for Lobbying or Political Activity. CONTRACTOR shall not expend any monies paid or payable under this Agreement for the purpose of influencing or attempting to influence an officer, member, or employee of COMMISSION, any County of Orange officer or employee, any member or employee of First 5 California, any member of the State legislature or member of Congress, or any other officer or employee of any public agency or entity, in connection with the awarding of any contract, the making of any contract, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any contract, grant, loan, or cooperative agreement. CONTRACTOR further agrees that the funds provided in this Agreement shall not be used to promote, directly or indirectly, any political party, political candidate, or political activity, except as permitted by law.

7.16 Constitutional Use of Funds. CONTRACTOR agrees that the funds provided by COMMISSION to CONTRACTOR shall not be used to promote any religion, religious creed or cult, denomination, sectarian organization or religious belief or to fund any proselytizing activities. The parties agree the above covenant is intended to and shall be construed for the limited purpose of assuring compliance with respect to the use of COMMISSION funds by CONTRACTOR with applicable constitutional limitations respecting the establishment of religion as set forth in the establishment clause under the First Amendment of the United States Constitution and Article I, Section 4 of California Constitution, and is not in any manner intended to restrict other activities of CONTRACTOR.

8. REPRESENTATIONS AND WARRANTIES OF CONTRACTOR. CONTRACTOR makes the following representations and warranties to COMMISSION. These representations and warranties are ongoing, and CONTRACTOR shall advise ADMINISTRATOR in writing if there is any change pertaining to any matters set forth or referenced in the following subparagraphs. Any changes may give rise for COMMISSION to terminate for cause due to default.

8.1 Conflicts of Interest. CONTRACTOR covenants that neither it, nor any officer or principal of its firm, has or shall acquire any interest, directly or indirectly, which would conflict in

any manner with the interests of COMMISSION or which would in any way hinder CONTRACTOR's performance of Services under this Agreement. CONTRACTOR further covenants that, in the performance of this Agreement, no person having any such interest shall be employed by it as an officer, employee, agent, or subcontractor without the express written consent of the COMMISSION. CONTRACTOR agrees to at all times avoid conflicts of interest or the appearance of any conflicts of interest with the interests of COMMISSION in the performance of this Agreement.

8.2 No Bankruptcy. CONTRACTOR is not the subject of any current or threatened bankruptcy.

8.3 No Pending Legal Proceedings. CONTRACTOR is not the subject of a current or threatened litigation that would or may materially affect CONTRACTOR's performance under this Agreement.

8.4 No Pending Investigation. CONTRACTOR is not aware that it is the subject of any current or threatened criminal or civil action investigation by any public agency, including, without limitation, a police agency or prosecuting authority, related, directly or indirectly, to the provision of Services under this Agreement.

8.5 Licenses and Standards; Compliance with Laws. CONTRACTOR warrants that it has all necessary licenses and permits required by the laws of the United States, State of California, County of Orange, any local jurisdiction in which it may do business or provide Services, and all other appropriate governmental agencies. CONTRACTOR agrees to maintain these licenses and permits in effect for the duration of this Agreement. CONTRACTOR shall only contract with Subcontractors that are duly licensed, insured, and qualified to provide Services under this Agreement, as applicable. CONTRACTOR warrants that its employees, agents, contractors, and Subcontractors shall conduct themselves in compliance with the laws and licensure requirements. CONTRACTOR shall notify ADMINISTRATOR immediately and in writing of its inability to obtain or maintain, irrespective of the pendency of any appeal, any of the permits, licenses, approvals, certificates, waivers, or exemptions. The inability shall be cause for termination of this Agreement by COMMISSION.

9. CONFIDENTIALITY.

9.1 CONTRACTOR agrees to maintain, and to cause each of its employees, agents, and subcontractors rendering services on behalf of CONTRACTOR to maintain, the confidentiality of any confidential records, information, program participant, or service recipient records made available pursuant to this Agreement in accordance with applicable federal and state laws and regulations and the Confidentiality and Data Sharing Protocol as adopted by COMMISSION, which is incorporated herein by this reference, as each currently exist or may hereafter be amended, and as may be required by any other funding source allocated through this Agreement. This paragraph shall apply to records maintained in any format, including any hard copies, electronic or computer-based data, and audio and video recordings. CONTRACTOR shall include the confidentiality provisions in this Agreement in all subcontracts entered into for the performance of Services under this Agreement.

9.2 If Services require access to protected health information governed by the Health Insurance Portability and Accountability Act (HIPAA), CONTRACTOR agrees to comply, and to require its employees, subcontractors, agents, and volunteers to comply, with the HIPAA Business Associate Agreement, which is attached hereto as Exhibit D and incorporated into this Agreement by this reference.

10. REPORTING REQUIREMENTS. Separate from any other reports required in the Project Summary, Exhibit A, CONTRACTOR shall prepare and submit to ADMINISTRATOR reports concerning the performance of the Services required by this Agreement and any other reports as ADMINISTRATOR may reasonably require.

10.1 Ancillary Reporting Requirement Related to Enforcement of Child Support Obligations.

10.1.1 County Requirements. In order to comply with child support enforcement requirements of the County of Orange, CONTRACTOR agrees to furnish to ADMINISTRATOR within thirty (30) days of the award of this Agreement:

(a) in the case of an individual contractor, his or her name, date of birth, Social Security number, and residence address;

(b) in the case of a contractor doing business in a form other than as an individual, the name, date of birth, Social Security number, and residence address of each individual who owns an interest of ten percent (10%) or more in the contracting entity;

(c) a certification that contractor has fully complied with all applicable federal and state reporting requirements regarding its employees; and

(d) a certification that contractor has fully complied with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment, and will continue to so comply.

10.1.2 Failure to Comply Breach. The failure of CONTRACTOR to timely submit any of the data or certifications required by Subparagraph 10.1.1; to comply with all federal and state employee reporting requirements for child support enforcement; or to comply with all lawfully served Wage and Earnings Assignment Orders and Notices of Assignment shall constitute a material breach of this Agreement. Failure to cure such breach within sixty (60) calendar days of notice from the County of Orange or COMMISSION shall constitute grounds for termination of this Agreement.

10.1.3 Use of Data Solely for Government Enforcement of Child Support Orders. It is expressly understood that this data will be transmitted to governmental agencies charged with the establishment and enforcement of child support orders, and for no other purposes.

10.1.4 Exemptions. Agreements with public entities shall be exempt from the requirements of Subparagraph 10.1. Agreements with non-profit organizations which have no owners shall be exempt from the requirements of Subparagraph 10.1.1(b) above.

11. AUDITS. CONTRACTOR shall perform an audit(s) of records as described in this Agreement.

11.1 Fiscal Audit of Contract. CONTRACTOR shall employ an independent, licensed Certified Public Accountant (“CPA”) who shall prepare and file with ADMINISTRATOR a “Fiscal Audit” of this Agreement that shall include a review of the invoices submitted and paid for the reasonable cost of Services under this Agreement and a sampling (test) of the supporting documentation. CONTRACTOR shall require the CPA to provide an unqualified professional written opinion that states whether the invoices for payment submitted by CONTRACTOR under this

Agreement were for actual and reasonably necessary costs and expenses to pay for work performed or goods purchased pursuant to the terms and conditions of this Agreement and whether the indirect cost rate applied to staffing for invoices submitted and paid, if any, is in accordance with the requirements of Paragraph 12.5. CONTRACTOR shall ensure that corrective action is taken with respect to audit exceptions for lack of internal controls or adequate procedures noted in the Fiscal Audit within six (6) months after issuance of the applicable Fiscal Audit report.

11.1.1 Multi-Year Funding. There shall be a Fiscal Audit completed for each year of this Agreement. Each annual Fiscal Audit shall become due within sixty (60) days after the anniversary of the Date of Agreement. The final Fiscal Audit shall become due within sixty (60) days after the end of the term of the Agreement or the date of termination of this Agreement, whichever occurs earlier. CONTRACTOR and ADMINISTRATOR may mutually agree in writing to extend the date by which each Fiscal Audit is due.

11.1.2 Retention Amount. The COMMISSION shall withhold the Retention Amount discussed in Paragraph 12.7 pending timely and successful completion of each Fiscal Audit.

11.2 Retention of Rights to Audit and Monitor Performance under Agreement. COMMISSION, First 5 California, and their respective representatives (collectively, “Representatives”), reserve all rights and shall have access to any books, documents, papers, and records, including medical records, of CONTRACTOR and any Subcontractor performing Services under this Agreement for the purpose of monitoring or auditing CONTRACTOR’s performance under this Agreement. The Representatives have the right at all reasonable times to monitor, inspect, or otherwise evaluate the work performed or being performed under this Agreement and the premises in which it is being performed, including unannounced on-site monitoring. Monitoring activities may also include, but are not limited to, questioning employees, volunteers, and participants for the subject Services and entering any premises or any site in which any of the Services funded by this Agreement are conducted or in which any of the records of CONTRACTOR or any Subcontractor are kept. Nothing in this Agreement shall be construed to require access to any privileged or confidential information unless authorized by federal or state law. CONTRACTOR shall make available its records within the borders of Orange County within ten (10) days after receipt of written demand by ADMINISTRATOR. In the event CONTRACTOR does not make available its records within the borders of Orange County, CONTRACTOR agrees to pay all necessary and reasonable direct and indirect expenses incurred by COMMISSION or COMMISSION’s designee(s) necessary to obtain CONTRACTOR’s records.

12. MAXIMUM PAYMENT OBLIGATION. The “Maximum Payment Obligation” of COMMISSION to CONTRACTOR under this Agreement shall be _____ Dollars (\$_____) or the actual reasonable cost incurred and paid for performance of the Services, whichever is less.

12.1 Multi-Year Contracts. For multi-year contracts, the Maximum Payment Obligation for each period shall be as follows: *[If not a multi-year contract, rather than deleting this section in its entirety, please just delete the text of 12.1 and the subparagraphs but leave the heading so that the paragraph numbering for the subsequent sections do not change. Change to “12.1 [Reserved]”]*

12.1.1 The Maximum Payment Obligation of COMMISSION to CONTRACTOR for the Services to be provided for the period _____ through _____ shall be \$_____.

12.1.2 The Maximum Payment Obligation of COMMISSION to CONTRACTOR for the Services to be provided for the period _____ through _____ shall be \$_____.

12.1.3 The Maximum Payment Obligation of COMMISSION to CONTRACTOR for the Services to be provided for the period _____ through _____ shall be \$_____.

12.2 Initial Payment. ADMINISTRATOR may, in his or her sole discretion, authorize an initial payment to CONTRACTOR in an amount not to exceed 25% [*or 12.5% per year for a two year agreement or 8.33% per year for a three year agreement*] of COMMISSION's Maximum Payment Obligation upon receipt of a written request(s) by CONTRACTOR. Request(s) shall be accompanied by the justification as ADMINISTRATOR may require. ADMINISTRATOR may approve subsequent requests for initial payments not to exceed twenty-five percent (25%) of any budget period, contingent upon CONTRACTOR having repaid all prior initial payment amounts in any prior budget period. The initial payment is intended to cover initial costs that are estimated to have been incurred or are expected to be incurred in the performance of Services by CONTRACTOR. ADMINISTRATOR may, in his or her sole discretion, deduct the initial payment(s) from any one or more subsequent payments owed to CONTRACTOR during the term of this Agreement. If, at the end of the term of this Agreement, there is any balance of the initial payment not deducted from subsequent payment requests, CONTRACTOR shall owe and shall immediately refund said monies to COMMISSION.

12.3 Provisional Payment. At ADMINISTRATOR's sole discretion, CONTRACTOR may submit an invoice prior to the beginning of the mutually agreed upon billing period to perform the Services required by this Agreement, and COMMISSION may pay CONTRACTOR's provisional payment invoice within a reasonable period of time estimated to be thirty (30) days after receipt of a correctly completed invoice. CONTRACTOR shall submit to ADMINISTRATOR a reconciliation of actual costs incurred during the billing period covered by the provisional payment no later than ninety (90) days after the provisional payment invoice is submitted or within thirty (30) days of the end date of this Agreement, whichever occurs earlier..

12.4 Billing/Payment Interval. COMMISSION shall pay CONTRACTOR invoice payments monthly or quarterly in arrears, at ADMINISTRATOR's sole discretion, as specified in Exhibit A, for actual reasonable costs incurred and paid by CONTRACTOR to perform the Services required by this Agreement in accordance with the amounts and categories specified in the Project Budget, Exhibit B, for the Services. The total of all invoice payments and provisional payments shall not exceed COMMISSION's Maximum Payment Obligation.

12.5 Indirect Cost Rate. CONTRACTOR shall apportion any indirect costs attributable to this Agreement determined by the Maximum Payment Obligation solely attributable and allocable to Services under this Agreement as the percentage of CONTRACTOR's total revenue received during the previous fiscal year. Notwithstanding anything to the contrary, CONTRACTOR's indirect cost rate shall in no event exceed ten percent (10%) of the applicable funding under this Agreement.

12.6 Invoices. CONTRACTOR shall submit completed invoices monthly or quarterly upon a form approved or supplied by ADMINISTRATOR.

12.6.1 Each monthly or quarterly invoice shall be submitted with an express written certification by CONTRACTOR representing and affirming to COMMISSION the following:

(a) CONTRACTOR has and maintains accurate records evidencing the requested monthly or quarterly payment including, without limitation, the following: (1) original invoice(s); (2) original or true copies of source documents including, including, but not limited to, statement of work performed, itemized on a monthly basis, general ledgers, supporting journals, time sheets, invoices, canceled checks (if received), or bank statements, receipts, and receiving records; and (3) originals or true copies of other receipts, agreement(s), or other documentation supporting and evidencing how the funds have been expended during the applicable quarter; provided, however, for the first monthly or quarterly payment, ADMINISTRATOR, in his or her sole discretion, may consider and approve an invoice from CONTRACTOR that includes reimbursement of CONTRACTOR expenses incurred prior to the Date of Agreement, as more fully set forth in the Project Budget, Exhibit B; and

(b) the Services provided during the preceding quarter (or other period for which payment is requested) have not and do not supplant existing services but enhance or establish new services to Orange County's children ages prenatal through five.

12.7 Retention Amount. CONTRACTOR expressly acknowledges and agrees that an amount equal to ten percent (10%) of each monthly or quarterly invoice for Services ("Retention Amount") may be withheld by COMMISSION pending the timely and successful completion and performance of each Fiscal Audit for the Services as described in Paragraph 11. The ADMINISTRATOR retains sole discretion to increase or decrease the Retention Amount, including withholding the CONTRACTOR's entire final monthly or quarterly invoice for each fiscal year.

12.8 Final Invoice/Settlement. Any and all final invoices for Services must be received by ADMINISTRATOR no later than sixty (60) days from the termination of this Agreement. Invoices for Services received after this date and time may not be processed for payment or reimbursed. CONTRACTOR and ADMINISTRATOR may mutually agree in writing to modify the date upon which the final invoice must be received.

12.9 Source of COMMISSION Funding. CONTRACTOR knowingly and expressly acknowledges and agrees that the source of funding provided pursuant to this Agreement is from monies allocated, received, and available to COMMISSION from the surcharges, taxes, and revenues collected and allocated to COMMISSION through the provisions of the Act. To the extent, if at all, any or all provisions of the Act are found invalid, stayed, tolled, or are modified by litigation, subsequent initiative, or legislation, and the funding provided for under this Agreement is affected, COMMISSION is and shall be relieved of obligations under this Agreement, or this Agreement shall be modified or amended to conform to the changes to the Act, as elected by COMMISSION. If COMMISSION is not allocated or does not receive adequate funding for its performance under this Agreement, then COMMISSION shall be relieved of obligations under this Agreement, or this Agreement shall be amended to conform to the changes in funding allocations or changes to the Act, as elected by COMMISSION.

13. OVERPAYMENTS. Any payment(s) made by COMMISSION to CONTRACTOR in excess of that to which CONTRACTOR is entitled under this Agreement shall be immediately due to COMMISSION and repaid by CONTRACTOR. CONTRACTOR shall make repayment on any overpayment within thirty (30) days of COMMISSION's request. In the event the overpayment exceeds the final payment, the amount is immediately due and payable, and CONTRACTOR shall pay COMMISSION the sum within five (5) days of written notice from ADMINISTRATOR.

CONTRACTOR agrees to pay all fees and costs, including attorneys' fees, incurred by COMMISSION necessary to enforce the provisions set forth in this Agreement.

13.1 Offset Permitted. In the event of an overpayment, ADMINISTRATOR may reconcile and offset the amount of the overpayment against the next installment payment due or against the final invoice amount due and to be paid, as elected in the sole discretion of ADMINISTRATOR. Nothing in this Agreement shall be construed as limiting the remedies of COMMISSION in the event that an overpayment has been made.

14. MAINTENANCE AND OWNERSHIP OF RECORDS.

14.1 Maintain Complete Books and Records. In accordance with generally accepted accounting principles, CONTRACTOR and its Subcontractors shall maintain reasonably full and complete books, documents, papers, accounting records, medical records, and all other information (collectively, the "records") pertaining to the costs of and completion of Services performed under this Agreement. CONTRACTOR shall maintain all such records for a period of at least three (3) years from the date of payment on the final invoice submitted to ADMINISTRATOR or three (3) years after all pending audits are completed, whichever occurs later.

14.2 Ownership of Records and Materials. Except as specifically provided in this Agreement, all materials produced by PROFESSIONAL, its employees, subcontractors, agents, or volunteers in the performance of this Agreement shall be and remain the property of COMMISSION without restriction or limitation upon their use or dissemination by COMMISSION. PROFESSIONAL may, however, make and retain such copies of said materials as PROFESSIONAL may desire. Originals materials shall be delivered to COMMISSION upon the termination of this Agreement or upon the earlier request of the ADMINISTRATOR. No materials may be reproduced without the express written consent of ADMINISTRATOR unless required by law.

15. PATENT AND COPYRIGHT INFRINGEMENT.

15.1 In lieu of any other warranty by COMMISSION or CONTRACTOR against patent or copyright infringement, statutory or otherwise, it is agreed that CONTRACTOR shall defend at its expense any claim or suit against COMMISSION on account of any allegation that any item furnished under this Agreement or the normal use or sale thereof arising out of the performance of this Agreement, infringes upon any presently existing U.S. letters patent or copyright, and CONTRACTOR shall pay all costs and damages finally awarded in any such suit or claim, provided that CONTRACTOR is promptly notified in writing of the suit or claim and given authority, information, and assistance at CONTRACTOR's expense for the defense of same. CONTRACTOR will not indemnify COMMISSION if the suit or claim results from: (1) COMMISSION's alteration of a deliverable, such that said deliverable in its altered form infringes upon any presently existing U.S. letters patent or copyright; or (2) the use of a deliverable in combination with other material not provided by CONTRACTOR when such use in combination infringes upon an existing U.S. letters patent or copyright.

15.2 CONTRACTOR shall have sole control of the defense of any such claim or suit and all negotiations for settlement thereof. CONTRACTOR shall not be obligated to indemnify COMMISSION under any settlement made without CONTRACTOR's consent or in the event COMMISSION fails to cooperate fully in the defense of any suit or claim, provided, however, that said defense shall be at CONTRACTOR's expense. If the use or sale of said item is enjoined as a result

of such suit or claim, CONTRACTOR, at no expense to COMMISSION, shall obtain for COMMISSION the right to use and sell said item, or shall substitute an equivalent item acceptable to COMMISSION and extend this patent and copyright indemnity thereto.

16. PARTICIPATION IN COMMISSION'S EVALUATION AND CONTRACTS MANAGEMENT SYSTEM AND OTHER DATA SYSTEMS.

16.1 COMMISSION may require CONTRACTOR to utilize an evaluation and contracts management system or other data management system(s) (hereinafter collectively referred to as "Systems") as elected by COMMISSION and its ADMINISTRATOR, in his or her sole discretion, in the performance of Consultant Services. The purposes for utilizing these Systems may include, but are not limited to, assisting COMMISSION with tracking, analyzing, and evaluating services provided by COMMISSION's funding recipients. CONTRACTOR's participation in the Systems may result in CONTRACTOR's access to individual client-shared data elements. CONTRACTOR shall comply with the confidentiality provisions set forth in this Agreement and all applicable state and federal laws in the access to and use of client data.

16.2 COMMISSION is the sole Licensee for any software or program hosting the Systems. Any copying, modification, merging, or deletion of software is prohibited. CONTRACTOR agrees to honor the terms of the software license agreement between COMMISSION and the licensor and shall be solely responsible for any violations. CONTRACTOR may not use the Systems for any personal, unlawful, or improper purpose. CONTRACTOR further agrees to indemnify, defend, and hold harmless COMMISSION for any losses sustained by COMMISSION due to software license violations by CONTRACTOR.

17. OWNERSHIP OF INTELLECTUAL PROPERTY RIGHTS. To the extent any intellectual property, tangible or intangible, is developed, created, or modified with the monies provided by COMMISSION under this Agreement, or is otherwise separately funded by COMMISSION under other projects, programs, contracts, or agreements and utilized by CONTRACTOR under this Agreement, COMMISSION does and shall own all right, title and interest (including patent rights, copyrights, trade secret rights, and other intellectual property rights throughout the world) relating to any and all the inventions (whether or not patentable), works of authorship, designs, know-how, ideas, and information made or conceived or reduced to practice, in whole or in part, by CONTRACTOR pursuant to the scope of Services provided under this Agreement (collectively the "Inventions"). CONTRACTOR agrees it shall promptly disclose all Inventions to COMMISSION. CONTRACTOR agrees to make all assignments and execute the legal documents necessary to accomplish the ownership and control for the benefit of COMMISSION. CONTRACTOR shall further assist COMMISSION, at COMMISSION's expense, to further evidence, record, and perfect the assignments and documentation, and to perfect, obtain, maintain, enforce, and defend any rights relating to the Inventions. CONTRACTOR irrevocably designates and appoints COMMISSION as its agent to lawfully perfect ownership and control of the Inventions (and if legally required for force and effect in order to perfect the ownership and control of the Inventions as its attorney-in-fact). As agent, COMMISSION may act for and on CONTRACTOR's behalf to execute and file any document and to do all other lawfully permitted and required acts to effect the ownership and control of the Inventions. If CONTRACTOR uses, provides, or discloses any of the Inventions when acting within the scope of CONTRACTOR's performance of Services or otherwise on behalf of COMMISSION, COMMISSION will have and CONTRACTOR grants COMMISSION a perpetual, irrevocable, worldwide royalty-free, non-exclusive, sublicensable right and license to exercise all rights to the Inventions.

18. COPYRIGHT ACCESS. COMMISSION, the State of California, and First 5 California, shall have a royalty-free, nonexclusive, and irrevocable license to publish, translate, or use all material and work product (both tangible and intangible), if any, developed under this Agreement including those materials covered by copyright.

19. NOTICES.

19.1 Method and Form of Notice. Unless otherwise specified, all formal notices, invoices, claims, correspondence, or reports shall be addressed as follows:

COMMISSION: Children and Families Commission of Orange County
Contracts Manager
1505 E. 17th Street, Suite 230
Santa Ana, CA 92705

CONTRACTOR: See Exhibit A

All notices shall be deemed effective when in writing and personally delivered or deposited in the United States mail, express, priority, or first class, postage prepaid and addressed as above. ADMINISTRATOR and CONTRACTOR may mutually agree in writing to change the addresses to which notices are sent.

19.2 Advisory Notices Required. CONTRACTOR shall notify COMMISSION, in writing, within twenty-four (24) hours of becoming aware of any occurrence of a serious nature that may expose COMMISSION to liability. These occurrences shall include, but not be limited to, accidents, injuries, or acts of negligence, or loss or damage to any COMMISSION property in possession of CONTRACTOR.

20. RIGHTS OF TERMINATION.

20.1 Termination for Convenience Prior to Expiration of Term. COMMISSION may terminate this Agreement for its convenience at any time upon fifteen (15) days' written notice to CONTRACTOR. Upon receipt of a notice of termination for convenience, CONTRACTOR shall immediately cease performance of Services under this Agreement except such as may be specifically approved by ADMINISTRATOR. CONTRACTOR shall be entitled to compensation for all Services satisfactorily rendered prior to receipt of the notice of termination and for the part of the Services authorized by ADMINISTRATOR after the notice in accordance with the compensation provisions of this Agreement, or other arrangement for compensation as may be approved by the ADMINISTRATOR in writing. COMMISSION shall be not liable for any claim of lost profits or damages arising out of such termination.

20.2 Termination for Cause Due to Default of CONTRACTOR. COMMISSION may terminate this Agreement for cause due to the default by CONTRACTOR in its performance obligations under this Agreement. In the event of termination, CONTRACTOR shall immediately cease performance and provision of Services as of the date the notice of default is received or deemed received, whichever occurs earlier. COMMISSION may take over the work and prosecute the same to completion by contract or otherwise. CONTRACTOR shall be liable to the extent that the total cost for completion of the Services required by this Agreement exceeds the compensation stipulated in this Agreement, provided that COMMISSION shall use reasonable efforts to mitigate damages.

COMMISSION may withhold any outstanding payments to CONTRACTOR for the purpose of set off or partial payment of the amounts owed COMMISSION as previously set forth in this Agreement. The withholding or failure to withhold payments to CONTRACTOR shall not limit CONTRACTOR's liability for completion of the Services as provided herein.

20.3 Upon a default or breach by CONTRACTOR, ADMINISTRATOR may, in his or her sole discretion, elect any or all of the following in addition to the termination provisions set forth in this paragraph and any other remedies available at law, in equity, or otherwise specified in this Agreement:

20.3.1 Afford CONTRACTOR a time period of fifteen (15) days from the date the notice is deemed effective pursuant to Paragraph 19 to cure the default, or to commence to cure the breach and diligently pursue to completion the cure of the breach within thirty (30) days of the date the notice is effective;

20.3.2 Discontinue payment and eligibility for payment to CONTRACTOR for and during the period in which CONTRACTOR is in breach, which payment may not be entitled to later recovery;

20.3.3 Offset against any funds invoiced by CONTRACTOR but yet unpaid by COMMISSION those monies disallowed pursuant to the above offset authority; and

20.3.4 Withhold from any monies payable to CONTRACTOR sufficient funds to compensate COMMISSION for any losses, costs, liabilities, or damages it reasonably believes were suffered by or have been incurred by COMMISSION due to the default of CONTRACTOR in the performance of the Services required by this Agreement.

21. COUNTERPARTS. This Agreement may be executed in several counterparts, all of which shall constitute but one and the same instrument. Faxed or electronically scanned signatures shall have the same force and effect as an original signature.

22. FORCE MAJEURE

Either party shall be excused from performing its obligations under this Agreement during the time and to the extent that it is prevented from performing by an unforeseeable cause beyond its control, including but not limited to: any incidence of fire, flood; acts of God; commandeering of material, products, plants or facilities by the federal, state or local government; national fuel shortage; or a material act or omission by the other party; when satisfactory evidence of such cause is presented to the other party, and provided further that such nonperformance is unforeseeable, beyond the control and is not due to the fault or negligence of the party not performing.

23. KEY PERSONNEL

Project partners, managers, other supervisory staff, and specialists may be changed if those personnel leave the agency, are promoted, or are assigned to another office. The personnel may also be changed for other reasons with the express prior written permission of ADMINISTRATOR. However, in either case, ADMINISTRATOR reserves the right to accept or reject any or all replacements. Except as provided in this Agreement, CONTRACTOR reserves the right to determine the assignment of its own employees to the performance of Services under this Agreement, but

COMMISSION reserves the right in its sole discretion to exclude any employee from performing Services under this Agreement.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, COMMISSION and CONTRACTOR have caused this Agreement to be effective in the County of Orange, State of California, on the date first above written.

**CHILDREN AND FAMILIES COMMISSION OF
ORANGE COUNTY**, a public body and legal public
entity

Dated: _____ By: _____
Chair

SIGNED AND CERTIFIED THAT A COPY
OF THIS DOCUMENT HAS BEEN DELIVERED
TO THE CHAIR OF COMMISSION

By: _____
Robin Stieler
Clerk of the Commission

Dated: _____

APPROVED AS TO FORM:

WOODRUFF & SMART, APC

By: _____
Cassie Trapesonian, Commission Counsel

[Signature block for CONTRACTOR on next page.]

[Signature block continued from previous page.]

CONTRACTOR

_____, a
California [Entity Type]

Dated: _____ By: _____
[Name], [Board Title]

Dated: _____ By: _____
[Name], [Board Title]

See requirements below for authorized signatures (remove note prior to execution):

Corporation	Default - California Corporations Code, Section 313 - requires 2 signatures - one signature from each list below.		
	Board Resolution – corporations can adopted a resolution delegating signature authority to a specific person or persons (the reso should have the name and title of those signers)		
	Signature 1	<u>and</u>	Signature 2
- Chairman of the Board, - President, or - Any Vice President	- Secretary - Any Assistant Secretary, or - the CFO or an Assistant Treasurer		
Limited Liability Company	Depends on the LLC Operating Agreement. Can be a Member or a Manager or someone else with delegated authority. Need to obtain documentation from the LLC.		
Partnership	Generally a General Partner would sign agreements but again, may have an internal document delegating signature authority.		
Sole Proprietor	Someone who has not formed a corporation, LLC or partnership, so they are acting as an individual.		

EXHIBIT A

PROJECT SUMMARY

_____ CONTRACTOR
Agreement # _____ FXX-XX-XX
Project Name _____
Term: _____

1. FUNDING RECIPIENT

Contractor
a California _____
Address
_____, CA _____

Contact: Name/Title/Telephone Number/email address
Name/Title/Telephone Number/email address

Data Entry Contact: Name/Title/Telephone Number/email address

Invoices/Documentation Contact: Name/Title/Telephone Number/email address

Designated Level of Data Reporting: AMM and CLDM

Signatories: Name/Board Title
Name/Board Title

2. BACKGROUND

As appropriate...

3. PURPOSE AND SCOPE OF WORK

The purpose of this Agreement is to provide _____

CONTRACTOR shall provide Services described in Exhibit A within the funding limitations of the Project Budget, Exhibit B. CONTRACTOR shall:

3.1 ...

3.2 ...

4. ATTACHMENTS TO EXHIBIT B

- 4.1 Staffing
- 4.2 Direct Project Expenses
- 4.3 Subcontractors List
- 4.4 Location of Services to be Provided

4.5 Indirect/Administrative Expenses

5. WAIVERS/AMENDMENTS TO AGREEMENT

None. [as applicable, list approved waiver(s)]

6. INVOICING/PAYMENT ELECTIONS

As of the Date of Agreement, the Parties mutually agree to the following invoicing/payment elections. Notwithstanding anything to the contrary and provided that any modifications to these elections do not alter the overall goals and basic purpose of the Agreement, and provided these modifications do not increase COMMISSION's Maximum Payment Obligation during the term of the Agreement, ADMINISTRATOR and CONTRACTOR may, in accordance with the authority described in Section 2.2 of this Agreement; make future modifications to the following invoicing/payment elections.

6.1 Initial Payment. The Parties [*do/do not*] anticipate an Initial Payment request as described in Paragraph 12.2 of this Agreement.

6.2 Billing/Payment Interval. The Parties agree that the interval for Billing and/or Payment for this Agreement as described in Paragraph 12.4 is [*quarterly/monthly*].

6.3 Retention Timing. The Parties agree an amount equal to ten percent (10%) of each [*quarterly/monthly*] invoice attributable and allocable to Services [CONTRACTOR's entire final [*quarterly/monthly*] invoice attributable and allocable to Services] ("Retention Amount") as described in Subparagraph 12.7 shall be withheld by COMMISSION through ADMINISTRATOR pending the timely and successful completion and performance of each Fiscal Audit for the Services as described in Paragraph 11 of this Agreement.

7. Funding Source and Additional Requirements (as applicable)

7.1 The parties acknowledge that funding for this Agreement includes (federal funding, or California Child Signature Program grant funds).

7.2 The records retention period for this Agreement shall be five (5) years from the date of final disbursement of funds under this Agreement or the completion of any pending.

8. CMAA and TCM (as applicable)

EXHIBIT B
PROJECT BUDGET

Entity Name	Funds Due 7/1/24 – 6/30/25	Funds Due 7/1/24 – 6/30/25	Funds Due 7/1/24 – 6/30/25
Staffing			
Direct Project Expenses			
Capital Equipment			
Subcontracts			
Indirect/Administrative			
TOTAL FUNDS DUE			

MAXIMUM PAYMENT OBLIGATION: \$_____

EXHIBIT C

ACKNOWLEDGMENT OF INDEPENDENT CONTRACTOR STATUS

This **Acknowledgment of Independent Contractor Status** (“Acknowledgment”) is an exhibit and fully incorporated into that certain Agreement for provision of Services (“Agreement”) dated [date], 20__ by and between **Children and Families Commission of Orange County** (“COMMISSION”) and [Entity name], a [Entity type] (“CONTRACTOR”). This Acknowledgment is intended to define and affirm the relationship between COMMISSION and CONTRACTOR as set forth in the Agreement. CONTRACTOR has been fully informed, has had the opportunity to be advised or has been advised by counsel of its choosing, and knowingly and willingly acknowledges and agrees as follows:

1. CONTRACTOR on behalf of itself and each and every person acting by, through, or for CONTRACTOR (together, “CONTRACTOR”), is not an employee of COMMISSION.
2. CONTRACTOR is an independent contractor to COMMISSION.
3. Because CONTRACTOR is not an employee of COMMISSION, CONTRACTOR is not entitled to receive health benefits or any other benefits provided by COMMISSION to its regular employees.
4. CONTRACTOR is not eligible to join in or participate in any benefit plans offered to those individuals listed on COMMISSION’s payroll as regular employees.
5. CONTRACTOR is and shall remain ineligible for employment benefits provided to COMMISSION’s regular employees, or for participation in such benefit plans, even if it is later determined that COMMISSION has misclassified CONTRACTOR as an independent contractor for tax or other purposes.
6. CONTRACTOR hereby waives any right it may have to claim it is an employee or challenge its status as an independent contractor of COMMISSION.
7. CONTRACTOR releases COMMISSION and its Commissioners, officers, board members, employees, and agents (together, “COMMISSION”) from any and all obligations, liabilities, causes of action, and/or claims that exist or may arise under applicable laws that relate to CONTRACTOR’s acknowledgement, release, and agreement of its status as an independent contractor (not an employee) of COMMISSION.
8. In making this Acknowledgment and the release and waiver for this Agreement, CONTRACTOR acknowledges it has been advised concerning the content and meaning or and understands and is familiar with the provisions of California Civil Code Paragraph 1542, which provides as follows:

“A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.”

CONTRACTOR represents and warrants it understands the purpose, meaning, and effect of Paragraph 1542 above, but nevertheless freely and knowingly waives and relinquishes any right or benefit that it has or may have under Paragraph 1542 of the Civil Code of the State of California, or any similar provision of law as such relates to the status of CONTRACTOR as an independent contractor, not an employee, of COMMISSION.

CONTRACTOR

_____, a _____

By: _____
Signature

Date: _____

EXHIBIT D
BUSINESS ASSOCIATE ADDENDUM

This Business Associate Addendum (“Addendum”) supplements and is made a part of Agreement [Agreement Number] dated [date] (“Agreement”) by and between the **CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY**, a public body and legal public entity (“Business Associate 1” or “BA-1”), and [Entity Name] (“Business Associate 2” or “BA-2”). This Addendum is effective as of [Agreement Date] (the “Addendum Effective Date”).

ADDENDUM RECITALS

A. This Addendum is made between two Business Associates to comply with the Health Insurance Portability and Accountability Act of 1996 Public Law 104-191 (HIPAA) 2013 Omnibus Requirements under which BA-1 passes through all HIPAA restrictions and requirements to BA-2.

B. BA-1 wishes to disclose certain information to BA-2 pursuant to the terms of the Agreement, some of which may constitute Protected Health Information (“PHI”) (defined below).

C. BA-1 and BA-2 intend to protect the privacy and provide for the security of PHI disclosed to BA-2 pursuant to the Agreement in compliance with HIPAA; the Health Information Technology for Economic and Clinical Health Act, Public Law 111-005 (“the HITECH Act”); and regulations promulgated thereunder by the U.S. Department of Health and Human Services (DHHS) (the “HIPAA Regulations”); and other applicable state and federal laws and regulations.

D. As part of the HIPAA Regulations, the Privacy Rule, and the Security Rule (defined below), BA-1 is required to enter into this Addendum that contains specific requirements with BA-2 prior to the disclosure of any PHI as set forth in Title 45 of the Code of Federal Regulations (C.F.R.) Sections 164.314(a), 164.502(e), and 164.504(e); applicable laws and regulations; and as provided in this Addendum.

NOW, THEREFORE, based on the Addendum Recitals, which are a substantive part of this Addendum, and agreed mutual consideration, BA-1 and BA-2 agree as follows:

1. Definitions

a. “Breach” shall have the meaning given to such term under HIPAA, the HIPAA Regulations, the HITECH Act, and as described in California Civil Code Section 1798.82.

b. “Business Associate” shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including 45 C.F.R. Section 160.103.

c. “Covered Entity” shall have the meaning given to such term under the Privacy Rule and the Security Rule, including, but not limited to, 45 C.F.R. Section 160.103.

d. “Data Aggregation” shall have the meaning given to such term under the Privacy Rule, including but not limited to, 45 C.F.R. Section 164.501.

e. “Designated Record Set” shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

f. “Electronic Protected Health Information” (Electronic PHI) means Protected Health Information that is maintained in or transmitted by electronic media.

g. “Electronic Health Record” shall have the meaning given to such term in the HITECH Act, including, but not limited to, 42 U.S.C. Section 17921.

h. “Health Care Operations” shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501.

i. “HITECH Compliance Date” shall mean February 17, 2010, unless a separate effective date is specified by law for a particular requirement, in which case such effective date shall apply for that particular requirement.

j. “Privacy Rule” shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and E.

k. “Protected Health Information” (PHI) means any information, whether oral or recorded in any form or medium: (i) that relates to the past, present or future physical or mental condition of an individual; the provision of health care to an individual; or the past, present or future payment for the provision of health care to an individual; and (ii) that identifies the individual or with respect to which there is a reasonable basis to believe the information can be used to identify the individual, and shall have the meaning given to such term under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.501. Protected Health Information includes Electronic Protected Health Information.

l. “Protected Information” shall mean PHI provided by BA-1 to BA-2 or created or received by BA-2 on BA-1’s behalf.

m. Any use of the phrase “required by law” shall have the meaning given to such term under the Privacy Rule, the Security Rule, and the HITECH Act, including 45 C.F.R. Section 160.103.

n. “Security Rule” shall mean the HIPAA Regulation that is codified at 45 C.F.R. Parts 160 and 164, Subparts A and C.

o. “Unsecured PHI” shall have the meaning given to such term under the HITECH Act and any guidance issued pursuant to such Act including, but not limited to, 42 U.S.C. Section 17932(h).

2. Obligations of Business Associate 2

a. Permitted Uses. BA-2 shall not use Protected Information except for the purpose of performing BA-2’s obligations under the Agreement and as permitted under the Agreement and this Addendum. Further, BA-2 shall not use Protected Information in any manner that would

Exhibit D

Page 2 of 7

constitute a violation of the Privacy Rule or the HITECH Act if so used by BA-1. However, BA-2 may use Protected Information (i) for the proper management and administration of BA-2, (ii) to carry out the legal responsibilities of BA-2, or (iii) for Data Aggregation purposes for the Health Care Operations of BA-1.

b. Permitted Disclosures. BA-2 shall not disclose Protected Information except for the purpose of performing BA-2's obligations under the Agreement and as permitted under the Agreement and this Addendum. BA-2 shall not disclose Protected Information in any manner that would constitute a violation of the Privacy Rule or the HITECH Act if so disclosed by BA-1. However, BA-2 may disclose Protected Information (i) for the proper management and administration of BA-2, (ii) to carry out the legal responsibilities of BA-2, (iii) as required by law, or (iv) for Data Aggregation purposes. If BA-2 discloses Protected Information to a third party, BA-2 must obtain, prior to making any such disclosure, (i) reasonable written assurances from such third party that such Protected Information will be held confidential, as provided pursuant to this Addendum, and only disclosed as required by law or for the purposes for which it was disclosed to such third party and (ii) a written agreement from such third party to immediately notify BA-2 of any breaches of confidentiality of the Protected Information, to the extent the third party has obtained knowledge of such breach.

c. Prohibited Uses and Disclosures under HITECH. Notwithstanding any other provision in this Addendum, no later than the HITECH Compliance Date, BA-2 shall comply with the following requirements: (i) BA-2 shall not use or disclose Protected Information for fundraising or marketing purposes, except as provided under the Agreement and consistent with the requirements of 42 United States Code (U.S.C.) Section 17936; (ii) BA-2 shall not disclose Protected Information to a health plan for payment or health care operations purposes if the patient has requested this special restriction and has paid out of pocket in full for the health care item or service to which the PHI solely relates, pursuant to 42 U.S.C. Section 17935(a); and (iii) BA-2 shall not directly or indirectly receive remuneration in exchange for Protected Information, except with the prior written consent of BA-1 and as permitted by the HITECH Act and 42 U.S.C. Section 17935(d)(2); however, this prohibition shall not affect payment by BA-1 to BA-2 for Services provided pursuant to the Agreement.

d. Appropriate Safeguards. BA-2 shall implement appropriate safeguards as are necessary to prevent the use or disclosure of Protected Information other than as permitted by the Agreement or this Addendum. BA-2 further agrees to use administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of Electronic PHI. No later than the HITECH Compliance Date, BA-2 shall comply with each of the requirements of 45 C.F.R. Sections 164.308, 164.310, and 164.312 and the policies, procedures, and documentation requirements of the HIPAA Security Rule, including, but not limited to, 45 C.F.R. Section 164.316. To the extent that BA-2 creates, maintains, receives, or transmits Electronic PHI on behalf of BA-1, BA-2 shall implement the safeguards required by paragraph 2.c above with respect to Electronic PHI.

e. Mitigation. BA-2 agrees to mitigate, to the extent practicable, any harmful effect that is known to BA-2 of a use or disclosure of PHI in violation of this Addendum.

f. Reporting of Improper Access, Use, or Disclosure. BA-2 shall, following the discovery of any Breach of Unsecured PHI; Security Incident, as defined in the Security Rule; and/or any actual or suspected access, use, or disclosure of Protected Information not permitted by the Agreement or this Addendum or applicable law; notify BA-1 in writing of such breach or disclosure

Exhibit D

without unreasonable delay and in no case later than three (3) business days after discovery. BA-2 shall take prompt corrective action in addition to any action required by applicable state or federal laws and regulations relating to such disclosure. BA-2 agrees to pay the actual costs incurred by BA-1 to provide required notifications and any associated costs incurred by BA-1, such as credit monitoring for affected patients, and including any civil or criminal monetary penalties or fines levied by any federal or state authority having jurisdiction if BA-1 reasonably determines that the nature of the breach warrants such measures.

g. Subcontractors and Agents of Business Associate 2. BA-2 shall ensure that any agents or subcontractors to whom it provides Protected Information agree in writing to the same restrictions and conditions that apply to BA-2 with respect to such PHI.

h. Access to Protected Information. To the extent BA-2 maintains a Designated Record Set on behalf of BA-1, BA-2 shall make Protected Information maintained by BA-2 or its agents or subcontractors in Designated Record Sets available to BA-1 for inspection and copying within five (5) days of a request by BA-1 to enable BA-1 to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.524. No later than the HITECH Compliance Date, if BA-2 maintains an Electronic Health Record, BA-2 shall provide such information in electronic format to enable BA-1 to fulfill its obligations under the HITECH Act, including, but not limited to, 42 U.S.C. Section 17935(e).

i. Amendment of PHI. To the extent BA-2 maintains a Designated Record Set on behalf of BA-1, within thirty (30) days of receipt of a request from BA-1 or an individual for an amendment of Protected Information or a record about an individual contained in a Designated Record Set, BA-2 or its agents or subcontractors shall make any amendments that BA-1 directs or agrees to in accordance with the Privacy Rule.

j. Accounting Rights. Within thirty (30) days' written notice by BA-1 of a request for an accounting of disclosures of Protected Information, BA-2, its agents, and/or subcontractors shall make available to BA-1 the information required to provide an accounting of disclosures to enable BA-1 to fulfill its obligations under the Privacy Rule, including, but not limited to, 45 C.F.R. Section 164.528 and its obligations under the HITECH Act including, 42 U.S.C. Section 17935(c), as determined by BA-1. The provisions of this subparagraph 2.j shall survive the termination of this Addendum.

k. Governmental Access to Records. BA-2 shall make its internal practices, books, and records relating to the use and disclosure of Protected Information available to BA-1 and to the Secretary of DHHS (the "Secretary"), or Secretary's designated representative, for purposes of determining BA-2's compliance with the Privacy Rule.

l. Minimum Necessary. No later than the HITECH Compliance Date, BA-2 and its agents and subcontractors shall request, use, and disclose only the minimum amount of Protected Information necessary to accomplish the purpose of the request, use, or disclosure. BA-2 understands and agrees that the definition of "minimum necessary" may change from time to time, and BA-2 shall keep itself informed of any guidance issued by the Secretary with respect to what constitutes "minimum necessary."

m. Compliance with Laws. BA-2 shall comply with all applicable state and federal privacy and security laws, including, but not limited to, HIPAA, the HIPAA Regulations, HITECH, and California Civil Code Section 1798.82, as each may be amended from time to time.

3. **Termination**

a. Material Breach by BA-2. A breach by BA-2 of any provision of this Addendum, as determined by BA-1, shall constitute a material breach of the Agreement and shall provide grounds for termination of the Agreement, any provision in the Agreement to the contrary notwithstanding, with or without an opportunity to cure the breach. If termination of the Agreement is not feasible, BA-1 will report the problem to the DHHS Secretary.

b. Material Breach by BA-1. As of the HITECH Compliance Date, pursuant to 42 U.S.C. Section 17934(b), if BA-2 knows of a pattern of activity or practice of BA-1 that constitutes a material breach or violation of BA-1's obligations under the Agreement, this Addendum, or other arrangement, then BA-2 must take reasonable steps to cure the breach or end the violation. If the steps are unsuccessful, BA-2 must terminate the Agreement or other arrangement if feasible, or if termination is not feasible, report the problem to the DHHS Secretary.

c. Effect of Termination. Upon termination of the Agreement for any reason, BA-2 shall, at the option of BA-1, return or destroy all Protected Information that BA-2 or its agents or subcontractors maintain in any form, and shall retain no copies of such Protected Information. If return or destruction is not feasible, as determined by BA-1, BA-2 shall continue to extend the protections of Section 2 of this Addendum to such information and limit further use of such PHI to those purposes that make the return or destruction of such PHI infeasible. If BA-1 elects destruction of the PHI, BA-2 shall certify in writing to BA-1 that such PHI has been destroyed.

4. **Indemnification; Limitation of Liability.** To the extent permitted by law, BA-2 shall indemnify, defend, and hold harmless BA-1 from any and all liability, claim, lawsuit, injury, loss, expense or damage resulting from or relating to the acts or omissions of BA-2 in connection with the representations, duties, and obligations of BA-2 under this Addendum. Any limitation of liability contained in the Agreement shall not apply to the indemnification requirement of this provision. This provision shall survive the termination of the Addendum.

5. **Assistance in Litigation.** BA-2 shall make itself and any subcontractors, employees, and agents assisting BA-2 in the performance of its obligations under the Agreement or this Addendum available to BA-1, at no cost to BA-1, to testify as witnesses, or otherwise, in the event of litigation or administrative proceedings being commenced against BA-1, its directors, officers, or employees based upon a claim of violation of HIPAA, the HITECH Act, or other state or federal laws related to security and privacy.

6. **Amendment to Comply with Law.** The parties acknowledge that state and federal laws relating to data security and privacy are rapidly evolving and that amendment of the Agreement or this Addendum may be required to ensure compliance with such developments. The parties specifically agree to take such action as is necessary to implement the standards and requirements of HIPAA, the HIPAA Regulations, the HITECH Act, and other applicable state and federal laws and regulations relating to the security or confidentiality of PHI. Upon the compliance date of any such

Exhibit D

applicable laws and regulations, this Addendum shall automatically be amended such that this Addendum remains in compliance with such laws and regulations.

7. **No Third-Party Beneficiaries.** Nothing express or implied in the Agreement or this Addendum is intended to confer; nor shall anything herein confer upon any person other than BA-1, BA-2, and their respective successors or assigns; any rights, remedies, obligations or liabilities whatsoever.

8. **Interpretation.** The provisions of this Addendum shall prevail over any provisions in the Agreement that may conflict or appear inconsistent with any provision in this Addendum. This Addendum and the Agreement shall be interpreted as broadly as necessary to implement and comply with HIPAA, the HITECH Act, the Privacy Rule, and the Security Rule. The parties agree that any ambiguity in this Addendum shall be resolved in favor of a meaning that complies and is consistent with HIPAA, the HITECH Act, the Privacy Rule, and the Security Rule. Except as specifically required to implement the purposes of this Addendum, or to the extent inconsistent with this Addendum, all other terms of the Agreement shall remain in force and effect.

9. **Regulatory References.** A reference in this Addendum to a section of any regulations means the section as in effect, or as amended, and for which compliance is required.

10. **Identity Theft Program Compliance.** To the extent that BA-1 is required to comply with the final rule entitled “Identity Theft Red Flags and Address Discrepancies under the Fair and Accurate Credit Transactions Act of 2003,” as promulgated and enforced by the Federal Trade Commission (16 C.F.R. Part 681) (the “Red Flags Rule”); and that BA-2 is performing an activity in connection with one or more “covered accounts,” as that term is defined in the Red Flags Rule, pursuant to the Agreement; BA-2 shall establish and comply with its own reasonable policies and procedures designed to detect, prevent, and mitigate the risk of identity theft, which shall be consistent with and no less stringent than those required under the Red Flags Rule or the policies and procedures of BA-1’s Red Flags Program. BA-2 shall provide its Services pursuant to the Agreement in accordance with such policies and procedures. BA-2 shall report any detected “red flags,” as that term is defined in the Red Flags Rule, to BA-1 and shall, in cooperation with BA-1, take appropriate steps to prevent or mitigate identity theft.

IN WITNESS WHEREOF, the parties hereto have duly executed this Addendum as of the Addendum Effective Date.

BUSINESS ASSOCIATE 1

BUSINESS ASSOCIATE 2

By: _____

By: _____

Name: Kimberly Goll
Title: President/CEO

Name:
Title: Contractor



1505 E. 17th Street, Suite 230
Santa Ana, CA 92705
714-834-5310 first5oc.org

Commissioners:

Soledad Rivera, Chair, Vicente Sarmiento, Vice Chair,
Ramin Baschshi, M.D., Madelynn Hirneise, Veronica Kelley Ph.D.,
Yvette Lavery, Katy McInnes, Irene Salazar, An Tran

CEO/President: Kimberly Goll

TO: Clerk of the Board

FROM: Cristina Munoz, First 5 OC

DATE: November 20, 2025

SUBJECT: Attachments 1 and 2 for 12/4/25 Agenda Item # 7

Attachment 1 and 2 are now ready for Agenda Item 07— Public Hearing to authorize President/CEO to submit the Annual Comprehensive Financial Report to First 5 California and the State Controller's Office.

- Included:
1. Annual Comprehensive Financial Report for Year Ended June 30, 2025
 2. Audit Conclusion Communication Letter

**CHILDREN AND FAMILIES COMMISSION
OF ORANGE COUNTY**

(a Component Unit of the
County of Orange, California)

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2025

Prepared by:

Michael Garcell, CPA (inactive)

Director of Finance

**CHILDREN AND FAMILIES COMMISSION
OF ORANGE COUNTY
FOR THE YEAR ENDED JUNE 30, 2025**

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November 26, 2025

Board of Commissioners
First 5 Orange County
Children and Families Commission of Orange County
1505 East 17th Street, Suite 230
Santa Ana, CA 92705

Dear Commissioners and Citizens of Orange County

The Annual Comprehensive Financial Report (ACFR) of the Children and Families Commission of Orange County (the Commission) is hereby submitted. This report contains financial statements that have been prepared in conformity with United States Generally Accepted Accounting Principles (GAAP) prescribed for governmental entities. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Commission. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner that presents fairly the financial position and changes to the financial position of the Children and Families Commission of Orange County. All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

The ACFR has been audited by the independent certified public accounting firm of Eide Bailly, LLP. The goal of the independent audit was to provide reasonable assurance about whether the basic financial statements of the Commission for the year ended June 30, 2025, are free of material misstatement. The independent certified public accounting firm has issued an unmodified ("clean") opinion on the Commission's financial statements as of and for the year ended June 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

This letter of transmittal is designed to complement and should be read in conjunction with the Management's Discussion and Analysis (MD&A) that immediately follows the independent auditor's report. The MD&A provides a narrative introduction, overview, and an analysis of the basic financial statements.

Profile of the Commission

The Commission was established by the Orange County Board of Supervisors in September 1999 following the passage of Proposition 10, through which California voters made an unprecedented investment in early childhood development. The Commission's activities have been built to develop, adopt, promote and implement programs to support early childhood development. Since inception, the Commission has made a lasting positive impact in Orange County through its expenditures of approximately \$881 million toward grants, programs and operations that improve the well-being of young children and families in Orange County.

Relevant Financial Policies

Financial Plan

In April 2025, the Board of Commissioners confirmed the updated Long-Term Financial Plan (LTFP). The LTFP, which is reviewed annually to incorporate the prior year-end financials as well as updated revenue projections and continues to anticipate annual decreases in Proposition 10 tobacco tax collections. Since its peak in 2000, the Commission has had an overall reduction of over 50% in revenue, and tobacco revenue is projected to continue to decline at a rate of 3% to 4% annually. Above and beyond the expected annual decline in tobacco tax revenue was the passage of the sale of flavored tobacco products in November 2022. The ban on the sale of these products had an immediate impact on the tax revenue received starting in Fiscal Year 2022-2023 and has continued to decrease further.

The overall decrease in tobacco tax revenues is the focus of discussions around the LTFP. Reduced future year expenditure targets were incorporated into the plan along with some remaining set asides for future anticipated one-time systems building funding. The annual budget reductions will be supplemented with funding reserves to align with future, expected tobacco tax revenue and the Strategic Plan.

Strategic Plan

In April 2021, First 5 OC updated its Strategic Plan envisioning an Orange County in which “All children reach their full potential.” The updated Plan was reviewed again in June 2024. The groundwork for this vision to be achieved is set during a child’s earliest years. First 5 OC partners with many organizations working towards creating and maintaining an early childhood system that families experience as a seamless network of care. The conditions needed for children to thrive are:

- Early and Ongoing Health and Development;
- Equitable Distribution of Resources;
- A Safe, Stable, and Nurturing Home; and
- Neighborhoods that Support Young Children and Families.

First 5 OC uses four guiding strategies to provide a lens through which to prioritize our work. We believe these four strategies have the most impact on improving the conditions needed for children and families to thrive:

- Get Involved Early;
- Elevate Equity;
- Empower Champions; and
- Align Systems of Care.

Other Financial Information

Internal Control

The management of the Commission is responsible for establishing and maintaining internal controls designed to ensure that the assets of the public entity are protected from loss, theft, or misuse. Management is also responsible for ensuring that adequate accounting data are compiled to allow for the preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Budgetary Control

The objective of budgetary control is to ensure that spending is limited to the total amount authorized by the Board of Commissioners. The initial budget for Fiscal Year 2024-2025 was adopted on June 5, 2024. The President/CEO has the discretion to adjust the budget as defined within the budget policy of the Board of Commissioners. Monthly financial highlights are provided to the Board of Commissioners.

Risk Management

The Commission manages its risk exposure in part through the purchase of Workers Compensation, Property, General Liability, Auto, Crime and Directors and Officers insurance through the County of Orange.

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the tenth consecutive year that the Commission has achieved this prestigious award. To be awarded a Certificate of Achievement, the Commission must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report must satisfy both accounting principles generally accepted in the United State of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe that the current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to express my sincere appreciation to Commission staff and the staff of the certified public accounting firm of Eide Bailly, LLP. I hope this report will be of interest and use to those in the County of Orange, other governmental agencies, and the public interested in the financial activity of the Commission.

Sincerely,

A handwritten signature in black ink, appearing to read "Kimberly Goll", written in a cursive style.

Kimberly Goll
President/CEO

CHILDREN AND FAMILIES COMMISSION
OF ORANGE COUNTY
BOARD OF COMMISSIONERS
FOR THE FISCAL YEAR ENDED JUNE 30, 2025

First 5 OC COMMISSION BOARD MEMBERS (9)

Soledad Rivera (A)
Chair

Vicente Sarmiento (M)
*Board of Supervisors
Vice Chair*

Ramin Baschshi, M.D. (A)

Madelynn Hirneise, (A)

Veronica Kelley, Ph.D. (M)
Health Care Agency

Yvette Lavery (A)

Katy McInnes, (A)

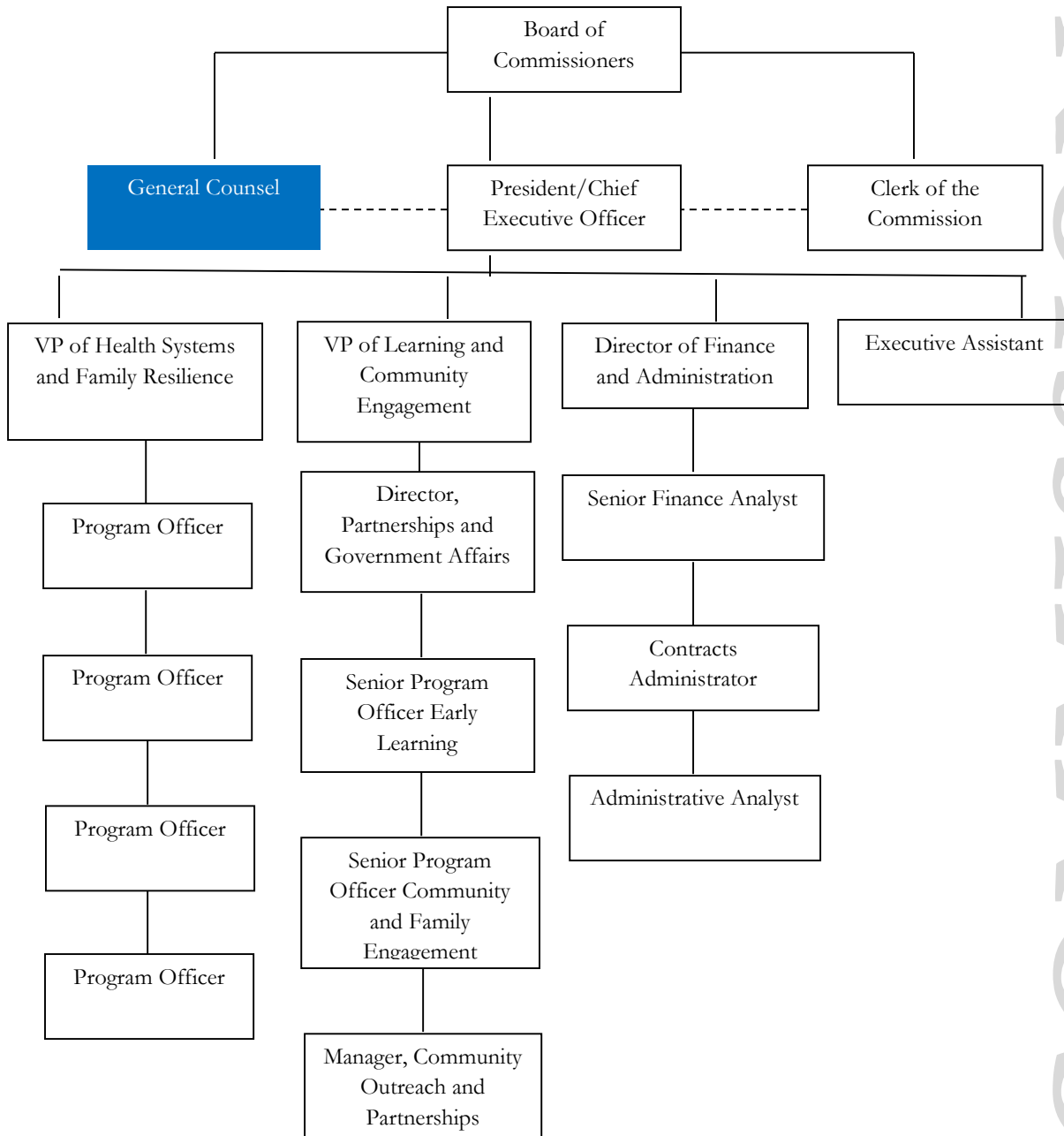
Irene Salazar, (A)

An Tran (M)
Social Services Agency

(M) Mandatory members
(A) At-large members

COMMISSION

**CHILDREN AND FAMILIES COMMISSION
OF ORANGE COUNTY
ORGANIZATION CHART
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Children and Families Commission of Orange County
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO



Independent Auditor's Report

To the Board of Commissioners
Children and Families Commission of Orange County
Santa Ana, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and the general fund of the Children and Families Commission of Orange County (Commission), a component unit of the County of Orange, California as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Commission, as of June 30, 2025, and the respective changes in financial position and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 17 to the financial statements, the Commission has adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, for the year ended June 30, 2025. Accordingly, a restatement has been made to the governmental activities net position as of July 1, 2024 to restate beginning net position. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability, schedule of changes in Commission's net OPEB liability, and schedules of the Commission's contributions – pension and OPEB, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The schedule of First 5 California Funding is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the schedule of First 5 California Funding is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2025, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Laguna Hills, California
November 26, 2025

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2025**

As management of the Children and Families Commission of Orange County (Commission), we offer readers of the Commission's Annual Comprehensive Financial Report this overview and analysis of the financial activities for the fiscal year ended June 30, 2025. Please read in conjunction with the Commission's basic financial statements and accompanying notes.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Commission as reported on the Statement of Net Position exceeded its liabilities and deferred inflows of resources by \$76.5 million at the end of the current fiscal year, an increase of \$4.1 million (5.7%) from the prior fiscal year. The increase in Net Position is primarily due to increased interest earnings on investment balances along with program reimbursement revenues and planned decreases in overall program spending.
- As of June 30, 2025, the Commission's governmental fund statements reported an ending fund balance totaling \$73.5 million, an increase of \$3.6 million (5.2%).
- The total ending fund balance of \$73.5 million was classified into the following categories: \$0.8 million as non-spendable, \$10.4 million as committed, \$38.4 million as assigned, and \$23.9 million as unassigned.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual comprehensive financial report consists of three parts: the introduction section, the basic financial statements including government-wide financial statements, governmental fund financial statements and notes to the basic financial statements, and the statistical section. The Commission's financial statements, prepared in accordance with generally accepted accounting principles (GAAP), offer key, high-level financial information about the activities during the reporting period.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances and activities. These statements are prepared using the full accrual basis of accounting and a total economic resource measurement focus, to provide both long-term and short-term information about the Commission's overall financial status. A detailed definition of these methods is described in Note 1 of the basic financial statements.

The Statement of Net Position presents information on all Commission assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Changes in net position may serve as a useful indicator of whether the financial position of the Commission is improving or declining.

The Statement of Activities presents changes in the Commission's net position during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not received, unused vacation leave, net pension liability).

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related and legal requirements. All Commission activities are accounted for in the general fund.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2025

financial statements focus on near-term inflows and outflows of spendable resources, as well as on *balances of spendable resources available at the end of the year*. Such information may be useful in evaluating the Commission's near-term financing requirements.

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Commission's near-term financial decisions. Reconciliations are presented for the Balance Sheet of governmental funds and the Statement of Revenues, Expenditures and Changes in Fund Balances of governmental funds to facilitate comparison between governmental funds and governmental activities.

Governmental Fund Financial Statements are prepared on a modified accrual basis, which means that they measure only current financial resources and uses. Capital assets and long-term liabilities are not presented in the Governmental Fund Financial Statements, as they do not represent current available resources or obligations. The Commission adopts an annual appropriated budget for the general fund. A budgetary comparison statement for the general fund is presented in the basic financial statements to demonstrate compliance with the adopted budget.

Effective July 1, 2024 the Commission adopted provisions of GASB Statement No. 101 *Compensated Absences*. As a result of this change in accounting principle, it was appropriate for the Commission to restate prior-period information for earlier periods than those presented in the basic financial statements. Therefore, information for the year ended June 30, 2024 was not restated. See Note 17 to the financial statements for further information on the change in accounting principle.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

ANALYSIS OF THE COMMISSION'S GOVERNMENT-WIDE FINANCIAL STATEMENTS

Net Position

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, net position was approximately \$76.5 million at the end of the current fiscal year, an increase of 5.9% from the prior fiscal year's net position. The increase is due to increased revenue from investments and planned reductions in ongoing programs costs to align with the long-term financial plan. Following is a summary of the government-wide Statement of Net Position comparing balances at June 30, 2025 and June 30, 2024.

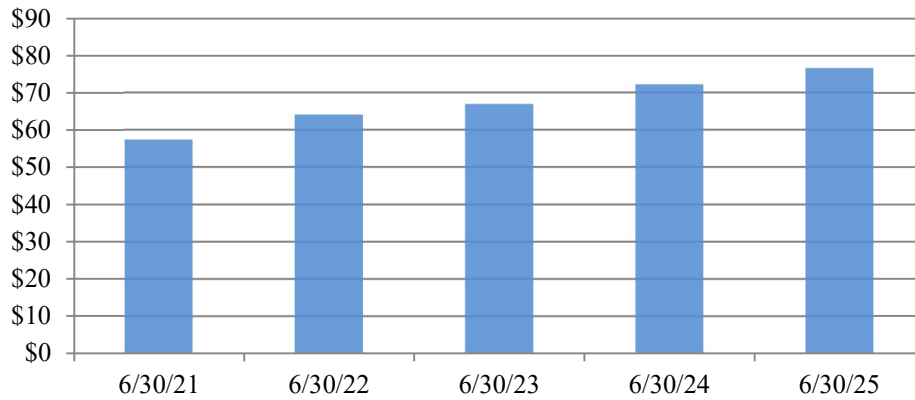
Most of the Commission's net position as of June 30, 2025 is considered unrestricted because their use is not for a purpose narrower than the Commission's purpose and were comprised of the following:

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2025

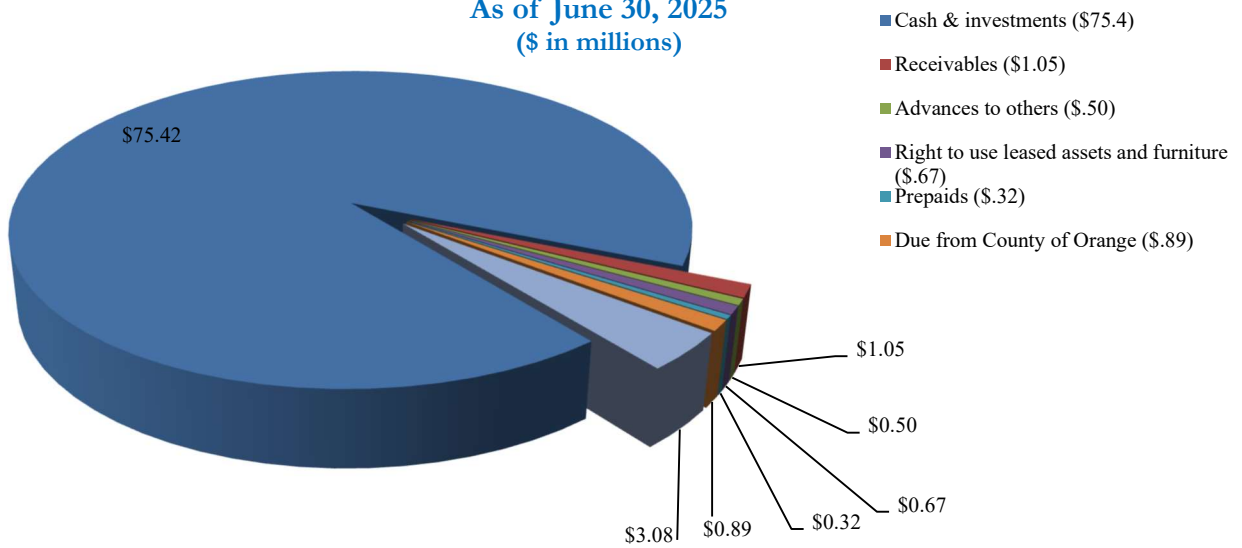
	FY 2024-25	FY 2023-24	Percent Increase (Decrease)
Assets:			
Cash and investments	\$ 75,420,969	\$ 71,907,994	4.9%
Interest receivable	1,048,660	1,473,657	-28.8%
Due from County of Orange	887,226	469,448	89.0%
Due from other governments	3,082,029	3,336,577	-7.6%
Prepays	318,082	112,808	182.0%
Advances to others	500,000	500,000	0%
Capital assets:			
Right-to-use lease assets, net of amortization	504,643	484,265	4.2%
Furniture, net of depreciation	165,803	-	
Total assets	<u>81,927,412</u>	<u>78,284,749</u>	4.7%
Deferred Outflows of Resources:			
Pension related amounts	1,207,272	1,442,169	-16.3%
OPEB related amounts	105,000	121,000	-13.2%
Total deferred outflows of resources	<u>1,312,272</u>	<u>1,563,169</u>	-16.1%
Liabilities:			
Accounts payable	2,132,095	2,191,480	-2.7%
Due to County of Orange	333,323	361,992	-7.9%
Due to other governments	1,941,155	2,345,645	-17.2%
Retentions payable	881,433	1,171,243	-24.7%
Accrued wages and benefits	125,327	108,874	15.1%
Non-Current liabilities:			
Due Within One Year			
Compensated absences	212,802	102,720	107.2%
Lease payables	84,098	65,707	28.0%
Due in More than One Year			
Compensated absences	121,984	13,760	786.5%
Lease payables	449,656	434,506	3.5%
Net Pension Liability	87,349	189,581	-53.9%
Net OPEB Liability	179,000	249,000	-28.1%
Total liabilities	<u>6,548,222</u>	<u>7,234,508</u>	-9.5%
Deferred Inflows of Resources:			
Pension related amounts	118,838	359,309	-66.9%
OPEB related amounts	113,000	76,000	48.7%
Total deferred inflows of resources	<u>231,838</u>	<u>435,309</u>	-46.7%
Net Position:			
Net Investment in Capital Assets	136,692	(15,948)	-957%
Unrestricted	76,322,932	72,194,049	5.7%
Total net position	<u>\$ 76,459,624</u>	<u>\$72,178,101</u>	5.9%

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2025**

**Net Position
Comparison of Last Five Fiscal Years
(\$ in millions)**



**Assets
As of June 30, 2025
(\$ in millions)**



CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2025

Assets, Current and Other

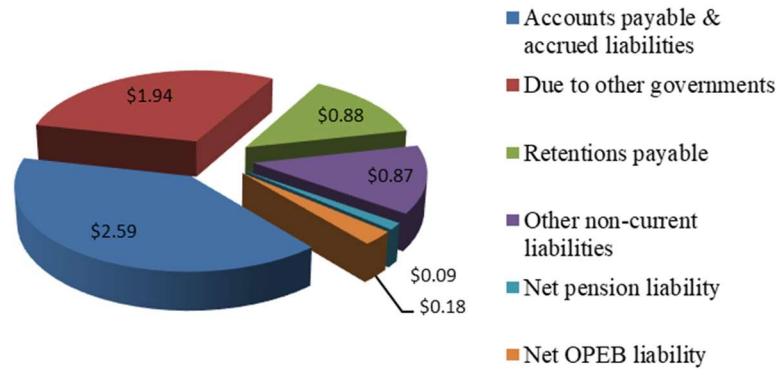
- Cash and investments totaled \$75.4 million. All \$75.4 million was invested in the Orange County Investment Pool (OCIP), with the only exception for a small petty cash fund held at the Commission that was closed this past fiscal year. The investments in OCIP are managed by the County Treasurer and reviewed for compliance with the Commission's Annual Investment Policy. Cash and investments increased by 4.9% due to increased revenues from interest earnings and the timing of program revenues along with a lower baseline of program expenditures. This approach has been intentional to build a fund balance to supplement future-year revenue declines.
- Due from other governments totaled \$3.1 million. Of this amount, \$1.9 million is Prop 10 tobacco tax revenue due from the State of California for the May and June 2024 allocations as well as California Electronic Cigarette Excise Tax (CECET) revenue for the fiscal year.
- Advances to others totaled \$500,000 and represents funds advanced to contractors for services not provided by June 30, 2025. The balance remaining is an advance to expand and improve the quality of developmental screenings countywide. The advances cover future periods up to Fiscal Year 2030.
- Prepays represents early payments made to the Orange County Employee's Retirement System for employer contributions that will be applied towards contributions after the next measurement date of December 31, 2025.
- Capital assets include intangible lease assets and furniture. Intangible right-to-use assets, net of amortization totaled \$504,643 for the Commission's office space lease and copier lease. The increase from the amount reported in the prior year is due to a seven-year lease extension agreed upon during the fiscal year. Note 10 to the Commission financial statements provides further detail on the Commission's leases. Office furniture acquired during the fiscal year total \$165,803 net of depreciation.

Deferred Outflows of Resources

- The Commission participates in a cost-sharing multiple-employer pension plan, the Orange County Employees Retirement System, and the cost-sharing multiple-employer County of Orange Retiree Benefit Plan. As a participant, the Commission is required to report its proportionate share of deferred outflows of resources related to pensions and other post-employment benefits.
- Deferred outflows of resources include \$1,207,272 which represents pension related amounts for measurement period ending December 31, 2024. Also included are total deferred outflows related to OPEB of \$105,000 as of measurement period ending December 31, 2024.
- Note 8 and 13 to the Commission financial statements provides further detail of all deferred outflows of resources reported in Fiscal Year 2024-2025.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2025**

**Liabilities
As of June 30, 2025**



Liabilities

- Accounts payable and due to other governments total \$4.1 million. These payables are for funded program services not yet billed at June 30, 2025 and are based on established contract terms. The current balance represents a decrease from the prior year because several Commission funded programs had smaller budgets compared to the prior year and timelier submittal of invoices from program partners.
- Retentions payable total \$881,433. Retentions payable are held until end of contract audits are completed and received by the Commission to ensure compliance with contract terms.
- Other liabilities total \$125,327 consisting of accrued wages and benefits.
- Non-current liabilities total \$1.1 million consisting of amount due for compensated absences, leases, Pension and OPEB liabilities. The increase from the prior year is due to the seven-year extension of the office lease and an increase was recognized in compensated absences with the implementation of GASB 101.

Deferred Inflows of Resources

- The Commission participates in a cost-sharing multiple-employer pension plan, the Orange County Employees Retirement System, and the cost-sharing multiple-employer County of Orange Retiree Benefit Plan. As a participant, the Commission is required to report its proportionate share of deferred inflows of resources related to pensions and other post-employment benefits.
- Total deferred inflows of resources of \$231,838 is the result of the differences between expected and actual experience, changes of assumptions, net difference between projected and actual earnings on plan investments, and changes in the Commission's proportionate share occurring over the measurement period ending December 31, 2024.
- Note 8 and 13 to the Commission financial statements provides further detail of all deferred inflows of resources recognized in Fiscal Year 2024-2025.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2025

Changes in Net Position

For the year ended June 30, 2025, current year operations increased the Commission's net position by \$4.4 million. The increase is due to both the timing of revenues from outside program funding specifically for the new Healthy Steps expansion program, most significantly the increased interest revenue, and the overall planned reduction of program expenditures. The following is a summary of the Commission's Statement of Activities comparing revenues, expenses and changes in net position for the fiscal years ended June 30, 2025 and June 30, 2024.

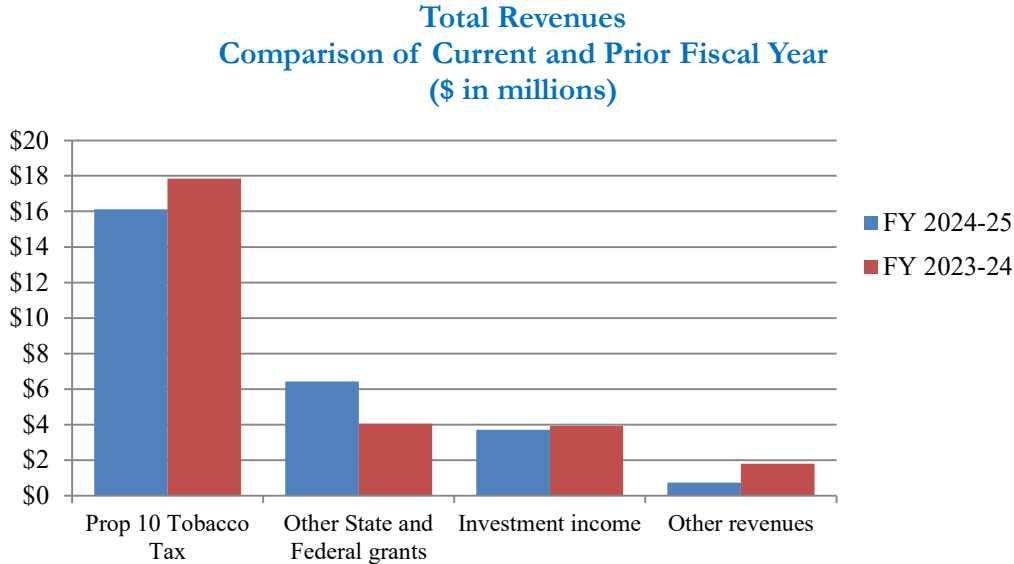
	FY 2024-25	FY 2023-24	Percent Increase (Decrease)
Revenues:			
Program Revenues			
Tobacco taxes	\$ 16,006,520	\$ 17,723,441	-9.7%
Other State and Federal operating grants and contributions	6,431,512	4,056,637	24.2%
Interest income earned on tobacco taxes at the State	114,376	121,897	-6.2%
Total program revenues	<u>22,552,408</u>	<u>21,901,976</u>	-3.4%
General Revenues			
Investment income net of decrease in fair value	3,698,440	3,925,635	-5.8%
Miscellaneous revenues	733,020	1,802,017	18.0%
Total general revenues	<u>4,431,460</u>	<u>5,727,652</u>	7.3%
Total revenues	<u>26,983,868</u>	<u>27,629,628</u>	-2.3%
Expenses:			
0-5 Child development programs	19,985,783	19,933,041	0.3%
Salaries and benefits	2,563,550	2,282,938	12.3%
Total expenses	<u>22,549,333</u>	<u>22,215,979</u>	1.5%
Change in net position:	4,434,535	5,413,649	
Net position – July 1	72,025,089*	66,764,452	7.9%
Net position – June 30	<u>\$ 76,459,624</u>	<u>\$ 72,178,101</u>	6.2%

*restated for GASB 101

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2025**

Total revenues

The Commission's total revenues are comprised of both program revenues, which are restricted to one or more specific program uses, and general revenues.



- *Program revenues*

The Commission's program revenues totaled \$22.6 million in Fiscal Year 2024-2025. This represented an increase of \$.65 million (3%) from Fiscal Year 2023-2024 program revenues. The increase is due to the expansion of the CalWORKS HVP program.

- Tobacco Tax revenue includes revenues from taxes levied on tobacco products by the State of California and distributed amongst all counties based on the percentage of county birthrates as established in Proposition 10. This revenue decreased by \$1.7 million from the prior fiscal year. The lower tax revenues are a result of the first full year the statewide ban on the sale flavored tobacco products was in effect. Beginning July 1, 2022, retailers of electronic cigarettes (in-state or out-of-state) are required to collect from the purchaser at the time of sale the California Electronic Cigarette Excise Tax (CECET) at the rate of 12.5 percent (12.50%) of the retail selling price of electronic cigarettes containing or sold with nicotine. A portion of CECET collected was allocated to First 5 CA and county First 5 Commissions. \$241,352 of CECET revenue was recognized by the Commission in Fiscal-Year 2024-2025.
- Other State and Federal operating grants and contributions for Fiscal Year 2024-2025 includes revenue from the state-wide IMPACT and Home Visiting program reimbursements that are variable from year to year and based on actual expenses. Of the total operating grants and contributions, \$1.7 million was for the state-wide IMPACT and Home Visiting Coordination program, \$3 million was for the CalWORKS Home Visiting Program, and \$1.4 million was revenue through the California State Department of Health Care Services Intergovernmental Transfers Revenue (IGT). The Commission has participated in IGTs in the past to support program partners. This is the first year the revenue was returned directly to the Commission. This amount represents the reimbursement of uncompensated amounts conducted through Medi-Cal managed care plans in the County that are funded by the Commission

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2025**

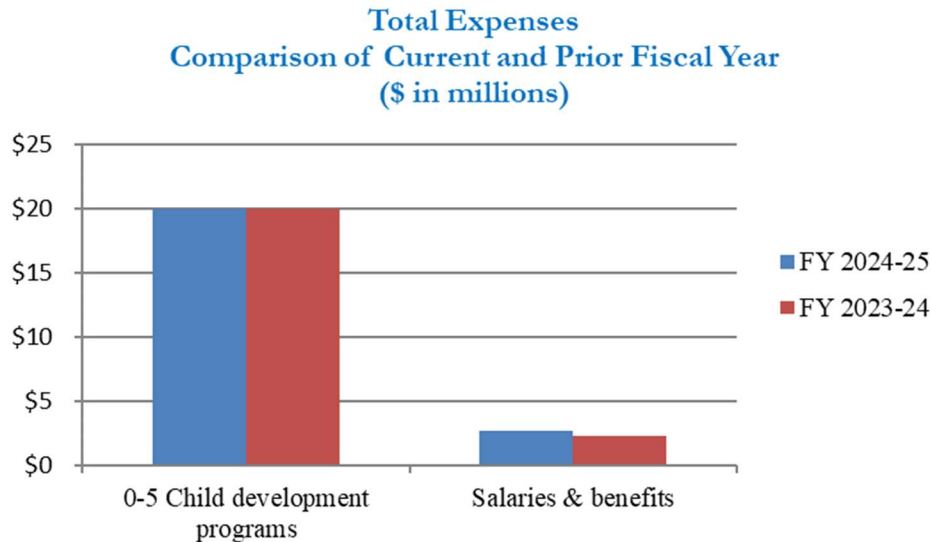
- *General revenues*

The Commission's general revenues totaled \$4.4 million in Fiscal Year 2024-2025. General revenues include all revenues that do not qualify as program revenues, such as investment income and other miscellaneous revenue reimbursements.

- Investment income increased significantly from the prior fiscal year. The increase in investment income from the Orange County Investment Pool (OCIP), which is administered by the County Treasurer, is due to higher investment returns and the reversal of the prior year fair value adjustment. The Commission is required to record changes in the fair value of investments, and the prior year negative fair value adjustment was reported against revenue in the operating statement last year.
- Miscellaneous revenue increased due (60%) due to a decrease in revenue for the Healthy Steps program through Cal Optima.

Governmental Activities Expenses

Total expenses increased by \$.3 million (1.5%) from the prior fiscal year. The increase is due mostly to the increase in salary and benefit costs with a small increase in other program costs.



- Zero-to-five child development programs increased by \$52,742 (0.3%) from the prior fiscal year to fund programs serving children and families within the Commission's strategic goal areas of Prenatal-to-Three, School Readiness Initiative, and Systems Building. The decrease is due to the increase in size of the CalWORKS HVP program while other program areas followed the planned step-down of specific funding levels to be aligned with the long-term financial plan.
- Salaries and benefits increased by \$280,612 (12.3%) from the prior fiscal year due partly to the addition of staff and partly to cost-of-living increases and salary adjustments provided to staff.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2025**

ANALYSIS OF THE COMMISSION'S GOVERNMENTAL FUND STATEMENTS

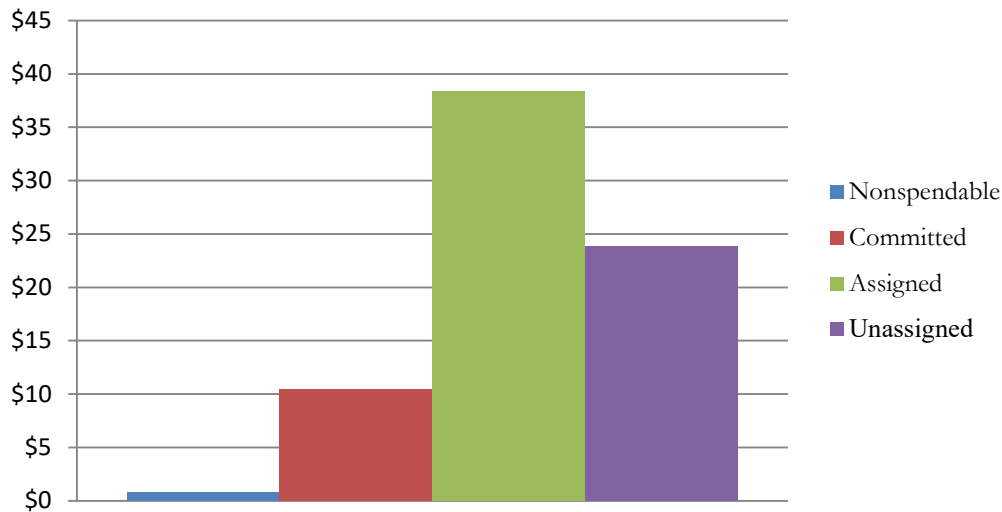
As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The activities are contained in the general fund of the Commission. The focus of the Commission's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. Fund balance may serve as a useful measure of a government's net resources, both committed and available for future operational needs. Program revenues of approximately \$2.34 million were not received within the Commission's period of availability and, as such, are recorded as deferred inflows on the Governmental Fund Balance Sheet.

As of the end of the current fiscal year, the Commission's general fund reported total ending fund balance of \$73.6 million, an increase of \$3.7 million (5.2%) in comparison with the prior fiscal year. The increase is due mostly to increased interest revenue from investment balances along with planned reductions in ongoing programs costs to align with the long-term financial plan

**Fund Balance Classifications
As of June 30, 2025
(\$ in millions)**



Budget Amendments

The budget amendments are approved during each fiscal year for the General Fund to reflect the most current revenue trends and to account for shifts in funding objectives.

- No budget amendments occurred during the fiscal year. The initial approved budget was not adjusted and remained as the final budget.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2025**

Budget to Actual Comparisons

This section contains an explanation of the significant differences between the Commission's Final Budget amounts and actual amounts recorded for revenues and expenditures for Fiscal Year 2024-2025 as detailed on the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.

- Total actual revenues were below budgeted revenues in Fiscal Year 2024-2025 by \$2.4 million. Total revenues were under budget mostly due to the timing of tobacco tax revenues that were not received in the recognition period and the revenue projections for passthrough grants were lower than expected.
- Total budgeted appropriations exceeded actual expenditures in Fiscal Year 2024-2025 by \$6.5 million due to program funds spent under Zero to Five Programs specifically for the CalWORKS Home Visiting Program, Black Infant Health, and the Black PEARLS programs. The total amounts budgeted for these programs were based on the contractually available funding amounts. The actual expenditures are based on client volume and services delivered. Also, the Black Infant Health and Black PEARLS programs were new and required planning and start-up activities to launch the programs.
 - 0-5 child development program expenditures were less than budgeted appropriations by \$5.9 million. This was due mostly to underspending for the Home Visitation Program and the IMPACT programs. The original appropriations for these programs represent total funds available through each program award, but each program has unique scheduling and timelines that guide when funds are expended.
 - Salaries and benefits actual expenditures were less than budgeted appropriations by approximately \$.6 million due to staff positions that were vacant for portions of the year and lower than expected expenditures for the new office furniture that was purchased during the year.
 - Catalytic/Systems Building expenditures were more than budgeted appropriations by approximately \$84,755 due to the Healthy Steps expansion program costs above what was originally estimated. Catalytic fund are made available for one-time projects, but the timing of expenses is variable and dependent on how quickly the program can be developed and implemented. Fiscal Year 2024-2025 was the eleventh year of Round 1 and 2 catalytic funding. The total funding amount of approximately \$61.9 million was approved by the Commission as detailed below. Expenditures are recognized as services are provided and deliverables met for each separate Catalytic/Systems Building program. At budget adoption, the timing of Fiscal Year 2024-2025 distributions and expense recognition were not known. Each Catalytic/Systems Building program has a unique scope and budget. Final payment terms are included in the contracts approved by the Commission for each Catalytic/Systems Building program. Remaining funding will be included in future year budgets as defined in the related Catalytic/System Building contract payment and deliverable schedules.

Commission Catalytic/Systems Building funding

Round 1:

Children's Dental Programs	\$20,000,000
Early Developmental Services / Autism Program	7,000,000
Year-Round Emergency Shelter	5,760,000
Early Literacy and Math	5,000,000
Healthy Child Development	5,582,500
VISTA / AmeriCorps transition feasibility	25,000
	<u>\$43,367,500</u>

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
MANAGEMENT DISCUSSION AND ANALYSIS
FISCAL YEAR ENDED JUNE 30, 2025**

Round 2:	
Capacity Building	\$3,250,000
Partnership for Children's Health	6,023,474
Prevention Services	500,000
Nutrition and Fitness	365,000
Pediatric Vision Services	1,500,000
Healthy Steps	1,075,000
Developmental Playgroups	235,000
Catalytic Unallocated and Matching Funds	5,584,026
	<u>\$18,532,500</u>

CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS

The Commission's financial plan has historically been conservative when estimating future-year revenues and maintains a fund balance in anticipation of future-year declining revenues. The assumptions used to project annual expenses/program funding throughout the ten-year financial plan will be adjusted to align with updated revenue projections from the California Department of Finance.

REQUESTS FOR FINANCIAL INFORMATION

This annual comprehensive financial report is intended to provide the public with an overview of the Commission's financial operations and condition for the fiscal year ended June 30, 2025. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the President/CEO, Children & Families Commission of Orange County, 1505 East 17th Street, Suite 230, Santa Ana, California 92705

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
STATEMENT OF NET POSITION
JUNE 30, 2025

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and investments in County Treasury	\$ 75,420,969
Interest receivable	1,048,660
Due from County of Orange	887,226
Due from other governments	3,082,029
Prepays	318,082
Advances to others	500,000
Capital assets	
Right to use lease assets, net of amortization	504,643
Furniture, net of depreciation	165,803
Total Assets	81,927,412
DEFERRED OUTFLOWS OF RESOURCES	
Pension related amounts	1,207,272
Other postemployment benefits related amounts	105,000
Total Deferred Outflows of Resources	1,312,272
LIABILITIES	
Accounts payable	2,132,095
Due to County of Orange	333,323
Due to other governments	1,941,155
Retentions payable	881,433
Accrued wages and benefits	125,327
Non-Current liabilities:	
Due Within One Year	
Compensated absences	212,802
Leases	84,098
Due in More than One Year	
Compensated absences	121,984
Leases	449,656
Net pension liability	87,349
Net OPEB liability	179,000
Total Liabilities	6,548,222
DEFERRED INFLOWS OF RESOURCES	
Pension related amounts	118,838
Other postemployment benefits related amounts	113,000
Total Deferred Inflows of Resources	231,838
NET POSITION	
Net investment in capital assets	136,692
Unrestricted	76,322,932
Total Net Position	\$ 76,459,624

See accompanying notes to the basic financial statements.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenues	Net (Expense) Revenue and Changes in Net Position
	Expenses	Operating Grants And Contributions	Governmental Activities
Governmental Activities:			
Child development	\$ 22,549,333	\$ 22,552,408	\$ 3,075
General Revenues:			
Investment income			3,698,440
Miscellaneous			733,020
			<u>4,431,460</u>
Total General Revenues			4,431,460
Change in Net Position			4,434,535
Net Position Beginning, as previously reported			72,178,101
Adjustments (Note 17)			(153,012)
Net Position Beginning, as restated			<u>72,025,089</u>
Net Position, June 30			<u>\$ 76,459,624</u>

See accompanying notes to the basic financial statements.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2025

	<u>General Fund</u>
ASSETS	
Cash and investments in County Treasury	\$ 75,420,969
Interest receivable	1,048,660
Due from County of Orange	887,226
Due from other governments	3,082,029
Prepaid items	318,082
Advances to others	500,000
Total Assets	<u>\$ 81,256,966</u>
LIABILITIES	
Accounts payable	\$ 2,132,095
Due to County of Orange	333,323
Due to other governments	1,941,155
Retentions payable	881,433
Accrued wages and benefits	125,327
Total Liabilities	<u>5,413,333</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows - unavailable revenue	<u>2,340,452</u>
Total Deferred Inflows of Resources	<u>2,340,452</u>
FUND BALANCES	
Nonspendable fund balance	818,082
Committed fund balance	10,447,639
Assigned fund balance	38,383,350
Unassigned fund balance	23,854,110
Total Fund Balances	<u>73,503,181</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 81,256,966</u>

See accompanying notes to the basic financial statements.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Fund balances of governmental funds	\$	73,503,181
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Amounts reported for governmental activities in the Statement of
Net Position are different because:

Assets used in governmental activities are not financial resources
and therefore are not reported in the funds

Right to lease use assets net of amortization	504,643	
Furniture net of depreciation	165,803	670,446

Deferred outflows of resources:

Pension related amounts	1,207,272	
Other postemployment benefits related amounts		105,000

Long term assets/ (liabilities) are not included in the governmental
funds

Net pension liability	(87,349)	
Compensated employee absences		(334,786)
Lease liability		(533,754)
Net OPEB liability		(179,000)

Certain revenues in the governmental funds are deferred because
they are not collected within the prescribed time period after year-
end. However, the revenues are included on the accrual basis used
in the government-wide statements.

2,340,452

Deferred inflows of resources:

Pension related amounts	(118,838)	
Other postemployment benefits related amounts		(113,000)

Net Position of governmental activities	\$	76,459,624
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See accompanying notes to the basic financial statements.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
GOVERNMENTAL FUND STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2025**

	<u>General Fund</u>
Revenues	
Prop 10 Tobacco Tax	\$ 15,653,636
First 5 State operating grants and contributions	1,926,029
State and local operating grants and contributions	110,709
CalWORKS Home Visiting Program	2,970,116
Medi-Cal Administrative Activities	207,311
Investment income	3,698,440
Other revenue	1,938,291
Total Revenues	<u>26,504,531</u>
Expenditures	
Current	
Salaries and benefits	2,782,242
Expenditures related to the "Zero to Five" Programs	19,411,503
Catalytic Round 1 and 2 Program Funding	434,755
Debt Service	
Principal retirement	78,430
Interest	24,774
Capital Outlay	284,984
Total Expenditures	<u>23,016,688</u>
Excess of revenues over expenditures	3,487,843
Other Financing Sources	
Leases	<u>111,972</u>
Net Change in Fund Balance	3,599,815
FUND BALANCE, July 1	<u>69,903,366</u>
FUND BALANCE, June 30	<u><u>\$ 73,503,181</u></u>

See accompanying notes to the basic financial statements.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025**

Net changes in fund balance - total governmental funds	\$	3,599,815
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Amounts reported for governmental activities in the statement of revenues, expenditures, and changes in fund balance differs from the amounts reported in the statement of activities because:

Principal retirement expenditures reported in Governmental Funds, net of adjustments, are not reported in the Statement of Activities		62,482
---	--	--------

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over their estimated useful lives as expenses.

Capital outlay		284,984
Amortization expense		(91,594)
Depreciation expense		(7,209)

Governmental funds report pension contributions and OPEB contributions as expenditures. However, in the Statements of Activities, pension and OPEB expense is measured as the change in the net pension and net OPEB liability and the amortization of deferred outflows and inflows related to pensions and OPEB. This amount represents the change in pension and OPEB related amounts.

Pension related amounts		279,986
Other postemployment benefits related amounts		4,000

Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This amount represents the net change in the compensated absences liability.		(65,294)
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Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, the revenues are included on the accrual basis used in the government-wide statements.		479,337
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The issuance of long-term leases provides current financial resources to governmental funds, but are not reported as revenues in the statement of activities.

Lease issued		(111,972)
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Change in net position of governmental activities	\$	4,434,535
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See accompanying notes to the basic financial statements.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Prop 10 Tobacco Tax	\$ 17,067,419	\$ 17,067,419	\$ 15,653,636	\$ (1,413,783)
First 5 State operating grants and contributions	1,855,000	1,855,000	1,926,029	71,029
State and local operating grants and contributions	2,180,000	2,180,000	110,709	(2,069,291)
CalWORKS Home Visiting Program	4,000,000	4,000,000	2,970,116	(1,029,884)
Medi-Cal Administrative Activities	250,000	250,000	207,311	(42,689)
Investment income	100,000	1,900,000	3,698,440	1,798,440
Other revenue	330,000	1,630,000	1,938,291	308,291
Total Revenues	25,782,419	28,882,419	26,504,531	(2,377,888)
Expenditures				
Current				
Salaries and benefits	3,413,662	3,413,662	2,782,242	631,420
Expenditures related to the "Zero to Five" Program	25,347,820	25,347,820	19,411,503	5,936,317
Catalytic Round 1 and 2 Program Funding	210,000	350,000	434,755	(84,755)
Debt Service				
Principal retirement	78,480	78,480	78,430	50
Interest	24,520	24,520	24,774	(254)
Capital Outlay	310,000	310,000	284,984	25,016
Total Expenditures	29,384,482	29,524,482	23,016,688	6,507,794
Excess of revenues over expenditures	(3,602,063)	(642,063)	3,487,843	(4,129,906)
Other Financing Sources				
Leases	-	-	111,972	111,972
Net Change in Fund Balance	(3,602,063)	(642,063)	3,599,815	(4,241,878)
FUND BALANCE, July 1	69,903,366	69,903,366	69,903,366	-
FUND BALANCE, June 30	\$ 66,301,303	\$ 69,261,303	\$ 73,503,181	\$ (4,241,878)

See accompanying notes to the basic financial statements.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Children and Families Commission of Orange County (the Commission) was established by the Orange County Board of Supervisors in 1999 under the provisions of the California Children and Families Act of 1998 (Act). The Commission is a public entity legally separate and apart from the County. The purpose of the Commission is to develop, adopt, promote and implement early childhood development and school readiness programs in the County of Orange consistent with the goals and objectives of the Act. The Commission's programs are funded primarily by taxes levied by the State of California on tobacco products.

A governing board of nine members, which are appointed by the County Board of Supervisors, oversees the Commission. Three members are considered Mandatory Members, comprised of representatives of the County Health Care Agency, Social Services Agency and Board of Supervisors. Other members are considered At-Large Members. The Board of Supervisors Mandatory Member serves for a one-year term without limitation on the number of terms he/she may serve. Other Mandatory Members serve until removed by the Board of Supervisors. At-Large Members serve for terms ranging from two to four years, not to exceed eight consecutive years. The County Board of Supervisors may remove any Commission Member at any time. The Commission is considered a discretely presented component unit of the County of Orange.

Upon termination of the commission, all assets of the Commission shall be returned to the State of California. The liabilities of the Commission shall not become liabilities of the County upon either termination of the Commission or the liquidation or disposition of the Commission's remaining assets.

Basis of Accounting and Measurement Focus

The basic financial statements of the Commission are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-Wide Financial Statements

Government-wide financial statements consist of the statement of net position and the statement of activities. These statements are presented on an economic resources measurement focus. All economic resources and obligations of the reporting government are reported in the financial statements.

The government-wide financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting all assets, liabilities, deferred outflows and inflows of resources of the Commission are included on the statement of net position. The difference between the Commission's assets, liabilities, deferred outflows and inflows of resources is its net position. Net position represents the resources the Commission has available for use in providing services. The Commission's net position is classified as:

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Government-Wide Financial Statements, (Continued)

Unrestricted – This category represents neither restrictions nor right to use assets and may be used by the Commission for any purpose though they may not be necessarily liquid.

Net Investment in Capital Assets – This category includes the Commission’s office lease that is amortized over the life of the lease period.

The statement of activities presents a comparison of the direct expenses and program revenues for the Commission’s governmental activities. Program revenues include grants and contributions restricted for the operational requirements of a particular program. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Program revenues include tobacco taxes, First 5 California programs and federal revenues. General revenues are all revenues that do not qualify as program revenues and include investment income and miscellaneous income. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized when the underlying exchange occurs or resources are received. On the modified accrual basis of accounting, revenues are recognized when the underlying exchange has occurred and the resources are available. Resources received before the underlying exchange has occurred are reported as deferred revenues.

Fund Financial Statements

The fund financial statements consist of the balance sheet, the statement of revenues, expenditures and changes in fund balance, and the statement of revenues, expenditures and changes in fund balance – budget and actual of the Commission’s general fund. These statements are presented on a current financial resources measurement focus. Generally, only current assets, deferred inflows of resources, and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance for the governmental fund generally presents increases (revenues) and decreases (expenditures) in net current resources. All operations of the Commission are accounted for in the general fund.

The fund financial statements have been prepared on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are considered available if they are received within 60 days after year-end. Revenues susceptible to accrual include tax revenues, grant revenues and investment income. Expenditures are recognized in the accounting period in which the fund liability is incurred except for compensated absences, which are recognized when due and payable at year-end.

Fair Value Measurement

The Commission categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset’s fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Deferred Outflows and Inflows of Resources

Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. Deferred outflow of resources represents a consumption of net assets that applies to future periods. The Commission has a deferred inflow, unavailable revenue, which occurs only under a modified accrual basis of accounting. Accordingly, the items are reported only in the governmental fund balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The Commission also recognizes deferred outflows and inflows related to pensions and other post-employment benefits under the accrual basis of accounting. These items are reported only in the government-wide Statement of Net Position.

Capital assets, net of accumulated depreciation/amortization

Capital assets, including right to use lease assets, are not considered to be a financial resource and therefore, is not reported as an asset in the fund financial statements. Capital assets are capitalized and reported at cost, net of accumulated depreciation/amortization in the government-wide financial statements. The one addition to capital assets for the year was a seven-year office lease extension reported in the right-to-use lease assets.

Capital assets are recorded at historical cost. The Commission capitalizes assets with cost in excess of \$10,000 for equipment, \$10,000 for leases and subscription-based information technology arrangements, and \$150,000 for other assets, following the County of Orange schedule of asset definitions, and a useful life greater than one year. The Commission depreciates/amortizes capital assets using a straight-line method over the estimated useful life of each asset. The estimated useful life of equipment, ranges from 5 to 10 years.

Adjustments Between Fund Financial Statements and Government-Wide Financial Statements

Prepaid Items

Prepaid pension contributions are reported as a prepaid item in the fund financial statements and in the Statement of Net Position. The consumption method is used to evaluate the prepaid amount. The prepaid pension contributions, at the fund level, pertain to the contributions required for the related payroll periods of July 1, 2025 to June 30, 2026. A balance of \$318,082 is reported as of June 30, 2025 after any remaining contributions for the fiscal year were deducted from the prepaid account. Because the next actuarial valuation to determine the Commission's net pension liability will occur on December 31, 2025, the prepaid contributions are recognized as a deferred outflow of resources on the government wide statements to account for the portion that will be applied to the calculation of net pension liability.

Compensated absences

Compensated absence obligations are considered long-term in nature and are reported in the fund financial statements as expenditures in the period paid or when due and payable at year-end under the modified accrual basis of accounting. Compensated absences have been accrued in the government-wide financial statements and are included in long-term liabilities in accordance with GASB 101.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Differences Between Fund Financial Statements and Government-Wide Financial Statements
(Continued)

Leases

The Commission is a lessee for noncancelable lease of office space and equipment. The Commission recognizes a lease liability and a right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the Commission initially measured the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the Commission determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The Commission uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the Commission generally uses the County of Orange incremental borrowing rate as the discount for leases.
- The lease term includes the noncancelable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments.

The Commission monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

Pensions

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the Commission recognizes a net pension liability/asset, which represents the Commission's proportionate share of the excess of the total pension liability/asset over the fiduciary net position reflected in the actuarial report provided by the Orange County Employees Retirement System (OCERS). The net pension liability/asset is measured as of OCERS' prior fiscal year end December 31, 2024 and is reported on the same basis as they are reported by OCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. Changes in the net pension are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Other Postemployment Benefits (“OPEB”)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about fiduciary net position of the County of Orange Retiree Benefit Plan (“OPEB Plan”) and additions to/deductions from OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are used for OPEB reporting:

Valuation Date	June 30, 2023
Measurement Date	December 31, 2024
Measurement Period	January 1, 2024 to December 31, 2024

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

Due to other governments

Due to other governments represents amounts owed to grantees and governmental agencies for services provided to the Commission in accordance with the Commission’s strategic plan.

Retentions payable

The Commission retains a percentage of amounts billed by grantees and vendors in accordance with executed contracts. Upon fulfilling the requirements of the grantee agreement or contract, the amounts are released.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Also, the preparation of the financial statements inherently requires the rounding of amounts and estimates.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

Budget and Budget Reporting

The Commission is required by Orange County ordinance to prepare a budget each year based on estimates of revenues and expected expenditures. The Commission's Board of Commissioners adopted an annual budget of expenditures for the year ended June 30, 2025, which is prepared on the modified accrual basis of accounting. The accompanying statement of revenues, expenditures and changes in fund balance – budget and actual includes the budgeted expenditures for the year, along with management's estimate of revenues for the year. The legal level of budgetary control is at the total fund level.

Fund Balance

Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Commission established the following classifications and definitions of fund balance for the year ended June 30, 2025:

Nonspendable – Resources that cannot be spent because they are not in an expendable form (e.g. prepaid asset, advances to others) or must be maintained intact (e.g. endowment principal).

Restricted - Resources that are constrained to specific purposes by an external provider (e.g. grantors, contributors, governmental laws and regulations) or by constitutional provisions or enabling legislation.

Committed - Resources with self-imposed limitations and require both the approval of the highest level of decision-making authority (Board of Commissioners) and the same formal action to remove or modify the limitations. The formal action required by the Board of Commissioners for funds to be committed is action by the way of resolution allocating funding for a specific purpose, program or initiative.

Assigned - Resources with self-imposed limitations but do not require approval by the highest level of decision-making authority (may be a body, committee or individual designated by Board of Commissioners) or the same level of formal action to remove or modify limitations. Includes appropriation of a portion of existing fund balance sufficient to eliminate subsequent year's budget deficit, resources assigned to specific program for which there is an approved budget, and resources approved by the Commission for a long-range financial plan.

Unassigned - Resources that cannot be reported in any other classification.

Fund balance of governmental funds is reported in various categories based on the nature of the limitations requiring the use of resources for specific purposes. The Commission itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)

The committed fund balance classification includes amounts that can be used only for the specific purpose determined by a formal action of the Commission. The Commission is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Commission for specific purposes but do not meet the criteria to be classified as committed. The Commission adopts an annual budget and gives authority to the Executive Director and staff to assign fund balance for approved contracts in force. Unlike commitments, an additional action does not normally have to be taken for the removal of an assignment.

The Commission's spending priority is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance.

Refer to Note 6 for additional details regarding the GASB 54 classification of fund balance.

Encumbrances

The Commission utilizes an encumbrance system as a management control technique to assist in controlling expenditures. Encumbrances of \$26.4 million represent Board-approved future year contracts for Catalytic Programs (\$4.6 million) and annual programs and operations (\$21.8 million). The Catalytic Program encumbrance is for Developmental Screenings. The three largest program encumbrance balances are for the Bridges: Maternal Child Health Network (\$3.5 million), CalWORKS Home Visiting (\$4.6 million), and School District Partnerships (\$7 million). Encumbrances for Catalytic Programs are reported in Committed fund balance and encumbrances for other programs are reported in Assigned fund balance.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

**NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(Continued)**

Effect of New Governmental Accounting Standards Board (GASB) Pronouncements

Effective This Fiscal Year

Statement No. 101, "Compensated Absences." The requirements of this Statement became effective for the Commission financial statements for the fiscal year that ends June 30, 2025. The Commission implemented this statement. The effect of the implementation of this standard on beginning net position is disclosed in Note 17.

Statement No. 102, "Certain Risk Disclosures." The requirements of this Statement became effective for the Commission financial statements starting with the fiscal year that ends June 30, 2025. The Commission has determined that there was no material impact on the Commission's financial statements.

GASB has issued the following pronouncements prior to June 30, 2025, that have effective dates which may impact future financial statement presentation. The effect of these statements is currently under review by the Commission:

Statement No. 103, "Financial Reporting Model Improvements." The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

Statement No. 104, "Disclosure of Certain Capital Assets." The requirements of this Statement are effective for fiscal years beginning after June 15, 2025.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 – CASH AND INVESTMENTS

Cash and investments are classified in the financial statements as follows:

Cash and investments in County Treasury	\$ <u>75,420,969</u>
Total Cash and Investments	\$ <u>75,420,969</u>

Cash and investments consisted of the following at June 30, 2025:

Orange County Investment Pool:	
Equity in pooled Money Market fund	\$ <u>75,420,969</u>
Total Cash and Investments	\$ <u>75,420,969</u>

Investments Authorized by the California Government Code and the Commission Investment Policy Statement

Authorized investment instruments include:

- Certificates of Deposit (insured or collateralized)
- Orange County Investment Pool
- “AAAm” rated Money Market Mutual Funds
- U.S. Treasury securities
- U.S. Government Agency securities: Debt securities issued by U.S. Government sponsored enterprises and federally related institutions. These government agencies include: Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac), Federal National Mortgage Association (FNMA or Fannie Mae), Federal Farm Credit Banks (FFCB)

All Money Market Mutual Funds must be AAAm rated by two NRSROs, invest only in direct obligations in US Treasury bills, notes, bonds, U.S. Government Agencies, Municipal debt and repurchase agreements with a weighted average maturity of 60 days or less, and have a minimum of \$500 million in assets under management. Money Market Mutual Funds that do not maintain a constant NAV (Net Asset Value) will be prohibited.

The Commission deposits all funds in the County Treasurer’s Orange County Investment Pool (OCIP). The OCIP is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (SEC). The County Investment Oversight Committee provides oversight for matters related to the County treasury and investment activities. The Orange County Investment Policy governs the investments in the County Pool. Cash on deposit in the OCIP at June 30, 2025, is stated at fair value. For further information regarding the OCIP, refer to the County of Orange Annual Comprehensive Financial Report.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

NOTE 2 – CASH AND INVESTMENTS (Continued)

Fair Value Measurements

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2025, the Commission held no individual investments. All funds are invested in OCIP.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Commission's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals in the OCIP are made based on \$1 and not fair value. Accordingly, the Commission's proportionate share of investments in the OCIP at June 30, 2025 is measured based on an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

NOTE 3 – DUE FROM OTHER GOVERNMENTS

The due from other governments account represents amounts due to the Commission from the California Children and Families Commission ("State Commission") for Prop 10 and California Electronic Cigarette Excise Tax (CECET) related revenues and other governmental agencies. The amounts due to the Commission from the State Commission at June 30, 2025, were as follows:

Due from State Commission:

Prop 10 / CECET revenue for:

May 2025	\$857,050
June 2025	939,294
CECET Q3	61,426
CECET Q4	43,534
Surplus Money Investment Fund Allocations	114,376
First 5 IMPACT Program and Home Visiting	1,066,349
Total Due from Other Governments	<u>\$3,082,029</u>

NOTE 4 – DUE TO OTHER GOVERNMENTS

The due to other governments account represents amounts due to the Regents of the University of California, Orange County school districts, and other local governmental agencies. The amounts due to the other governments at June 30, 2025, were as follows:

FY 2024-2025 Contract Payment Accruals	<u>\$1,941,155</u>
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CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 5 – LONG-TERM LIABILITIES

Changes in long-term liabilities during the year ended June 30, 2025 are as follows:

	Restated Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025	Due Within One Year
Leases	\$ 500,212	\$ 111,972	\$ 78,430	\$ 533,754	\$ 84,098
Compensated absences	269,492	65,294	-	334,786	212,802
Total	<u>\$ 769,704</u>	<u>\$ 177,266</u>	<u>\$ 78,430</u>	<u>\$ 868,540</u>	<u>\$ 296,900</u>

The compensated absences beginning balance is restated for the implementation of GASB 101. The change in the compensated absences liability is presented as a net change.

NOTE 6 – FUND BALANCE

Fund balance is classified using a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance as of June 30, 2025 consists of the following:

Nonspendable:	
Prepays and Advances	\$818,082
Committed for:	
Catalytic Round 1 and 2 programs	10,447,639
Assigned for:	
Approved contracts	38,383,350
Unassigned	<u>23,854,110</u>
Total fund balance	<u>\$73,503,181</u>

Fund Balance Category Descriptions

Nonspendable – consists of prepaid retirement contributions for Fiscal Year 2025-2026 that were paid during the fiscal year. Refer to Note 8 for further details. Included in Nonspendable are Catalytic funding amounts advanced to grantees for project scopes not completed by June 30, 2025.

Committed for contractual obligations – consists of contract amounts approved by Commission action as of June 30, 2025 for Fiscal Years 2025-2026 and future years of one-time Catalytic/Systems Building funding.

Assigned for approved contracts – consists of Fiscal Year 2025-2026 programs that were approved by Commission action and included in the Fiscal Year 2025-2026 Operating Budget.

NOTE 7 – CONTINGENCIES

The Commission is involved in various legal proceedings from time to time in the normal course of business. In management's opinion, the Commission is not involved in any legal proceeding that will have a material adverse effect on financial position or changes in financial position of the Commission.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description. All full-time employees of the Commission participate in the Orange County Employees Retirement System (OCERS). OCERS was established by the County of Orange in 1945. OCERS is administered by the Board of Retirement and governed by the County Employee's Retirement Law of 1937 California Government Code Section 31450 et. seq.). OCERS is a cost-sharing multiple employer public employee retirement system whose main function is to provide service retirement, disability, death and survivor benefits to the Safety and General members employed by the County of Orange. OCERS also provides retirement benefits to the employee members of the Orange County Courts, the Orange County Retirement System, two cities and thirteen special districts.

The management of OCERS is vested with the Orange County Board of Retirement. The Board consists of nine members and one alternate. The County Treasurer is a member of the Board of Retirement by law. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two members are elected by the General membership; one member and one alternate are elected by the Safety membership, and one member is elected by the retired members of the System. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with her term as County Treasurer. OCERS issues a stand-alone annual financial report, which can be obtained at www.ocers.org.

Benefits Provided. OCERS provides service retirement, disability, death and survivor benefits to eligible employees. All regular full-time employees of the County of Orange or contracting agencies who work a minimum of 20 hours per week become members of OCERS effective on the first day of employment in an eligible position. There are separate retirement plans for General and Safety member employees. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain probation officers. Any new Safety Member who becomes a member on or after January 1, 2013 is designated PEPRSA Safety and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. All other employees are classified as General members. New General Members employed after January 1, 2013 are designated as PEPRA General subject to the provisions of California Government Code 7522 et seq.

General members prior to January 1, 2013, including all members of Plan T and Plan W hired on or after January 1, 2013, are eligible to retire once they attain the age of 50 and have acquired ten or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, excluding member of Plan T and Plan W, are eligible to retire once they have attained the age of 52, and have acquired five years of retirement service credit.

All General members can also retire at the age of 70 regardless of service.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

General member benefits are calculated pursuant to the provisions of Sections 31676.01, 31676.1, 31676.12, 31676.16, 31676.18 or 31676.19. For section 31676.01, the monthly allowance is equal to 1/90th of final compensation times years of accrued retirement service credit times age factor from that Section. For Section 31676.1, the monthly allowance is equal to 1/60th of final compensation times years of accrued retirement service credit times age factor from the Section. For Sections 31676.12, 31676.16, 31676.18 or 31676.19, the monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times age factor from the corresponding Section. General member benefits for those who are first hired on or after January 1, 2013, excluding members of Plan T, are calculated pursuant to the provision California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

For members with membership dates before January 1, 2013, including all members of Plan T and Plan W hired on or after January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation. There is no maximum with membership dates on or after January 1, 2013, excluding members of Plan T and Plan W.

Final average compensation consists of the highest 12 consecutive months for a General Tier 1 or Safety Tier 1 member and the highest 36 consecutive months for a General Tier 2, General PEPRA, Safety Tier 2 or Safety PEPRA member.

The member may elect an unmodified retirement allowance or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner. An eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. Certain surviving spouses or domestic partners may also be eligible if marriage or domestic partnership was at least two years prior to the date of death and the surviving spouse or domestic partner has attained age 55. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

OCERS provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustments, based upon the Consumer Price Index for All Urban Consumers for the Los Angeles-Riverside-Orange County Area, is capped at 3.0%.

Contributions. The Commission contributes to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from OCERS' actuary after the completion of the annual actuarial valuation. The average employer contribution rate for the first six months of calendar year 2024 or the second half of fiscal year 2023-2024 (based on the December 31, 2021 valuation) was 37.82% of compensation. The average employer contribution rate for the last six months of calendar year 2024 or the first half of fiscal year 2024-2025 (based on the December 31, 2022 valuation) was 38.71% of compensation. Contributions recognized by the plan for the fiscal year ended June 30, 2025, were \$267,444.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

General Information about the Pension Plan (Continued)

All members are required to make contributions to OCERS regardless of the retirement plan or tier in which they are included. The average member contribution rate for the first six months of calendar year 2024 or the second half of fiscal year 2023-2024 (based on the December 31, 2021 valuation) was 12.08% of compensation. The average member contribution rate for the last six months of calendar year 2024 or the first half of fiscal year 2024-2025 (based on the December 31, 2022 valuation) was 12.08% of compensation.

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2025, the Commission reported a net pension liability of \$87,349 for its proportionate share of the net pension liability (NPL)/(asset). The NPL/(asset) was measured as of December 31, 2024. Plan Fiduciary Net Position (plan assets) was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from actuarial valuation as of December 31, 2023. At December 31, 2024, the Commission's proportion was 0.002% percent allocated based on the actual employer contributions within the Commission's rate group. This represents a decrease from 0.004%, from the proportionate share measured as of December 31, 2023.

For the year ended June 30, 2025, the Commission recognized pension expense of \$163,525. As of June 30, 2025, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	-	\$2,752
Changes in proportion and differences between employer contributions and proportionate share of contributions	\$1,026,408	115,967
Changes of assumptions or other inputs	3,476	-
Difference between expected and actual experience	5,826	119
Commission contributions subsequent to the measurement date	171,562	-
Total	<u>\$1,207,272</u>	<u>\$118,838</u>

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Amounts reported as contributions made subsequent to the measurement date of \$171,562 will be recorded as an addition to net pension asset in the next fiscal year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:

2026	312,633
2027	337,525
2028	205,189
2029	52,342
2030	9,183
\$	916,872

Actuarial assumptions. For the measurement period ended December 31, 2024 (the measurement date), total pension liability (TPL) was determined by rolling forward the December 31, 2023 (the valuation date) total pension liability. The actuarial assumptions used were based on the results of an experience study for the period from January 1, 2020 through December 31, 2022.

Investment rate of return:	7.00%, net of pension plan investment expense, including inflation
Inflation rate:	2.50%
“Across-the-board” salary increase:	0.50%
Salary Increases General:	3.90% to 10.25%. Salary increases vary by service and include inflation and “across-the-board” salary increase
Cost-of-living adjustments:	Retiree COLA increases of 2.75% per year. For members that have COLA banks, we assume they receive 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter

Post – Retirement Mortality Rates:

<i>Healthy:</i>	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) increased 5% for females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
<i>Disabled:</i>	Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Table (separate tables for males and females) decreased 5% for males and females, projected generationally with the two-dimensional mortality improvement scale MP-2021.
<i>Beneficiaries:</i>	Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table (separate tables for males and females) increased 5% for females, projected generationally with the two dimensional mortality improvement scale MP-2021.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected arithmetic real rates of return (expected returns, net of inflation and, beginning with the December 31, 2023 measurement date, any applicable investment management expenses) are developed for each major asset class. These returns are combined to produce the long-term expected arithmetic rate of return for the portfolio by weighting the expected arithmetic real rates of return by the target asset allocation percentage, adding expected inflation, subtracting expected investment management expenses and further adjusted by a risk margin. Beginning with December 31, 2023, this portfolio return is further adjusted to an expected geometric real rate of return for the portfolio.

The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class (after deducting inflation and applicable investment management expenses), are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the actuarial funding valuation as of December 31, 2024. This information will be subject to change every three years based on the results of an actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
Global Equity	45.00%	7.05%
Investment Grade Bonds	9.00%	1.97%
High Yield Bond	0.50%	4.63%
TIPS	2.00%	1.77%
Emerging Market Debt	0.50%	4.72%
Long-Term Government Bonds	3.30%	2.82%
Real Estate	3.00%	3.86%
Private Equity	15.00%	9.84%
Private Credit	3.50%	6.47%
Value Added Real Estate	3.00%	7.38%
Opportunistic Real Estate	1.00%	9.74%
Energy	2.00%	10.89%
Infrastructure (Core Private)	1.00%	5.98%
Infrastructure (Non-Core Private)	3.00%	8.88%
Global Macro	1.70%	3.17%
CTA (Trend Following)	3.30%	3.15%
Alternative Risk Premia	1.70%	3.24%
Special Situations Lending	<u>1.50%</u>	<u>8.96%</u>
Total	100.00%	6.55%

Discount rate. The discount rate used to measure the TPL was 7.00% as of December 31, 2024. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of December 31, 2024.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the Commission's proportionate share of the net pension liability to changes in the discount rate. The following presents the Commission's proportionate share of the NPL/(asset) calculated using the discount rate of 7.00%, as well as what the Commission's NPL would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Net pension liability (asset)	1,236,826	\$87,349	(\$852,675)

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued OCERS financial report.

NOTE 9 – CAPITAL ASSETS

Increases and decreases in the Commission's capital assets for governmental activities during the fiscal year were as follows:

	July 1, 2024	Increases	Decreases	June 30, 2025
Capital assets, depreciable				
Office furniture	\$ --	\$ 173,012	\$ --	\$ 173,012
Total depreciable capital assets	--	173,012	--	173,012
Less accumulated depreciation				
Office furniture	--	(7,209)	--	(7,209)
Total accumulated depreciation	--	(7,209)	--	(7,209)
Total capital assets, depreciable (net)	\$ --	\$ 165,803	\$ --	\$ 165,803
Right-to-Use assets				
Leased office space	\$ 669,310	\$ 111,972	\$ --	\$781,282
Leased storage space	37,513	--	--	37,513
Total Right-to-Use Assets	706,823	111,972	--	818,795
Less accumulated amortization:				
Leased office space	(218,985)	(86,235)	--	(305,220)
Leased storage space	(3,573)	(5,359)	--	(8,932)
Total accumulated amortization	(222,558)	(91,594)	--	(314,152)
Total right-to-use assets, amortizable (net)	\$ 484,265	\$ 20,378	\$ --	\$ 504,643

NOTE 10 – LEASES

Office Lease

The Commission's leased office space was expanded in fiscal year 2024-2025 under an amendment to an agreement that terminates October 2030. Under the terms of the lease, the Commission pays a monthly base fee based on a pre-determined schedule. A security deposit of \$7,400 is currently held by the lessor. The lease was revalued using the current discount rate of 5% (County incremental borrowing rate).

Lease Year	Monthly Base Rate	Lease Year	Monthly Base Rate
11/01/23 – 08/31/24	\$6,480.00	11/01/26 – 10/31/27	\$8,773.92
09/01/24 – 10/31/24	\$8,286.48	11/01/27 – 10/31/28	\$9,044.72
11/01/24 – 10/31/25	\$8,448.96	10/01/28 – 10/31/29	\$9,315.52
11/01/25 – 10/31/26	\$8,661.44	10/01/29 – 10/31/30	\$9,478.00

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 10 – LEASES (Continued)

At June 30, 2025, the Commission has recognized a right-to-use asset of \$476,062 and a lease liability of \$503,646 related to this agreement. During the fiscal year, the Commission recorded \$86,235 in amortization expense. The payments for the lease included \$73,978 in principal payments and \$23,147 in interest for the right to use the office space.

Remaining obligations associated with this lease are as follows:

Fiscal Year Ended June 30	<u>Principal</u>	<u>Interest</u>
2026	\$79,295	\$23,392
2027	85,347	19,290
2028	92,588	14,866
2029	100,650	10,053
2030	108,245	4,841
2031	37,521	392
Total	<u>\$503,646</u>	<u>\$72,834</u>

Storage Space Lease

The Commission approved an agreement to lease storage space for a seven year lease term. The lease terminates October 2030. Under the terms of the lease, the Commission pays a monthly base fee based on a pre-determined schedule. A security deposit of \$1,000 is currently held by the lessor. The lease was valued using a discount rate of 5% (County incremental borrowing rate at the time of lease execution).

<u>Lease Year</u>	<u>Monthly Base Rate</u>	<u>Lease Year</u>	<u>Monthly Base Rate</u>
11/01/24 – 10/31/25	\$510.00	11/01/27 – 10/30/28	\$540.00
11/01/25 – 10/31/26	\$520.00	11/01/28 – 10/31/29	\$550.00
11/01/26 – 10/31/27	\$530.00	11/01/29 – 10/31/30	\$560.00

At June 30, 2025, the Commission has recognized a right-to-use asset of \$28,581 and a lease liability of \$30,110 related to this agreement. During the fiscal year, the Commission recorded \$5,359 in amortization expense. The payments for the lease included \$4,452 in principal payments and \$1,628 in interest for the right to use the storage space.

Remaining obligations associated with this lease are as follows:

Fiscal Year Ended June 30	<u>Principal</u>	<u>Interest</u>
2026	\$4,803	\$1,397
2027	5,171	1,149
2028	5,559	881
2029	5,966	594
2030	6,394	286
2031	2,217	23
Total	<u>\$30,110</u>	<u>\$4,330</u>

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 11 – RELATED PARTY TRANSACTIONS

The Commission contracts with the County to provide accounting, banking and investment, purchasing, human resources, risk management and other administrative services. The Commission participates in the County's risk management programs (commercial and self-insurance programs) for general and automobile liability insurance, public official liability, rental interruption, personal property, worker's compensation, group health indemnified plans, group salary continuance plan, group dental plan and unemployment benefit plan. The Commission records its portion of related insurance premiums charged by the County as an expense. Insurance expense for the year ended June 30, 2025 was \$34,649. The Commission incurred expenses totaling \$345,686 for all other County services provided during the year ended June 30, 2025. The amount owed to the County for program services funded through the Health Care Agency at June 30, 2025 was \$333,323. Amounts owed to the Commission from the County of Orange are \$887,226.

The Commission paid \$583,693 of service provider grants and received \$2,467,247 in either service contracts or pass-through agreements with organizations represented by a member of the Board of Commissioners, although all members abstain from all votes regarding funding to the organization represented. The Commission incurred a total of \$1,391,832 in expenses paid to the County for program services delivered by the Health Care Agency and Social Services Agency. The Commission received \$3,175,276 in revenue for contracts with the Health Care Agency and Social Services Agency.

NOTE 12 – PROGRAM EVALUATION

In accordance with the Standards and Procedures for Audits of California Counties Participating in the California Children and Families Program, issued by the California State Controller, the Commission is required to disclose the amounts expended during the fiscal year on program evaluation. Program evaluation costs pertain to those activities undertaken to support the collection, production, analysis and presentation of evaluation information for Commission management, Commissioners and other interested parties. For the year ended June 30, 2025, the Commission expended \$629,022 for program evaluation.

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - RETIREE MEDICAL PLAN

Plan Description. In accordance with the Commission's participation agreement entered into in July 2007, the Commission is a participant in the County of Orange Retiree Medical Plan (the Plan). The Plan is a cost-sharing multiple employer defined benefit retiree medical plan. The Plan provides a grant for medical benefits to eligible retirees and their dependents and lump-sum payments for employees separating from employment prior to being eligible for the grant. The County Board of Supervisors maintains the authority to establish and amend the Plan's benefit provisions. The financial statements and required supplementary information of the Plan are included in the County of Orange's fiscal year 2024-2025 Annual Comprehensive Financial Report. The Commission is reported in the County's Annual Comprehensive Financial Report as a discretely presented component unit. That report may be obtained by contacting the County of Orange, Auditor Controller, 1770 N Broadway, Santa Ana, California 92706.

On December 20, 2022, the Board approved restructuring of the Retiree Medical Plan for labor groups including First 5 Orange County. The restructuring effective June 16, 2023, eliminates the grant for new employees, freezes the grant for existing employees, and transitions new and existing employees to the County Health Reimbursement Arrangement (HRA) Plan with the option for existing employees as of June 15, 2023, to place the value of their grant in the County HRA Plan in lieu of receiving the grant at retirement.

Eligibility. An employee who is credited with at least ten years of service at the time the employee becomes a retiree and elected to remain in the grant program is eligible to receive a grant in accordance with the County of Orange Retiree Medical Plan. This election was approved by the County Board of Supervisor's on December 20, 2022. An employee who becomes a retiree eligible for the grant and does not immediately begin to receive a retirement allowance from OCERS is not eligible to participate in the plan until the employee's retirement

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - RETIREE MEDICAL PLAN
(continued)

allowance commences. In order to be eligible to receive the grant, a participant must be covered under a Qualified Health Plan and/or Medicare. Coverage in a Qualified Health Plan must be elected within 30 days of the commencement of retirement allowance from OCERS. A covered retiree or surviving dependent who is age 65 or older must be enrolled in Medicare Part A (if eligible for coverage without a premium) and Part B in order to be eligible for the grant. A Qualified Health Plan is defined as a health insurance plan made available to employees and/or retirees, including a County Health Plan or a plan administered by an Employee Organization that the County of Orange has agreed shall be a Qualified Health Plan. A lump sum payment is available under limited circumstances as defined in the plan for an employee whose employment terminates prior to becoming eligible for a grant.

Benefits Provided. The monthly benefit paid to an eligible retiree is equal to \$10 multiplied by the number of full years of credited service (with a maximum of 25 years). The monthly benefit shall not exceed the actual cost to the retiree for coverage under a qualified health plan and Medicare premiums. The benefit is reduced by 7.5% per year for each year the retiree is less than 60, based on the date the employee takes active retirement from OCERS. Conversely, the benefit is increased by 7.5% per year for each year the retiree is in excess of 60, and no adjustment is made for years of age after age 70. A 50% reduction adjustment applies to retirees and surviving dependents eligible for both Medicare Part A (without premium) and Part B. A surviving dependent of a retiree previously receiving a benefit is eligible to receive a monthly survivor benefit equal to 50% of the amount the retiree was eligible to receive. The monthly benefit is adjusted annually (not to exceed 3% per year) based on the average increase or decrease across all County retiree health plans.

Contribution. The actuarially determined contributions include the Blended Rates benefit. Starting fiscal year 2020-2021 each plan participant contributes towards the grant and lump sum benefits only. The percentage contributions are established by a Participation Agreement with the County of Orange. All contributions are employer contributions and are made through the County of Orange payroll system. For the fiscal year ended June 30, 2025, the Commission's cash contributions withheld by the County of Orange were \$19,920. The allocation of employer contributions based on proportionate shares as reported in the actuarial valuation were \$29,000.

At June 30, 2025, the Commission reported a liability of \$179,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The Commission's proportion of the net OPEB liability was based on a projection of the Commission's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating member agencies, actuarially determined. At December 31, 2024, the Commission's proportion was 0.080 percent, a change of .028 percent from the prior measurement date.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - RETIREE MEDICAL PLAN
(continued)

For the fiscal year ended June 30, 2025, the Commission recognized OPEB expense of \$12,000. For the fiscal year ended June 30, 2025, the Commission reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	-	\$41,000
Change of assumptions	\$10,000	4,000
Net difference between projected and actual earnings on plan investments	-	3,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	79,000	65,000
Employer contributions made subsequent to the measurement date	16,000	-
Total	\$105,000	\$113,000

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as expense as follows:

Year ended June 30:		
2026	\$	(5,000)
2027		6,000
2028		(9,000)
2029		(8,000)
2030		(8,000)
	<u>\$</u>	<u>(24,000)</u>

Actuarial Assumptions: The total OPEB liability in the June 30, 2023 valuation date was determined using the following significant actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2023
Contribution Policy	County contributes the ADC for the Grant and lump sum benefits and pays the blended rates benefit on a pay-as-you-go basis
Discount Rate and Long-Term Expected Rate of Return on Assets	7.00% at December 31, 2024 7.00% at December 31, 2023 Expected contributions projected to keep sufficient plan assets to pay all benefits from trust
Crossover Test Assumptions	Assumes County contributes the ADC to the trust for cash benefits only (Grant and Lump Sum) and pays the blended rate benefit outside the trust Administrative expenses equal 0.01% of assets No crossover
General Inflation	2.50% annually
Mortality, Retirement, Disability, Termination	OCERS 2017-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Society of Actuaries Scale MP-2019
Salary Increases	Aggregate – 3.00% annually Merit – OCERS 2017-2019 Experience Study
Mortality Improvement	Mortality projected fully generational with Society of Actuaries Scale MP-2019

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - RETIREE MEDICAL PLAN
(continued)

Medical Trend	Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Grant Increases	AFSCME - lesser of 5% and Medical Trend Non-AFSCME - 0% or lesser of 3% and Medical Trend, depending on employee group
Spouse Participation at Retirement	New retirees in County medical plans – 35% New retirees in AOCDS medical plans – 65%
Grant Participation for Future Retirees	50% to 100% Based on employee group, Grant service at retirement, and actual round 1 and 2 elections for applicable General groups
Changes of assumptions	None
Changes of benefit terms	None

Discount Rate. The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The target asset allocation and long-term rates of return for each asset class are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	45.00%	7.05%
Investment Grade Bonds	9.00%	1.97%
High Yield Bonds	0.50%	4.63%
TIPS	2.00%	1.77%
Emerging Market Debt	0.50%	4.72%
Long-Term Government Bonds	3.30%	2.82%
Real Estate	3.00%	3.86%
Private Equity	15.00%	9.84%
Private Credit	3.50%	6.47%
Value Added Real Estate	3.00%	7.38%
Opportunistic Real Estate	1.00%	9.74%
Energy	2.00%	10.89%
Infrastructure (Core Private)	1.00%	5.98%
Infrastructure (Non-Core Private)	3.00%	8.88%
Global Macro	1.70%	3.17%
CTA (Trend Following)	3.30%	3.15%
Alternative Risk Premia	1.70%	3.24%
Special Situations Lending	<u>1.50%</u>	8.96%
Total Portfolio	100.00%	

-Assumed Long-Term Rate of Inflation – 2.50%

-Expected Long-Term Net Rate of Return – 7.00%

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 13 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - RETIREE MEDICAL PLAN
(continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.

The following presents the Commission's proportionate share of the net OPEB liability, as well as what the Commission's proportionate share of net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current	1% Increase
	(6.00%)	Discount Rate	(8.00%)
	(7.00%)		
Net OPEB Liability	\$226,000	\$179,000	\$137,000

Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates.

The following presents the Commission's net OPEB liability, as well as what the Commission's proportionate share of the net OPEB liability would be if it were calculated using health care cost trend rate that are one percentage point lower or one percentage point higher than the current rate:

	1% Decrease	Current	1% Increase
		Healthcare Cost	
		Trend Rate	
Net OPEB Liability	\$165,000	\$179,000	\$196,000

NOTE 14 – FIRST 5 CALIFORNIA IMPACT PROGRAM AND REGIONAL HUB

First 5 California funded a statewide program to implement the California Quality Rating and Improvement System (QRIS). The QRIS is a systemic approach to assess, improve, and communicate the level of quality in early education programs. The Commission received First 5 IMPACT Legacy funds through a regional coordinator, First 5 Riverside. Funding for Orange County IMPACT Legacy is \$1,958,054 for a two-year period that began July 1, 2023. Funds claimed for the period ending June 30, 2025 totaled \$1,907,711, and all IMPACT funds require partner match of First 5 CA funding which are contractually \$1,175,837 for the two-year contract.

First 5 California also provided funding for the Home Visiting Coordination program that Orange County serves as the regional coordinator. While First 5 Orange County has been the primary funder of home visiting in the county, this funding continues the work towards a comprehensive countywide plan for sustained home visiting services. The funding helps to build understanding about what home visiting services are available and who receives them, cultivate leadership around the importance of home visiting in the Prenatal-to-Three system, and develop a shared vision among key stakeholders in Orange County. Funding for Home Visiting Coordination is \$1,748,005 for a two-year period that began July 1, 2023. Funds claimed for the two-year period ending June 30, 2025 totaled \$1,329,040.

NOTE 15 – ADVANCES TO OTHERS

Advances to others as of June 30, 2025 were \$500,000. Advances to others include Catalytic Round 1 and 2 funds advanced to service providers. The Commission invested in Catalytic programs expanding the service capacity of service providers in Child Development, Early Learning, and Homeless Prevention. In February 2012, the Commission approved funding of \$5,500,000 to Pretend City Children's Museum for a permanent and expanded Healthy Child Development platform. Of the total \$5,500,000 approved, \$500,000 has been advanced to Pretend City. The advanced funds are expensed as services are provided.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

NOTE 16 - EXPLANATION OF BUDGET VARIANCE

The budget line for Catalytic Round 1 and 2 Program Funding exceeded the original budget allocation by \$84,755 (24%) for the fiscal year. All Catalytic projects are approved as a one-time allocation by the Commission typically spreading over multiple years, and at budget adoption, the timing of each fiscal year distributions and expenses are not known. Each Catalytic program has a unique scope and budget. The overspending compared to the budget is due specifically to the Healthy Steps program that integrates a licensed Healthy Steps Specialist into clinic's primary care teams. Unallocated funds in the agency budget for "Zero to Five" Programs were used to comply with the Commission policy of budgeted expenditures not exceeding revenues and available fund balance. There was a small difference of \$254 in the amount originally budgeted for interest related to the new office lease. The actual amount recognized was slightly higher than the original budget estimate.

NOTE 17 – RESTATEMENT

A total prior period adjustment of \$153,012 was made to decrease the governmental activities' beginning net position. The was made to reflect the recognition of compensated absences related to the implementation of GASB 101. Instead of only recording when leave is "earned and vested," governments must now recognize a liability when leave is attributed to services already rendered and the leave accumulates and is more likely than not to be used for time off or paid in cash/other form.

	July 1, 2024 As Previously Reported	Change in Accounting Principle	July 1, 2024 Restated
Governmental Activities	\$ 72,178,101	(\$153,012)	\$ 72,025,089

REQUIRED SUPPLEMENTARY INFORMATION

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
LAST 10 YEARS

	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
Proportion of the net pension liability/(asset)	0.071%	0.061%	0.019%	0.010%	(0.013%)	(0.015%)	(0.040%)	(0.000%)	0.004%	0.002%
Proportionate share of the net pension liability/(asset)	\$4,066,522	\$3,158,290	\$962,203	\$630,611	(\$646,472)	(\$612,417)	(\$811,951)	(\$21,846)	\$189,581	\$87,349
Covered payroll	\$1,042,786	\$925,031	\$849,266	\$966,061	\$1,061,044	\$1,167,468	\$1,304,766	\$1,209,958	\$1,659,517	\$1,867,070
Proportionate share of the net pension liability/(asset) as a percentage of covered payroll	389.97%	341.43%	113.30%	65.28%	(60.93%)	(52.46%)	(62.23%)	(1.18%)	11.42%	4.68%
Plan fiduciary net position as a percentage of the total plan pension liability	64.73%	71.16%	74.93%	70.03%	76.67%	81.69%	91.45%	78.51%	81.81%	85.77%
Measurement date	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024

Notes to Schedule:

- Based on the January 1, 2024 through December 31, 2024 employer contributions as provided by OCERS. These contributions have been adjusted to include transfers made from the County Investment Account and to exclude employer paid member contributions and they have not been reduced for discount due to prepaid contributions.
- The NPL was allocated prior to applying the adjusted balance of the \$1,744,454 in additional UAAL contributions made by O.C. Children and Families Commission on November 15, 2017. That balance is equal to \$1,592,557 as of December 31, 2023 and is equal to \$1,522,477 as of December 31, 2024 when adjusted with interest for the entire year and UAAL contribution offset starting from January 1, 2024 to December 31, 2024. The outstanding balance of the additional UAAL contributions for use in determining the NPL for this employer will continue to be maintained.
- The TPL as of December 31, 2024 uses the same actuarial assumptions as the actuarial funding valuation as of December 31, 2024. The actuarial assumptions used in that valuation were based on the results of an experience study for the period January 1, 2020 through December 31, 2022 and they are the same assumptions used starting with the December 31, 2023 funding valuation for OCERS. In particular, the following actuarial assumptions were applied to all periods included in the measurement.

Actuarial Assumptions:

- Investment rate of return: 7.00%, net of pension plan investment expense, including inflation.
- Inflation rate: 2.50%.
- "Across-the-board" salary increase: 0.50%.
- Salary increases General: 3.90% to 10.25%. Salary increases vary by service and include inflation and "across-the-board" salary increase.
- Cost-of-living adjustments: Retiree COLA increases of 2.75% per year. For members that have COLA banks, we assume they receive 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
SCHEDULE OF COMMISSION CONTRIBUTIONS - PENSION
LAST 10 YEARS

	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
Contractually required contribution (actuarially determined)	\$333,800	\$245,077	\$266,614	\$90,445	\$117,300	\$152,265	\$167,768	\$200,172	\$212,669	\$267,444
Contributions in relation to the actuarially determined contributions	(333,800)	(245,077)	(266,614)	(90,445)	(117,300)	(152,265)	(167,768)	(200,172)	(212,669)	(267,444)
Contribution deficiency (excess)	-	-	-	-	-	-	-	-	-	-
Covered payroll	\$1,001,202	\$821,497	\$864,802	\$1,050,566	\$1,208,381	\$1,221,222	\$1,203,464	\$1,638,314	\$1,710,230	\$1,991,510
Contributions as a percentage of covered payroll	33.34%	29.83%	30.83%	8.61%	9.71%	12.47%	13.94%	12.22%	12.44%	13.43%

Notes to Schedule:

Actuarial Assumptions:

- Rationale for assumptions: The information and analysis used in selecting each assumption that has a significant effect on this actuarial valuation is shown in the OCERS January 1, 2020 through December 31, 2022 Actuarial Experience Study dated August 11, 2023. These assumptions were adopted by the Board.
- Net investment return: 7.00%; net of administrative and investment expenses. Based on the Actuarial Experience Study referenced above, expected administrative and investment expenses represent about 0.30% of the actuarial value of assets.
- Inflation rate: Increase of 2.50% per year.
- Cost-of-Living Adjustment (COLA): Retiree COLA increases of 2.75% per year. For members that have COLA banks, we assume they receive 3.00% COLA increases until their COLA banks are exhausted and 2.75% thereafter.
- Member contribution crediting rate: 5.00%, compounded semi-annually.
- Payroll: Inflation of 2.50% per year plus "across-the-board" salary increase of 0.50% per year, used to amortize the UAAL as a level percentage of payroll for calculating the actuarially determined contribution.
- Increase in Internal Revenue Code Section 401(a)(17) compensation limit: Increase of 2.50% per year from the valuation date.
- Increase in Section 7522.10 compensation limit: Increase of 2.50% per year from the valuation date.
- Salary increase: The annual rate of compensation increase includes inflation at 2.50%, plus "across-the-board" salary increase of 0.50% per year, plus merit and promotion increase based on years of service.
- Mortality rates: Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Table

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
SCHEDULE OF CHANGES IN COMMISSION NET OPEB LIABILITIES
LAST 10 YEARS***

	2018	2019	2020	2021	2022	2023	2024	2025
Commission's proportion of the net OPEB liability	\$276,000	\$290,000	\$245,000	\$271,000	\$231,000	\$269,000	\$249,000	\$179,000
Commission's proportionate share of the net OPEB liability	0.0689%	0.0698%	0.0688%	0.081%	0.090%	0.090%	0.108%	0.080%
Commission's covered payroll	\$819,000	\$930,000	\$975,000	\$1,088,000	\$1,292,000	\$1,195,000	\$1,630,000	\$1,852,000
Commission's proportionate share of the net OPEB liability as a percentage of its covered payroll	33.70%	31.18%	25.13%	24.91%	17.88%	22.51%	15.28%	9.67%
Plan fiduciary net position as a percentage of the total OPEB liability	42.30%	42.56%	51.02%	55.38%	65.43%	56.74%	65.74%	67.37%
Measurement Date	12/31/2017	12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024

Notes to Schedule:

Fiscal Year 2017-2018 was the first year of implementation, therefore, less than ten years are shown from the information available.

Actuarial Assumptions Used for Total OPEB Liability:

- Actuarial Valuation Date: June 30, 2023.
- Contribution Policy: County contributes the ADC for the Grant and lump sum benefits and pays the blended rates benefit on a pay-as-you-go basis.
- Discount Rate and Long-Term Expected Rate of Return on Assets: 7.00% at December 31, 2024. 7.00% at December 31, 2023. Expected County contributions projected to keep sufficient plan assets to pay all benefits from trust.
- Crossover Test Assumptions: Assumes County contributes the ADC to the trust for cash benefits only (Grant and Lump Sum) and pays the blended rate benefit outside the trust. Administrative expenses equal 0.01% of assets. No crossover
- General Inflation: 2.50% annually
- Mortality, Retirement, Disability, Termination: OCERS 2017-2019 Experience Study.
- Mortality Improvement: Mortality projected fully generational with Society of Actuaries Scale MP-2019.
- Salary Increases: Aggregate - 3.00% annually. Merit, OCERS 2017-2019 Experience Study.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
SCHEDULE OF COMMISSION CONTRIBUTIONS - OPEB
LAST 10 YEARS*

Fiscal Year Ended June 30	2018*	2019	2020	2021	2022	2023	2024	2025
Actuarially Determined Contribution (ADC)	\$34,000	\$39,000	\$41,000	\$38,000	\$42,000	\$49,000	\$44,000**	\$31,000**
Contribution in relation to the ADC	(34,000)	(39,000)	(41,000)	(38,000)	(42,000)	(49,000)	(19,000)	(29,000)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$25,000	\$2,000
Covered payroll	\$877,000	\$975,000	\$1,091,000	\$1,154,000	\$1,189,000	\$1,490,000	\$1,692,000	\$1,979,00
Contributions as a percentage of covered payroll	3.90%	4.00%	3.76%	3.29%	3.53%	3.29%	1.12%	1.47%

Notes to Schedule:

*Fiscal Year 2017-2018 was the first year of implementation, therefore, less than ten years are shown from the information available.

**Total 2024-2025 ADC from the June 30, 2023 OPEB valuation, including Grant, Lump Sum, and Blended Rates benefits. Allocated based on proportionate shares for this illustration. Contributions to the Plan are based on a % of payroll. During 2023/24, a portion of the % of payroll employer contributions were re-directed to repay the loan used for the HRA transfer.

Assumptions used for Actuarially Determined Contribution:

- Valuation Date: June 30, 2023.
- Actuarial Cost Method: Entry Age Normal, Level % of pay.
- Amortization Method: Level dollar.
- Amortization Period: 11-year average fixed period for 2024/25.
- Asset Valuation Method: Investment gains/losses spread over 5-year period.
- Discount Rate: 7.00%.
- General Inflation: 2.50%.
- Grant Increases: AFSCME: lesser of 5% and Medical Trend. Non-AFSCME: 0% or lesser of 3% and Medical Trend depending on employee group.
- Medical Trend: Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076. Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076. Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076.
- Mortality: OCERS 2017-2019 experience study.
- Mortality Improvement: Mortality projected fully generational with Society of Actuaries Scale MP-2019.

SUPPLEMENTARY INFORMATION

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
SUPPLEMENTARY INFORMATION
SCHEDULE OF FIRST 5 CALIFORNIA FUNDING
YEAR ENDED JUNE 30, 2025

First 5 California Funding

		Beginning			Ending Program
	Funding	Program Balance	Revenue*		Balance
<u>Program Title</u>	<u>Source</u>	<u>(As of July 1)</u>	<u>F5CA Funds</u>	<u>Expenditures</u>	<u>(As of June 30)</u>
IMPACT Legacy**	F5CA Program Funds	\$1,101,888	\$1,051,545	\$1,051,545	\$50,344
	County, Local Funds			\$1,652,878	
Home Visiting Coordination***	F5CA Program Funds	\$1,111,912	\$692,947	\$692,947	\$418,965

First 5 California is adjusting its funding agreements to reduce its administrative burden, which has resulted in a regional model. Regional Hubs were established led by First 5 California and others. Orange County is in Region Nine with Riverside, San Bernardino, and Imperial counties.

* For the purpose of this schedule, the revenue and expenditures reported, in amount of \$1,051,545 for IMPACT and \$692,947 for Home Visiting Coordination represents the amount claimed by the Commission. For governmental fund or modified accrual financial reporting purposes, a total of \$609,598 was identified as unavailable revenue as it was not received within the Commission's period of availability to recognize revenue as described in Note 1.

** IMPACT Legacy is run through Riverside County as the regional hub. All program revenues and expenditures are processed through First 5 Riverside.

*** Orange County serves as the regional hub for Home Visiting Coordination. All regional revenue and expenditures are processed through the Commission.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
STATISTICAL SECTION
(UNAUDITED)

The information in this section is not covered by the Independent Auditor's Report, but it is presented as supplemental data for the benefit of the readers of the Annual Comprehensive Financial Report. The objectives of statistical section information are to provide financial statement users with additional detailed information as a context for understanding what the financial statements, notes to financial statements, and required supplementary information say about the Commission's economic condition.

	<i>Page(s)</i>
Financial Trends	55
These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time. (Schedules 1 -4)	
Revenue Capacity	63
These schedules contain trend information to help the reader assess the Commission's most significant revenue base. (Schedules 5 -7)	
Debt Capacity	67
This schedule contains trend information to help the reader assess the affordability of the Commission's current levels of outstanding debt and the Commission's ability to issue additional debt in the future. (Schedule 8)	
Demographic Information	68
These schedules offer economic and demographic indicators to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs. (Schedules 9 -11)	
Operating Information	72
This schedule contains infrastructure data to help the reader understand how the information in the Commission's financial report relates to the services the Commission performs. (Schedules 12 -14)	

Sources: Unless otherwise noted, the information in these schedules is derived from the ACFR for the relevant years.

(1) Since certain data (i.e. total personal income, per capita personal income and unemployment) are not considered relevant to Commission operations, substitute information specific to the Commission is presented.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
FINANCIAL TRENDS
NET POSITION BY COMPONENT
SCHEDULE 1

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

		Fiscal Year			
		2025*	2024*	2023	2022**
Net investment in capital assets	\$	136,692	\$ (15,948)	\$ (2,095)	\$ (2,108)
Unrestricted		<u>76,322,930</u>	<u>72,194,049</u>	<u>66,766,547</u>	<u>63,931,743</u>
Total net position	\$	<u><u>76,459,622</u></u>	<u><u>72,178,101</u></u>	<u><u>66,764,452</u></u>	<u><u>63,929,635</u></u>

* 2025 First year of implementation for GASB No. 101 and 2024 restated

** First year of implementation for GASB No. 87

*** First year of implementation for GASB No. 75

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
FINANCIAL TRENDS
NET POSITION BY COMPONENT
SCHEDULE 1 (CONTINUED)



Fiscal Year					
2021	2020	2019	2018***	2017	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57,224,411	47,128,853	40,695,150	37,446,530	44,034,865	51,621,511
<u>\$ 57,224,411</u>	<u>\$ 47,128,853</u>	<u>\$ 40,695,150</u>	<u>\$ 37,446,530</u>	<u>\$ 44,034,865</u>	<u>\$ 51,621,511</u>

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
FINANCIAL TRENDS
CHANGES NET POSITION
SCHEDULE 2

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

	Fiscal Year			
	2025	2024	2023	2022
Expenses:				
Governmental activities:				
Salaries and benefits	\$ 2,563,550	\$ 2,282,939	\$ 1,867,850	\$ 1,074,187
Child development	19,985,783	19,933,041	21,921,125	19,218,830
Total expenses	<u>\$ 22,549,333</u>	<u>\$ 22,215,979</u>	<u>\$ 23,788,975</u>	<u>\$ 20,293,017</u>
Revenues:				
Governmental activities:				
Operating grants and contributions				
Prop 10 Tobacco taxes	\$ 16,006,520	\$ 17,723,441	\$ 21,069,393	\$ 24,080,410
First 5 CARES Plus				
First 5 Child Signature Program				
First 5 IMPACT and Hubs, DDL, HV	1,744,311	1,493,220	1,457,485	1,347,166
CalWORKS Home Visiting	2,976,288	1,339,880	1,474,084	1,643,966
Black Infant Health	110,709			
Other State and Federal operating grants and reimbursements	1,600,204	1,223,538	350,126	531,566
SMIF Investment income earned on tobacco taxes	114,376	121,897	77,855	11,467
General revenues				
Investment income, net of fair value	3,698,440	3,641,289	2,014,113	(787,916)
Miscellaneous revenue	733,020	1,802,017	180,736	171,583
Extraordinary Item: Reversal of AB99 liability				
Total revenues	<u>\$ 26,983,868</u>	<u>\$ 27,345,282</u>	<u>\$ 26,623,792</u>	<u>\$ 26,998,241</u>
Change in Net Position	<u>\$ 4,434,535</u>	<u>\$ 5,129,303</u>	<u>\$ 2,834,817</u>	<u>\$ 6,705,224</u>

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
FINANCIAL TRENDS
CHANGES NET POSITION
SCHEDULE 2 (CONTINUED)



Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 1,105,824	\$ 854,804	\$ 961,012	\$ 1,149,377	\$ 1,215,649	\$ 1,727,197
24,581,349	29,826,480	26,092,909	32,076,788	33,178,190	30,870,890
<u>\$ 25,687,173</u>	<u>\$ 30,681,284</u>	<u>\$ 27,053,921</u>	<u>\$ 33,226,165</u>	<u>\$ 34,393,839</u>	<u>\$ 32,598,087</u>
\$ 25,496,594	\$ 24,991,179	\$ 23,573,280	\$ 21,867,232	\$ 24,790,836	\$ 25,879,036
					246,281
					2,042,528
1,407,032	4,124,541	2,120,578	2,745,724	976,964	
2,277,595					
379,171	6,599,710	3,009,855	1,628,595	445,121	696,686
15,412	86,655	64,514	31,875	20,192	12,315
131,764	1,021,339	1,188,495	431,764	343,403	441,810
6,075,163	302,616	345,819	191,640	230,677	429,235
<u>\$ 35,782,731</u>	<u>\$ 37,126,040</u>	<u>\$ 30,302,541</u>	<u>\$ 26,896,830</u>	<u>\$ 26,807,193</u>	<u>\$ 29,747,891</u>
<u>\$ 10,095,558</u>	<u>\$ 6,444,756</u>	<u>\$ 3,248,620</u>	<u>\$ (6,329,335)</u>	<u>\$ (7,586,646)</u>	<u>\$ (2,850,196)</u>

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
FINANCIAL TRENDS
FUND BALANCES – GENERAL FUND
SCHEDULE 3

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

		Fiscal Year			
		2025*	2024*	2023	2022**
Net investment in capital assets	\$	136,692	\$ (15,948)	\$ (2,095)	\$ (2,108)
Unrestricted		<u>76,322,932</u>	<u>72,194,049</u>	<u>66,766,547</u>	<u>63,931,743</u>
Total net position	\$	<u><u>76,459,624</u></u>	<u><u>72,178,101</u></u>	<u><u>66,764,452</u></u>	<u><u>63,929,635</u></u>

* 2025 First year of implementation for GASB No. 101 and 2024 restated

** First year of implementation for GASB No. 87

*** First year of implementation for GASB No. 75

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
FINANCIAL TRENDS
FUND BALANCES – GENERAL FUND
SCHEDULE 3 (CONTINUED)



Fiscal Year					
2021	2020	2019	2018***	2017	2016
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
57,224,411	47,128,853	40,695,150	37,446,530	44,034,865	51,621,511
<u>\$ 57,224,411</u>	<u>\$ 47,128,853</u>	<u>\$ 40,695,150</u>	<u>\$ 37,446,530</u>	<u>\$ 44,034,865</u>	<u>\$ 51,621,511</u>

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
FINANCIAL TRENDS
CHANGES IN FUND BALANCES – GENERAL FUND
SCHEDULE 4

CHANGES IN FUND BALANCES - GENERAL FUND

LAST TEN FISCAL YEARS

	Fiscal Year			
	2025	2024	2023	2022*
Revenues:				
Prop 10 Tobacco taxes	\$ 15,653,636	\$ 16,768,863	\$ 20,975,393	\$ 24,080,410
First 5 CARES Plus				
First 5 Child Signature Program				
Other State operating grants and contributions	2,036,737	2,203,660	1,366,384	1,615,672
CalWORKS Home Visiting	2,970,116	1,339,880	1,474,084	1,643,966
Investment income earned on tobacco taxes at the State Level (SMIF)	-	199,753		11,467
Medi-Cal Administrative Activities	207,311	362,912	350,126	531,566
Investment income	3,698,440	3,925,635	2,014,113	324,488
Net decrease in fair value of investments				(1,112,404)
Other revenue	1,938,291	1,822,826	177,342	171,597
Total revenues	26,504,531	26,623,529	26,357,442	27,266,762
Expenditures:				
Current				
Salaries and benefits	2,782,242	2,428,495	2,173,148	1,726,003
Expenditures related to "Zero to Five" Program	19,411,503	18,626,334	18,359,405	18,146,011
Catalytic Round 1 and 2 Program Funding	434,755	1,208,999	3,482,136	992,258
Debt Service				
Principal Retirement	78,430	60,823	75,972	74,572
Interest	24,774	20,937	3,625	3,881
Capital Outlay	284,984	37,513	496,181	
Total expenditures	23,016,688	22,383,101	24,590,467	20,942,725
Excess (deficiency) or revenues over (under) expenditures	3,487,843	4,240,428	1,766,975	6,324,037
Other Financing Sources:				
Leases	111,972	37,513	496,181	
Total changes in fund balance	\$ 3,599,815	\$ 4,277,941	\$ 2,263,156	\$ 6,324,037
Debt Service as a Percentage of Noncapital Expenditures:	0.45%	0.37%	0.33%	0.37%

* First year of implementation for GASB No. 87

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
FINANCIAL TRENDS
CHANGES IN FUND BALANCES – GENERAL FUND
SCHEDULE 4 (CONTINUED)

Fiscal Year					
2021	2020	2019	2018	2017	2016
\$ 25,496,594	\$ 28,541,094	\$ 20,023,365	\$ 21,867,232	\$ 24,790,836	\$ 25,879,036
					320,200
					4,451,854
4,713,034	1,238,020	2,755,797	977,176	1,419,176	
2,277,595					
15,412	151,169		31,875	20,192	12,315
379,171	193,505	674,988	519,989	445,121	696,686
131,764	1,021,339	1,188,495	431,764	343,403	441,810
7,007,478	6,259,051	3,031,938	1,300,246	230,677	429,236
40,021,048	37,404,178	27,674,583	25,128,282	27,249,405	32,231,137
1,724,112	1,545,217	1,429,545	3,204,810	1,407,753	1,771,554
22,943,993	26,470,166	21,571,504	26,410,285	26,146,461	24,621,958
1,640,380	3,356,314	4,521,405	5,666,504	7,031,729	6,248,932
26,308,485	31,371,697	27,522,454	35,281,599	34,585,943	32,642,444
13,712,563	6,032,481	152,129	(10,153,317)	(7,336,538)	(411,307)
<u>\$ 13,712,563</u>	<u>\$ 6,032,481</u>	<u>\$ 152,129</u>	<u>\$ (10,153,317)</u>	<u>\$ (7,336,538)</u>	<u>\$ (411,307)</u>

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
REVENUE CAPACITY
TAX REVENUE CAPACITY
SCHEDULE 5**

FIRST 5 CALIFORNIA COUNTY TAX REVENUE CAPACITY

	Orange County	State Total
Actual Tobacco Tax Revenues Received (1)		
2009/2010	\$29,706,126	\$381,995,574
2010/2011	\$28,809,921	\$374,284,018
2011/2012	\$28,988,350	\$377,690,133
2012/2013	\$27,024,505	\$360,434,399
2013/2014	\$26,395,725	\$347,802,124
2014/2015	\$25,943,624	\$342,274,305
2015/2016	\$25,879,036	\$341,825,349
2016/2017	\$24,790,836	\$322,951,561
2017/2018	\$21,867,232	\$285,852,695
2018/2019	\$23,573,280	\$302,205,278
2019/2020	\$24,991,179	\$315,315,235
2020/2021	\$25,496,594	\$324,935,472
2021/2022	\$24,080,410	\$308,031,131
2022/2023	\$20,975,393	\$269,574,902
2023/2024	\$17,879,672	\$245,387,804
2024/2025	\$16,120,896	\$214,857,103

Projected Tobacco Tax Revenues*

2025/2026	\$15,177,469	\$211,234,083
2026/2027	\$14,761,120	\$205,591,683
2027/2028	\$14,374,584	\$200,321,283
2028/2029	\$14,016,940	\$195,358,083

(1) Historical data and projected revenues are presented to communicate tax revenue capacity as a dedining revenue source

* Source: First 5 California County Tax Revenue Projections for 2024/25 through 2028-29 with Flavor Ban utilizing January 2025 updated tobacco tax revenue projections and DOF birth projections for California state and counties 2000-2050 - Updated 4-15-2025

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
REVENUE CAPACITY
SURTAX REVENUE
SCHEDULE 6

STATE OF CALIFORNIA - CIGARETTE TAXES AND OTHER TOBACCO PRODUCTS SURTAX REVENUE

FY 1959-60 TO 2023-24

Cigarette tax					Other tobacco products surtax		
Fiscal year	Revenue a/	Distributors' discounts b/	Gross value of tax indicia c/	Refunds	Revenue	Rate (%)	CECET
2023-24	1,143,589,000	3,397,000	1,146,986,000	7,803,000	206,728,000	56.32%	43,611,000
2022-23	1,332,671,515	3,958,661	1,336,630,176	1,796,055	218,274,000	61.74%	49,219,000
2021-22	1,552,563,789	4,611,767	1,557,175,556	847,881	288,996,313	63.49%	
2020-21	1,700,943,000	5,053,000	1,705,996,000	335,000	266,694,000	56.93%	
2019-20	1,708,597,000	5,075,000	1,713,672,000	1,191,000	258,560,000	59.27%	
2018-19	1,786,074,000	5,305,000	1,791,379,000	3,659,000	271,772,000	62.78%	
2017-18	1,882,025,000	5,590,000	1,887,615,000	1,033,000	211,440,000	65.08%	
2016-17	950,676,000	6,091,000	956,768,000	1,185,000	95,330,000	27.30%	
2015-16	741,937,000	6,360,000	748,297,000	1,262,000	101,427,000	28.13%	
2014-15	748,022,000	6,413,000	754,434,000	837,000	86,949,000	28.95%	
2013-14	751,513,000	6,443,000	757,956,000	600,000	86,424,000	29.82%	
2012-13	782,115,000	6,705,000	788,820,000	498,000	82,548,000	30.68%	
2011-12	820,322,000	7,032,000	827,355,000	1,017,000	80,424,000	31.73%	
2010-11	828,831,000	7,105,000	835,937,000	1,308,000	77,016,000	33.02%	
2009-10	838,709,000	7,187,000	845,896,000	1,583,000	84,617,000	41.11%	
2008-09	912,724,000	7,819,000	920,543,000	626,000	85,506,000	45.13%	
2007-08	955,030,000	8,185,000	963,215,000	727,000	85,929,000	45.13%	
2006-07	998,723,000	8,558,000	1,007,281,000	1,330,000	79,946,000	46.76%	
2005-06	1,026,497,000	8,795,000	1,035,293,000	1,707,000	67,348,000	46.76%	
2004-05	1,024,272,000	8,778,000	1,033,051,000	1,653,000	58,441,000	46.76%	
2003-04	1,021,366,000	8,755,000	1,030,121,000	4,721,000	44,166,000	46.76%	
2002-03	1,031,772,000	8,845,000	1,040,617,000	13,248,000	40,996,000	48.89%	
2001-02	1,067,004,000	9,146,000	1,076,150,000	10,774,000	50,037,000	52.65%	
2000-01	1,110,692,000	9,503,000	1,120,195,000	8,741,000	52,834,000	54.89%	
1999-00	1,166,880,000	9,980,000	1,176,859,000	9,413,000	66,884,000	66.50%	
1998-99	841,911,000	7,206,000	849,117,000	6,808,000	42,137,000	61.53%	
1997-98	612,066,000	5,244,000	617,309,000	5,448,000	39,617,000	29.37%	
1996-97	629,579,000	5,394,000	634,973,000	5,060,000	41,590,000	30.38%	
1995-96	639,030,000	5,469,000	644,499,000	6,193,000	32,788,000	31.20%	
1994-95	656,923,000	5,628,000	662,551,000	11,159,000	28,460,000	31.20%	
1993-94	647,993,000	5,553,000	653,546,000	8,353,000	19,773,000	23.03%	
1992-93	667,479,000	5,715,000	673,195,000	9,138,000	21,480,000	26.82%	
1991-92	711,275,000	6,086,000	717,362,000	7,791,000	22,016,000	29.35%	
1990-91	729,612,000	6,242,000	735,854,000	7,904,000	24,064,000	34.17%	
1989-90	770,042,000	6,581,000	776,623,000	11,615,000	24,956,000	37.47%	
1988-89	499,712,000	4,273,000	503,984,000	4,968,000	9,994,000	41.67%	
1987-88	254,869,000	2,180,000	257,049,000	2,970,000			
1986-87	257,337,000	2,202,000	259,539,000	2,661,000			
1985-86	260,960,000	2,231,000	263,190,000	2,834,000			
1984-85	265,070,000	2,267,000	267,337,000	2,390,000			
1983-84	265,265,000	2,267,000	267,532,000	2,756,000			

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
REVENUE CAPACITY
SURTAX REVENUE
SCHEDULE 6 (CONTINUED)

1982-83	273,748,000	2,336,000	276,084,000	2,060,000			
1981-82	278,667,000	2,383,000	281,050,000	1,843,000			
1980-81	280,087,000	2,395,000	282,482,000	1,567,000			
1979-80	272,119,000	2,327,000	274,446,000	1,645,000			
1978-79	270,658,000	2,315,000	272,973,000	1,408,000			
1977-78	275,042,000	2,352,000	277,394,000	1,239,000			
1976-77	270,502,000	2,315,000	272,817,000	832,000			
1975-76	269,852,000	2,309,000	272,161,000	927,000			
1974-75	264,182,000	2,262,000	266,444,000	745,000			
1973-74	259,738,000	2,222,000	261,960,000	632,000			
1972-73	253,089,000	2,167,000	255,256,000	626,000			
1971-72	248,398,000	2,127,000	250,525,000	677,000			
1970-71	240,372,000	2,058,000	242,430,000	552,000			
1969-70	237,220,000	2,032,000	239,253,000	455,000			
1968-69	238,836,000	2,046,000	240,882,000	492,000			
1967-68	208,125,000	1,862,000	209,987,000	328,000			
1966-67	75,659,000	1,543,000	77,202,000	129,000			
1965-66	74,880,000	1,528,000	76,407,000	88,000			
1964-65	74,487,000	1,520,000	76,007,000	61,000			
1963-64	71,530,000	1,459,000	72,989,000	71,000			
1962-63	70,829,000	1,445,000	72,274,000	79,000			
1961-62	68,203,000	1,390,000	69,593,000	47,000			
1960-61	66,051,000	1,675,000	67,726,000	76,000			
1959-60	61,791,000	767,000	62,558,000	67,000			

Source: CDITFA Open Data Portal: Cigarette Taxes and Other Tobacco Products Surtax Revenue, 1959-60 to 2023-24

Note: Detail may not compute to total due to rounding.

- a. Net of refunds for tax indicia on cigarettes that become unfit for use (See Refunds).
- b. A discount of .85 percent of gross value of tax indicia is granted to distributors for affixing the stamps. From July 1, 1960, until August 1, 1967, the discount rate was 2 percent.
- c. Includes sales of indicia purchased on credit. Effective July 16, 1961, distributors have been able to purchase tax indicia on credit.
- d. Effective April 1, 2017, the overall tax rate on cigarettes was increased from 87 cents to \$2.87 per pack.
- e. From July 1, 2001, through September 9, 2001, the surtax rate on smokeless tobacco ranged from 131 percent for moist snuff to 490 percent for chewing tobacco. Effective September 10, 2001, the surtax rate on smokeless tobacco was lowered to 52.65 percent.
- f. Effective January 1, 1999, the overall tax rate on cigarettes was increased from 37 cents to 87 cents per pack under voter-approved Proposition 10. The additional 50-cent-per-pack tax was imposed to raise funds for early childhood development programs. Excludes \$87,978,766 in 1998-99 from the floor stocks taxes for both cigarettes and other tobacco products levied on January 1, 1999.
- g. From July 1, 1998, through December 31, 1998, the surtax rate was 26.17 percent for other tobacco products. Effective January 1, 1999, the new surtax imposed under Proposition 10 raised the combined surtax rate to 61.53 percent for other tobacco products. The new surtax is equivalent (in terms of the wholesale costs of other tobacco products) to a 50-cent-per-pack tax on cigarettes.
- h. Effective January 1, 1994, the overall tax rate on cigarettes was increased from 35 cents to 37 cents per pack. The additional 2-cent-per-pack tax was imposed to raise funds for breast cancer research and education.
- i. Effective January 1, 1989, an additional 25-cent-per-pack surtax was imposed on cigarettes and a new 41.67 percent surtax was imposed on other tobacco products. Excludes \$57,927,856 in 1988-89 and \$595,000 in 1989-90 from the floor stocks tax levied on January 1, 1989.
- j. Effective August 1, 1967, the tax rate was increased from 3 cents to 7 cents per pack. On October 1, 1967, the rate was further increased to 10 cents per pack, with the stipulation that 30 percent of the tax be allocated to cities and counties. Includes \$6,515,209 from the 4-cent-per-pack floor stocks tax levied on August 1, 1967; and \$4,889,485 from the 3-cent-per-pack floor stocks tax imposed October 1, 1967.
- k. Refunds made for distributors' discounts in the 1960-61 fiscal year on purchases made in the 1959-60 fiscal year have been deducted. Refunds amounted to \$324,000.
- l. Effective July 1, 1960, a discount was allowed at the time tax indicia were purchased.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
REVENUE CAPACITY
DISTRIBUTIONS AND PER CAPITA CONSUMPTION
SCHEDULE 7

STATE OF CALIFORNIA - CIGARETTE DISTRIBUTIONS AND PER CAPITA CONSUMPTION, 1959-60 TO 2023-24

Fiscal year	Reported distributions (Millions of packages)			Apparent per capita consumption (a.) (In packages)
	Total	Tax paid	Tax exempt	
1	2	3	4	5
2023-24	405	400	6	10.4
2022-23	472	466	6	12.1
2021-22	549	549	7	14.0
2020-21	601	594	7	15.2
2019-20	628	597	31	15.8
2018-19	635	624	11	15.9
2017-18	665	651	14	16.7
2016-17	818	805	14	20.7
2015-16	875	860	15	22.3
2014-15	881	867	14	22.8
2013-14	889	871	18	23.2
2012-13	930	907	23	24.5
2011-12	972	951	21	25.8
2010-11	989	961	28	26.4
2009-10	1,002	972	30	26.9
2008-09	1,090	1,058	32	28.5
2007-08	1,131	1,107	24	29.9
2006-07	1,177	1,158	20	31.3
2005-06	1,209	1,190	19	32.5
2004-05	1,224	1,187	37	33.3
2003-04	1,234	1,184	50	34.0
2002-03	1,227	1,196	31	34.5
2001-02	1,271	1,237	34	36.3
2000-01	1,324	1,288	37	38.5
1999-00	1,390	1,353	38	41.2
1998-99	1,568	1,523	45	47.3
1997-98	1,717	1,668	48	52.6
1996-97	1,777	1,716	61	55.2
1995-96	1,811	1,742	69	56.9
1994-95	1,871	1,791	80	59.2
1993-94	1,903	1,824	79	60.6
1992-93	2,010	1,923	86	64.5
1991-92	2,144	2,050	94	69.8
1990-91	2,196	2,102	93	72.8
1989-90	2,311	2,219	92	78.2
1988-89	2,431	2,353	78	84.7
1987-88	2,657	2,570	87	94.9
1986-87	2,690	2,595	95	98.4
1985-86	2,730	2,632	98	102.3
1984-85	2,781	2,673	108	106.7
1983-84	2,792	2,675	117	109.9
1982-83	2,889	2,761	128	115.8
1981-82	2,947	2,811	136	120.4
1980-81	2,966	2,825	141	123.6
1979-80	2,892	2,744	148	122.9
1978-79	2,887	2,730	157	125.1
1977-78	2,940	2,774	166	130.0
1976-77	2,900	2,728	172	130.9
1975-76	2,909	2,722	187	133.7
1974-75	2,857	2,664	193	133.7
1973-74	2,827	2,620	207	134.4
1972-73	2,762	2,553	209	133.2
1971-72	2,720	2,505	215	132.9
1970-71	2,635	2,424	211	130.5
1969-70	2,594	2,393	201	130.2
1968-69	2,616	2,409	207	133.0
1967-68	2,596	2,383	213	134.0
1966-67	2,737	2,573	164	143.8
1965-66	2,706	2,547	159	144.9
1964-65	2,679	2,534	145	146.7
1963-64	2,564	2,433	131	144.3
1962-63	2,545	2,409	136	147.9
1961-62	2,450	2,320	130	147.3
1960-61	2,382	2,258	124	147.8
1959-60	2,190	2,085	105	139.7

Source: CDTFA Open Data Portal: Table 30B - Cigarette Distributions and Per Capita Consumption, 1959-60 to 2023-24

a. Based on reported distributions and latest estimate of January 1 population for each fiscal year.

Note: Detail may not compute to total due to rounding.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
DEBT CAPACITY
SCHEDULE 8

RATIOS OF OUTSTANDING DEBT BY TYPE					
LAST TEN FISCAL YEARS					

Fiscal Year	Governmental Lease Liability ¹	Total Outstanding	Percentage of Personal Income ²	Population ³	Debt per Capita ⁴
2022	\$103,314	\$103,314	**	**	**
2023	\$523,524	\$523,524	**	**	**
2024	\$500,213	\$500,213	**	**	**
2025	\$533,754	\$533,754	**	**	**

* Fiscal Year 2022 was the first year of Right of use Lease debt (The only debt for the Commission); therefore, not all ten years of debt is shown.

** Data is unavailable

Sources:

1. Lease Liability for Commission office space and equipment
2. Personal Incomes are not included in the Commission's report but are taken from the County of Orange Demographic and Economic Statistics table
3. California Department of Finance, Demographic Research Unit, most current information available is 2021
4. Debt per Capital is Total Outstanding Debt divided by Population

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
DEMOGRAPHIC INFORMATION
DEMOGRAPHIC DATA
SCHEDULE 9

ORANGE COUNTY DEMOGRAPHIC DATA

Calendar Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Population	3,150,716	3,148,555	3,159,074	3,163,288	3,187,162	3,195,197	3,195,455	3,188,779	3,169,925	3,154,363
White	1,179,740	1,189,123	1,202,062	1,210,649	1,222,368	1,332,715	1,337,681	1,343,625	1,344,555	1,346,706
Black	50,197	50,276	50,391	50,367	50,562	48,709	48,461	48,291	47,967	47,666
American Indian or Alaska Native	4,925	4,999	5,124	5,209	5,313	6,814	6,803	6,757	6,694	6,646
Asian	761,732	748,429	736,445	727,918	723,486	582,038	582,939	578,861	572,878	568,260
Native Hawaiian or Pacific Islander	8,347	8,242	8,190	8,110	8,051	9,214	9,229	9,179	9,118	9,062
Multiracial	128,091	125,755	123,857	121,952	120,326	83,019	81,798	80,332	78,567	76,945
Hispanic (any race)	1,017,684	1,021,731	1,033,005	1,039,083	1,057,056	1,132,688	1,128,544	1,121,734	1,110,146	1,099,078
Female	1,614,802	1,613,686	1,619,277	1,620,874	1,631,272	1,603,925	1,604,432	1,601,624	1,592,776	1,586,166
Male	1,535,914	1,534,869	1,539,797	1,542,414	1,555,890	1,591,272	1,591,023	1,587,155	1,577,149	1,568,197
Under 5 years	155,081	160,843	167,806	175,014	183,969	186,052	189,077	190,548	190,418	191,761
5-9 years	185,644	187,805	189,342	190,074	192,157	194,249	195,181	197,550	199,511	200,327
10-14 years	188,899	191,600	196,642	201,358	205,850	205,066	207,164	207,123	206,040	206,963
15-19 years	228,483	228,673	227,907	219,121	211,723	223,102	224,592	225,606	229,594	231,068
20-24 years	205,440	195,633	189,533	193,444	202,640	234,883	238,125	242,422	241,899	237,404
25-34 years	400,119	417,733	433,971	444,517	455,343	385,438	388,463	390,626	393,549	399,655
35-44 years	421,649	416,668	415,538	414,966	416,511	408,397	409,018	408,554	409,183	413,829
45-54 years	409,813	414,721	420,872	426,043	433,511	449,860	457,322	462,522	462,357	461,678
55-59 years	210,082	210,579	212,251	213,257	215,628	219,708	218,745	217,212	214,016	209,792
60-64 years	203,591	200,996	198,981	195,863	192,729	192,323	188,312	182,801	176,306	169,450
65-74 years	307,557	298,904	290,732	283,986	275,690	281,321	273,042	264,872	254,836	245,537
75-84 years	175,841	166,889	158,363	148,835	143,626	150,379	144,546	138,024	132,651	129,015
85+	58,517	57,511	57,136	56,810	57,785	64,419	61,868	60,919	59,565	57,884

Sources: California Department of Finance. Demographic Research Unit. Report P-2A, P-2B, P-2C, P-2D: Population Projections, California Counties, 2020-2070 (Baseline 2023 Population Projections; Vintage 2024 Release). Sacramento: California. April 2025.

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
DEMOGRAPHIC INFORMATION
LIVE BIRTHS
SCHEDULE 10

LIVE BIRTHS, CALIFORNIA COUNTIES, 2015-2024(By Place of Residence)*

COUNTY	FISCAL YEAR									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
CALIFORNIA	394,081	400,139	419,218	420,757	420,396	446,548	454,244	471,806	488,925	491,789
ALAMEDA	15,679	16,196	16,603	16,934	17,303	18,197	18,225	18,896	19,576	19,442
ALPINE	2	3	9	11	14	17	10	7	7	3
AMADOR	284	309	312	352	272	314	305	303	307	305
BUTTE	2,030	2,040	1,937	2,057	1,984	2,149	2,419	2,389	2,491	2,442
CALAVERAS	362	382	367	392	364	401	375	421	374	380
COLUSA	257	239	284	286	292	249	267	293	316	298
CONTRA COSTA	10,909	11,197	11,595	11,933	11,814	11,811	11,995	12,186	12,344	12,599
DEL NORTE	231	243	276	262	258	281	269	269	310	300
EL DORADO	1,471	1,437	1,563	1,593	1,477	1,531	1,678	1,572	1,602	1,596
FRESNO	13,013	13,099	13,947	13,972	13,828	14,051	14,413	14,546	15,134	15,363
GLENN	335	315	367	353	359	398	365	378	379	376
HUMBOLDT	1,091	1,075	1,200	1,265	1,258	1,406	1,365	1,372	1,491	1,445
IMPERIAL	2,302	2,358	2,658	2,442	2,427	2,618	2,628	2,924	2,990	3,217
INYO	126	133	148	166	171	191	176	212	182	203
KERN	11,854	12,063	12,505	12,491	12,349	12,772	12,874	13,330	13,733	13,769
KINGS	2,077	2,025	2,045	2,165	2,235	2,101	2,256	2,375	2,248	2,275
LAKE	594	604	690	660	700	732	714	750	749	724
LASSEN	193	252	277	297	281	284	307	301	306	294
LOS ANGELES	89,511	90,456	95,493	95,886	97,772	106,987	110,167	116,850	122,940	124,438
MADERA	2,164	2,189	2,169	2,043	2,106	2,066	2,076	2,121	2,355	2,225
MARIN	1,963	2,193	2,232	2,336	2,082	2,083	2,122	2,238	2,255	2,288
MARIPOSA	135	154	143	169	124	132	154	141	148	166
MENDOCINO	808	769	882	909	881	926	896	992	1,024	1,052
MERCED	3,757	3,694	3,896	3,904	3,774	3,851	3,870	4,202	4,117	4,105
MODOC	21	84	84	83	77	89	100	88	97	80
MONO	88	118	126	127	124	128	129	147	131	152
MONTEREY	5,218	5,346	5,698	5,433	5,603	5,882	5,887	5,813	6,222	6,426
NAPA	1,158	1,234	1,148	1,204	1,200	1,294	1,206	1,291	1,407	1,456
NEVADA	741	772	782	809	776	812	772	797	783	876
ORANGE	29,909	29,880	30,857	30,702	30,921	34,909	35,643	37,395	38,121	37,622
PLACER	3,789	3,766	3,758	3,853	3,482	3,660	3,664	3,691	3,733	3,748
PLUMAS	102	133	140	166	162	162	168	173	169	163
RIVERSIDE	26,747	26,454	27,935	27,585	27,149	28,255	28,684	29,880	30,682	30,510
SACRAMENTO	17,025	17,375	18,194	18,360	17,996	18,988	19,052	19,206	19,592	19,430
SAN BENITO	789	764	867	835	725	791	772	735	777	720
SAN BERNARDINO	24,881	24,901	26,345	26,799	26,778	28,688	28,964	29,708	31,114	30,619
SAN DIEGO	33,519	35,710	37,748	37,561	37,268	38,645	40,008	41,251	42,741	43,961
SAN FRANCISCO	6,504	6,788	7,091	7,481	7,984	8,396	8,690	8,950	9,061	8,972
SAN JOAQUIN	9,635	9,571	10,106	9,766	9,740	10,076	9,811	9,929	10,269	9,986
SAN LUIS OBISPO	2,399	2,440	2,415	2,451	2,353	2,464	2,433	2,551	2,582	2,668
SAN MATEO	6,934	7,156	7,527	7,484	7,757	8,253	8,326	8,586	8,961	9,040
SANTA BARBARA	5,368	5,429	5,666	5,489	5,332	5,512	5,256	5,533	5,501	5,673
SANTA CLARA	17,951	18,302	19,017	19,108	19,509	21,100	21,267	22,137	23,044	23,393
SANTA CRUZ	2,132	2,129	2,321	2,245	2,183	2,395	2,447	2,661	2,803	2,841
SHASTA	1,792	1,823	1,775	1,837	1,839	1,876	1,961	2,008	2,048	2,074
SIERRA	10	17	20	24	25	24	26	32	32	31
SISKIYOU	271	371	397	405	390	434	438	446	462	466
SOLANO	4,619	4,647	4,851	4,969	4,946	5,053	5,039	5,133	5,262	5,132
SONOMA	4,333	4,339	4,438	4,549	4,306	4,377	4,525	4,645	4,964	5,016
STANISLAUS	6,628	6,661	7,029	7,251	7,051	7,295	7,339	7,443	7,867	7,700
SUTTER	1,227	1,231	1,216	1,253	1,256	1,255	1,266	1,263	1,368	1,302
TEHAMA	738	764	788	751	731	788	731	743	789	828
TRINITY	93	94	105	113	102	94	113	126	109	102
TULARE	6,598	6,567	6,834	6,796	6,701	6,763	6,900	7,131	7,146	7,412
TUOLUMNE	432	437	436	459	395	466	450	470	456	466
VENTURA	8,313	8,457	8,747	8,785	8,331	8,829	9,025	9,321	9,592	10,062
YOLO	1,852	1,888	1,919	1,965	1,962	2,080	2,127	2,271	2,423	2,402
YUBA	1,117	1,066	1,240	1,181	1,117	1,167	1,099	1,184	1,239	1,155

California Department of Finance. Demographic Research Unit. Report P-B: Births Report, California and Counties, 2000-2050 (Baseline 2023 Population Projections; Vintage 2025 Release). Sacramento: California. July 2025.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
DEMOGRAPHIC INFORMATION
CHILDREN'S SCORECARD
SCHEDULE 11**

CHILDREN'S SCORECARD ORANGE COUNTY TRENDS, 2014-2023

	2023	2022
<u>GOOD HEALTH</u>		
Total percentage of women who received early prenatal care*	**	88.30%
Newborns with low birth weight (less than 2,500 grams)*	**	2,214
Percent of Infants with low birth weight*	**	7.20%
Infants taken into protective custody due to positive testing for alcohol/drug exposure at birth* (FY)	192	176
Children adequately immunized at Kindergarten entry*	95.6%	96.4%
Infant Mortality Rate (per 1,000 live births)*	**	3.8
Number of Teen Births and Teen Birth Rates per 1,000 females*	**	6.0
Breastfeeding Percentages (any)*	**	94.9%
Breastfeeding Percentages (exclusive)*	**	67.0%
<u>ECONOMIC WELL-BEING</u>		
Children receiving financial assistance through CalWORKS* (FY)	22,742	22,710
Percent of children receiving CalWORKS of total population under 18* (FY)	3.3%	3.2%
Percentage of students eligible for free and reduced lunch* (FY)	52.9%	46.5%
Number of participants served by the WIC program* (FY)	56,056	55,615
Total number of child support cases* (FY)	56,319	56,998
Total child support collections \$ (in millions)* (FY)	173.9	179.9
<u>EDUCATIONAL ACHIEVEMENT</u>		
Total public school enrollment* (FY)	441,249	445,149
Number of English learner students* (FY)	90,456	95,919
Average \$ expenditure per pupil for grades K-12* (FY)	17,882	15,918
Total number of students K-12 receiving special education* (FY)	59,282	**
<u>SAFE HOMES AND COMMUNITIES</u>		
Average monthly number of children in out-of-home care* (FY)	2,126	2,063
Average monthly number of dependents of the court* (FY)	3,029	2,949
Total juvenile arrests for youth 10 to 17 years of age*	**	**
Total number of juveniles referred to probation, 10 to 18 years*	**	**

* The 30th Annual Report on the Condition of Children in Orange County presents dates through calendar year 2023. Data through FY 2023-24 not yet available.

** Not yet available

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
DEMOGRAPHIC INFORMATION
CHILDREN'S SCORECARD
SCHEDULE 11 (CONTINUED)

2021	2020	2019	2018	2017	2016	2015	2014
88.70%	88.20%	87.00%	88.40%	86.90%	84.40%	85.20%	86.10%
2,129	1,900	2,374	2,227	2,222	2,397	2,360	2,433
6.90%	6.2%	6.8%	6.3%	5.8%	6.3%	6.3%	6.3%
190	197	234	180	190	178	121	110
96.3%	94.7%	95.5%	95.7%	95.7%	95.5%	92.5%	90.1%
3.6	2.8	2.9	2.6	2.9	2.7	2.5	3.0
5.5	6.9	7.5	8.3	9.9	10.9	12.0	14.8
94.7%	94.3%	93.9%	94.3%	94.8%	95.0%	95.1%	94.8%
68.3%	67.6%	66.0%	67.0%	65.8%	66.1%	67.1%	64.6%
24,795	25,098	26,545	30,816	34,485	38,982	42,345	42,877
3.5%	3.5%	3.7%	4.3%	4.7%	5.5%	6.0%	6.0%
49.6%	48.8%	48.8%	49.3%	47.0%	48.3%	49.0%	50.0%
58,807	52,995	27,666	57,874	61,406	71,367	78,856	87,408
59,271	62,851	68,878	66,296	70,403	68,117	67,732	68,635
189.1	199.1	185.3	184.3	184.0	182.3	178.8	177.9
456,028	473,066	478,149	485,099	489,791	492,886	497,116	500,487
92,765	102,141	105,441	113,938	123,290	123,001	129,390	130,570
13,257	12,600	12,200	11,420	10,926	9,105	9,128	8,274
**	**	57,141	55,908	54,231	53,512	53,005	52,216
2,137	2,178	2,003	1,872	1,816	1,774	1,825	1,945
3,098	3,082	2,819	2,677	2,587	2,499	2,561	2,685
1,368	2,053	2,619	2,729	3,770	4,521	4,829	6,580
1,789	2,543	3,417	4,250	5,098	5,617	5,808	7,156

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
OPERATING INFORMATION
CAPITAL ASSETS STATISTICS
SCHEDULE 12**

CAPITAL ASSETS STATISTICS

Capital Assets (Furniture and Equipment) are used by the Commission for general operating and administrative functions. First 5 CA Proposition 10 program funds were not used to purchase any capital assets.

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
OPERATING INFORMATION
PRINCIPAL EMPLOYERS
SCHEDULE 13**

PRINCIPAL EMPLOYERS
LAST YEAR AND NINE YEARS AGO

2024*

<u>Employer</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Disneyland Resort	36,000	1	2.14%
University of California, Irvine	34,085	2	1.56%
Providence South Division	25,155	3	1.15%
County of Orange	18,000	4	0.82%
Kaiser Permanente	10,293	5	0.61%
Hoag Memorial Hospital Presbyterian	8,081	6	0.48%
Allied Universal	7,214	7	0.43%
Albertsons Southern California Division	7,152	8	0.43%
MemorialCare	6,326	9	0.38%
CHOC Hospital	5,555	10	0.33%

2015**

<u>Employer</u>	<u>Number of Employees</u>	<u>Rank</u>	<u>Percentage of Total County Employment</u>
Walt Disney Co.	27,000	1	1.69%
University of California, Irvine	22,385	2	1.40%
County of Orange	18,135	3	1.13%
St. Joseph Health System	12,227	4	0.76%
Kaiser Permanente	7,000	5	0.44%
Boeing Co.	6,890	6	0.43%
Walmart	6,000	7	0.38%
Memorial Care Health System	5,650	8	0.35%
Bank of America Corp.	5,500	9	0.34%
Target Corporation	5,400	10	0.34%

* Source: Orange County Business Journal, Book of Lists 2024

** Source: Orange County Business Journal, Book of Lists 2015

**CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY
OPERATING INFORMATION
EMPLOYEES BY FUNCTION
SCHEDULE 14**

EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS

	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Number of Employees by Function										
General Administration	2	2	2	2	2	2	3	3	3	3
Finance	2	2	2	2	2	2	2	2	2	2
Contracts Administration	1	1	1	2	2	2	2	2	3	3
Program Management & Evaluation	12	12	10	7	7	6	5	5	4	4
Total Employees	<u>17</u>	<u>17</u>	<u>15</u>	<u>13</u>	<u>13</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>	<u>12</u>

* Table presents Regular and Limited-Term Employees



Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board Commissioners
Children and Families Commission of Orange County
Santa Ana, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Children and Families Commission of Orange County (Commission), a component unit of the County of Orange, California, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated November 26, 2025. Our report includes an emphasis of matter describing the Commission's restatement of beginning net position due to the implementation of the provisions of the Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Commission's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Laguna Hills, California

November 26, 2025



Independent Auditor's Report on State Compliance and On Internal Control Over Compliance

To the Board of Commissioners
Children and Families Commission of Orange County
Santa Ana, California

Report on Compliance

Opinion

We have audited the Children and Families Commission of Orange County's (Commission), a component unit of the County of Orange, California, compliance with the requirements specified in the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2025.

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2025.

Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the California Children and Families Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission's compliance with the requirements of the California Children and Families Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission's compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the Commission's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the Commission's compliance with the state laws and regulations applicable to the following items:

Description	Audit Guide Procedures	Procedures Performed
Contracting and Procurement	6	Yes
Administrative Costs	3	Yes
Conflict-of-Interest	3	Yes
County Ordinance	4	Yes
Long-range Financial Plans	2	Yes
Financial Condition of the Commission	1	Yes
Program Evaluation	3	Yes
Salaries and Benefit Policies	2	Yes

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

Report on Internal Control over Compliance

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on compliance is solely to describe the scope of our testing over compliance and the results of that testing based on the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Sully LLP". The signature is written in a cursive, flowing style.

Laguna Hills, California
November 26, 2025



November 26, 2025

To the Board of Commissioners
Children and Families Commission of Orange County
Santa Ana, California

We have audited the financial statements of the Children and Families Commission of Orange County (Commission), a component unit of the County of Orange, California as of and for the year ended June 30, 2025, and have issued our report thereon dated November 26, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our letter dated June 16, 2025, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Commission solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls during our audit in our Independent Auditor's Report on Internal Controls over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated November 26, 2025.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Commission is included in Note 1 to the financial statements. As discussed in Note 17 to the financial statements, the Commission has changed accounting policies related to accounting for compensated absences to adopt the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Accordingly, the accounting change has been retrospectively applied to the financial statements beginning July 1, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

Management's estimate of the Commission's net pension liability, net OPEB liability, the related deferred inflows and outflows of resources, and their related disclosures are based on actuarial valuations. We evaluated the key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the Commission's financial statements relate to the Commission's net pension liability and net OPEB liability. The valuation of the net pension liability, net OPEB liability, and the related deferred outflows (inflows) of resources are sensitive to the underlying actuarial assumptions used including, but not limited to, the investment rate of return, discount rate, and the Commission's proportionate share of each of the plans' liability. As disclosed in Note 8 and Note 13, a 1% increase or decrease in the discount rate has a significant effect on the Commission's net pension liability and net OPEB liability respectively. Also, as disclosed in Note 13, a 1% increase or decrease in the healthcare cost trend rate has a significant effect on the Commission's net OPEB liability.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole.

Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit. There were no uncorrected misstatements identified as a result of our audit procedures.

The attached schedule of corrected misstatements summarizes the misstatements identified as a result of our audit procedures. These were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Commission's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. As described in Note 17 to the financial statements, due to the adoption of GASB Statement No. 101, *Compensated Absences*, the Commission restated opening balances as of July 1, 2024. The purpose of the paragraph is to draw attention to the disclosures for the adoption of the standard update. We have included an emphasis of matter in our report regarding this restatement. We did not modify our opinion related to this matter.

Representations Requested from Management

We have requested certain written representations from management which are included in the management representation letter dated November 26, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Commission, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Commission's auditors.

Other Information Included in Annual Reports

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the Commission's annual reports, does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the other information to consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Commissioners and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

A handwritten signature in black ink that reads "Erik Sully LLP". The signature is written in a cursive, flowing style.

Laguna Hills, California

Orange County Children & Families Commission
Schedule of Corrected Misstatements
June 30, 2025

Number	Account	Account Description	Debit	Credit
1	0101	Regular Salaries	\$ 171,731	
	9400	Short Term Liab - Comp Absences		\$ 93,212
	9401	Long Term Liab - Comp Absences		78,519

To correct the understated compensated absences balance as of June 30, 2025

2	7670.02	Miscellaneous Revenue - IGT	\$ 322,887	
	7670.04	Miscellaneous Revenue - CW HVP		\$ 322,887

To reclassify revenue balances for correct financial statement presentation as of June 30, 2025.



1505 E. 17th Street, Suite 230
Santa Ana, CA 92705
714-834-5310 first5oc.org

Commissioners:

Soledad Rivera, Chair, Vicente Sarmiento, Vice Chair
Ramin Baschshi, M.D, Madelynn Hirneise, Veronica Kelley Ph.D.
Yvette Lavery, Katy McInnes, Irene Salazar, An Tran

CEO/President: Kimberly Goll

**Agenda Item 7
December 4, 2025**

DATE: November 5, 2025

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO 

ACTION: Conduct Public Hearing and Authorize President/CEO to Submit the Annual Comprehensive Financial Report to First 5 California and the State Controller's Office

SUMMARY:

First 5 Orange County is required to conduct a public hearing to approve the annual audit before submittal to First 5 California and the State Controller's Office. This item presents the annual independent audit report conducted by Eide Bailly LLP. The attachments for this item are currently in production and will be provided before the December Commission meeting.

DISCUSSION:

The California Children and Families Act of 1998 (Health and Safety Code Sections 130140 & 130150) requires that each county commission complete an annual audit and program report of the preceding fiscal year, conduct a public hearing on the audit and program report, and submit both to the First 5 California Commission and the audit report to the State Controller's Office on or before November 1st of each year. The annual program report was provided and approved at the October 2025 meeting.

Due to circumstances beyond the control of First 5 Orange County, an extension was requested and granted by the California State Controller's Office until December 5, 2025, for the submission of the annual audit report for Fiscal Year 2024-2025. As a participant in the County of Orange Retiree Medical Plan, First 5 OC is required to report in the financial statements and required supplementary information specific financial details related to other post-employment benefits. County of Orange auditors had to first verify all information in the report detailing the Retiree Medical Plan before it could be provided to the plan sponsors. This process created the delay, and the deadline to submit the annual audit to the California State Controller's Office and First 5 California was extended. The audit of the Retiree Medical Plan has since been completed, and the Annual Comprehensive Financial Report is submitted as Attachment 1.

Annual Comprehensive Financial Report

Eide Bailly LLP performed an independent annual audit of Commission financial statements for Fiscal Year 2024-2025 that included the expanded audit compliance requirements mandated by statute. The auditors conducted their work in accordance with all standards applicable to financial audits including generally accepted auditing standards, standards and procedures issued by the California State Controller's Office, and Government Auditing Standards issued by the Comptroller General of the United States. The Annual Comprehensive Financial Report for the

Year Ended June 30, 2025 (Attachment 1) was prepared in compliance with the most up to date guidelines issued by the State Controller.

The independent auditors found no instances of noncompliance with state or federal laws and regulations concerning financial matters. The auditors found no significant deficiencies, material weaknesses involving internal controls over financial reporting, or audit adjustments, and rendered an unmodified opinion on the Commission's Annual Comprehensive Financial Report for Year End June 30, 2025. Eide Bailly states these same results in the following reports:

Independent Auditor's Report: "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the Commission, as of June 30, 2025, and the respective changes in financial position thereof and budgetary comparison for the general fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America."

Auditors' Report on State Compliance: "In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2025."

STRATEGIC PLAN & FISCAL SUMMARY:

The report and recommended actions presented in this report have been reviewed in relation to First 5 Orange County's Strategic Plan and are consistent with applicable goals. There is no funding action proposed for this item.

PRIOR COMMISSION ACTIONS:

- October 2025 – Conducted Public Hearing on Fiscal Year 2024-2025 Annual Report
- December 2024 – Conducted Public Hearing and authorized the President/CEO to submit the Annual Financial Report to First 5 California and the State Controller's Office
- October 2024 – Conducted Public Hearing on Fiscal Year 2023-2024 Annual Report

RECOMMENDED ACTIONS:

1. Conduct public hearing.
2. Receive the Annual Comprehensive Financial Report for the Year Ended June 30, 2025, including State Compliance Report (Attachment 1) and authorize the President/CEO to submit the Annual Financial Audit Report, along with any supporting materials, to First 5 California and the State Controller's Office.

ATTACHMENTS:

1. Annual Comprehensive Financial Report for Year Ended June 30, 2025
2. Audit Conclusion Communication Letter

CONTACT: Michael Garcell



1505 E. 17th Street, Suite 230
Santa Ana, CA 92705
714-834-5310 first5oc.org

Commissioners:
Soledad Rivera, Chair, Vicente Sarmiento, Vice Chair
Ramin Baschshi, M.D, Madelynn Hirneise, Veronica Kelley Ph.D.
Yvette Lavery, Katy McInnes, Irene Salazar, An Tran

CEO/President: Kimberly Goll

Agenda Item 8 December 4, 2025

DATE: October 23, 2025

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO

ACTION: Receive Update on Detect & Connect OC Activities

SUMMARY:

First 5 Orange County's Strategic Plan includes a focus on increasing access to well-child visits, developmental screenings, and linkage to services. We facilitate the collaborative Detect & Connect OC, bringing countywide stakeholders together to improve system efficiency, elevate family voice, and help families access the resources they need more easily. This agenda item provides an update on recent Detect & Connect OC activities and related work.

DISCUSSION:

Detect & Connect OC is a cross-sector collaborative with the shared vision: *To ensure all children receive timely, recommended well visits and developmental screens in accordance with evidence-based guidelines, and are connected to resources and supports as early as possible.* First 5 OC is a founding partner of the collaborative, where about 20 partners come together regularly to discuss challenges and to work on solutions. Current collaborative participants include CalOptima Health, CHOC, Kaiser Permanente, Regional Center of Orange County, Orange County Social Services Agency and Health Care Agency, Thompson Center for Autism, The Center for Autism and Neurodevelopmental Disorders at UCI, Pretend City, Serve the People, OC Head Start, and others. While Detect & Connect's vision is for all children, the collaborative focuses on children with Medi-Cal insurance, and children under school-age, since that is the time where well visits and developmental screenings are most critical for early identification and intervention.

When Detect & Connect OC began meeting in 2019, only about one in four children (26%) insured by Medi-Cal received a developmental screen by the age of 3. The latest data reported to the state shows that number is closer to one in two children (46%) as of 2023. While we can't show a direct impact on these data points, we can point to a concerted effort in Orange County to improve these rates through quality improvement and collaborative efforts including Detect & Connect OC. In our role as convener, we fund two facilitators to convene the collaborative's Steering Group and its two active Work Groups (Shared Messaging and System of Care), and our staff participate on all groups. Without First 5 OC's commitment to, and funding for, convening this countywide group, it is unlikely there would be coordination among the various organizations working on well-child visits and developmental screening, no countywide shared vision, nor collective work to achieve it.

Shared Messaging

Over the past few years, the Shared Messaging Work Group developed campaigns so that outreach to families about well-child visits and screenings are consistent and unified across all stakeholders and systems represented at Detect & Connect OC. The first campaign encouraged

families to get well child visits and developmental screens after we saw a drop in pediatric visits during and after the pandemic. The second campaign addressed common barriers to well-child visits and developmental screens, which were informed by a series of parent focus groups.

We are poised to launch our third shared messaging campaign, focused on children's mental health and behavior as an important part of their overall health and development. The campaign points families to existing community resources that can support their children's social and emotional development. The theme of the campaign is: *Your child's health and development includes their behavior, and you can help them shine!* (see Attachment 1).

The Shared Messaging Group is now discussing how to support shared messaging to raise awareness among families about redetermination and point them to places they can get support for reapplying for Medi-Cal benefits for themselves and their children. The Steering Group is also discussing the role of all stakeholders around the table to not only share out awareness messages, but support reenrollment in safe spaces with people who families trust.

Focusing on Two Critical Needs: Autism Diagnosis & Speech and Language Services

Autism Diagnosis

The System of Care Work Group has identified timely autism diagnoses as one of the critical barriers to children receiving services. While pediatricians can diagnose a child with autism (no specialist required), and a child can receive services before a formal diagnosis, there are systemic barriers that result in long wait lists for autism diagnoses and delays in children receiving early intervention. These barriers include pediatrician awareness and comfort related to diagnosis, the length of time required to conduct autism screenings, reimbursement, and uncertainty about supporting a family after a diagnosis of autism. As a result, children are often referred to a specialist at one of OC's two autism centers for screening and diagnosis, and they have long waitlists for children to be seen.

The System of Care Work Group is looking at workforce-related strategies to increase the number of pediatricians who are trained, comfortable, and have the tools to diagnosis children with autism and refer them to services without requiring a specialist. They are developing an action plan to train or upskill more provider types that can bill Medi-Cal to diagnose and document autism.

Simultaneously, members of the Detect & Connect OC Steering Group, working with the System of Care Work Group, are partnering with Thompson Autism and Neurodevelopmental Center at CHOC to conduct a series of Diagnosis Days with the goal of reducing their waitlist for Medi-Cal clients. The goal is to screen 100 children on the waitlist through these Diagnosis Days. This approach is testing the use of technology to reduce the amount of time required for autism screening and diagnosis.

This effort began with a "pre-Diagnosis Day" to test the concept and determine both feasibility and logistics for a full Diagnosis Day. This pre-Diagnosis Day was held at the Thompson Autism and Neurodevelopmental Center on August 21st, with volunteer pediatricians, administrative support provided by the Center (outreach, scheduling, and follow up), screening technology (Cognoa) funded by CalOptima, which also provided onsite staff for family support and navigation. Six children between 18 and 72 months were identified who were on the waiting list and had CalOptima insurance. This age group was the parameter for the Cognoa screening tool.

The pre-Diagnosis Day yielded the following results:

- Six families completed the Cognoa pre-work; five attended the Diagnosis Day
- Of the five who attended, two were positive for autism and referred to Applied Behavior Analysis (ABA), Speech, and Occupational Therapy (OT)
- One child was negative for autism and referred to Speech, ABA, and OT
- One child was diagnosed with disruptive conduct disorder referred to OT and ABA
- One was negative for autism, and already receiving ABA from the Regional Center of Orange County

A key learning from the pre-Diagnosis Day is that each pediatrician can see about six children in a full day. This ratio will help determine how many providers are required and, in turn, how many Diagnosis Days need to be scheduled. Additionally, we learned that ancillary staff needs are significant, including medical assistants, interpreters, scheduling and intake coordinators, and a Cognoa representative. The Cognoa screening tool effectively screened for autism, with the pediatricians able to validate its findings and confirm the range of diagnoses. Other logistical issues include the requirement for the Diagnosis Day pediatricians to be able to practice at the autism center that is hosting the event. With these learnings, the same partners are planning a full Diagnosis Day targeted for December 4th. Three physicians will see 10 children in a half-day setting at the Thompson Center. Additionally, now the team has experience executing a Diagnosis Day, we are adding a pilot of upskilling pediatricians by inviting four pediatricians of the children who scheduled on Diagnosis Day, to observe the Diagnosis Day and Cognoa tool in action.

Throughout these efforts, First 5 OC's role has been to provide support with coordination and project planning via consultant support for the System of Care Work Group and for project planning. CalOptima Health has committed funding of \$100,000 for the Cognoa screening tool, which will cover approximately 66 children. Depending on the success of Diagnosis Days and if needed, First 5 OC may contribute up to \$50,000 for technology costs, to cover the remaining 34 children to get to 100 screened and diagnosed.

Speech and Language Services

The System of Care Work Group previously developed two guides to assist families in accessing speech and language services (see Attachment 2). First 5 OC has also developed complementary resources – Kid Builder Speech and Language activities as well as video clips showing families easy activities they can do at home to build their children's language skills (first5oc.org/kid-builders/speech-development-strategies). These resources are also translated to Spanish and Vietnamese.

We have received very positive feedback from families and community partners and are working to increase the reach of these videos to a broader range of programs and partners. We have shared them with many of our partners including our Engaged Neighborhoods, Community Health Workers, and a group of Vietnamese caregivers. We have future outreach planned for HealthySteps clinics and home visitors, and scheduled presentations at an upcoming Black Infant Health meeting, and the Early Childhood Coordinator quarterly meeting.

We seek Board member input for expanding shared messaging and outreach through additional partners and networks as appropriate. We will return to the Board with updates as these efforts progress.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action has been reviewed in relation to the Strategic Plan and is consistent with all goal areas. The Fiscal Year 2025-2026 Budget includes \$50,000 for technology-related costs for Diagnosis Day.

PRIOR COMMISSION ACTIONS:

- April 2023 – Receive Presentation on Landscape Analysis for Speech and Language Services
- August 2022 – Receive Report on Access to Speech and Language Services
- July 2022 – Receive Presentation on First 5 Orange County's Developmental Screening Efforts

RECOMMENDED ACTION:

Receive update on Detect & Connect OC activities.

ATTACHMENTS:

1. Children's Mental Health Shared Messaging Campaign
2. Speech and Language Guides

CONTACT: Lisa Burke

Your child's health and development includes their behavior, and you can help them shine.



Contact Help Me Grow Orange County to find out how!

1-866-476-9025

helpmegrow.choc.org



Help Me Grow
ORANGE COUNTY



Dads, your child's health and development includes their behavior, and you are a critical component of their care.



Check out the Resource Guide by Orange County Fatherhood Coalition with opportunities for dads to do activities with their children, attend workshops and connect with fellow dads.

Visit [OCNavigator.org](https://ocnavigator.org) to access the guide in your language.



Your child's health and development includes their behavior, and you can help them shine.



Graphic courtesy of ACEs Aware

Visit health.choc.org/guide/stress-busters for information about the 7 stress busters. Try some easy tips to manage your and your child's stress. Available in English and Spanish.



**Your child's health and development includes their behavior,
and you can help them shine.**



**Try these free and age-appropriate Relationship Builders and
other activities to help develop positive social skills.**

Visit first5oc.org/kid-builders for activities in multiple languages.



**Your child's health and development includes their behavior,
and you can help them shine.**



Contact your insurance provider's Behavioral or Mental Health Line for help.

CalOptima Health Medi-Cal: 1-855-877-3885 (TTY 711)

Kaiser Medi-Cal: For 24/7 crisis intervention and urgent mental health advice, please call 1-800-900-3277 (TTY 711). For concerns about mental health or substance use services, call 1-800-390-3503



Your child's health and development includes their behavior,
and you can help them shine.



Download BrightLife Kids, a free mobile app to get expert
coaching for sleep issues, worry, social skills and more.

BrightLife
Kids
A CalHOPE program
by Brightline



**Your child's health and development includes their behavior,
and you can help them shine.**



**Your child's emotional well-being is just as important as their
physical health. Small steps make a big difference.**

**For easy-to-use resources, scan the QR code
or visit
<https://first5oc.org/early-childhood-mental-health-resources/>.**



Are There any Concerns about a Child's **Speech-Language** Development?

SECURING RELIABLE HELP: TWO ESSENTIAL RESOURCES

There are two key resources to help caregivers navigate and secure access to speech-language services and support.

**CHILD HAS
KNOWN
SPEECH-
LANGUAGE
NEED**



**UNDER
34
MONTHS
OLD**

The Regional Center of Orange County offers an Early Start Program that focuses on children from birth - 34 months. Contact Regional Center to determine if this program is suitable for the child.

Care coordination with Regional Center includes:

- Connections to speech evaluations within 45 days
- Referrals for Early Intervention services after evaluation
- Dedicated staff to coordinate the process



Comfort Connection Family Resource Center

- Call 714-796-5354 (Regional Center Intake)
- Email ccfrc@rcocdd.com
- Drop by 1525 N. Tustin Ave., Santa Ana Monday - Friday, 9:00 am - 5:00 pm



**CHILD MAY
HAVE
SPEECH-
LANGUAGE
NEEDS**



**UNDER
9
YEARS
OLD**

Help Me Grow connects families to resources for services including, but not limited to, resources for speech-language services for children prenatal through eight years old.

Care coordination includes:

- Tailored recommendations, referrals, and contact information for services and resources that are available and appropriate
- Live conversations with care coordinators who have expertise in early childhood development
- Follow-up care coordination with caregivers to ensure connection to services
- Providers receive closed-loop referrals, with consent from caregivers, that will inform them of referrals and outcomes

Help Me Grow Orange County

- Call 1-866-476-9025 Monday - Friday, 8:30 am - 5:00 pm
- Or visit www.helpmegrowoc.org to use the online portal to refer families 24/7, seven days a week. Care coordinators will reach out to caregivers via phone calls, emails, and text messages.

GET SUPPORT TODAY

Help **Prepare Caregivers** for What to Expect

TIPS



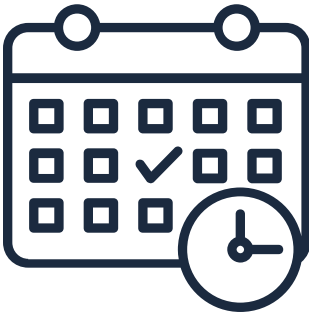
BE PREPARED

Call Insurance to find out which speech providers accept your coverage.



EXPLORE MULTIPLE PROVIDERS

By calling various providers, caregivers can get on waitlists for evaluations and speech therapy, increasing the chances of securing timely services.



FLEXIBLE SCHEDULING

Caregivers can schedule appointments regardless of insurance approval status, ensuring their child receives timely care. If the appointment occurs before approval, out-of-pocket expenses may apply, but this can expedite access to necessary services.



UTILIZE REGIONAL CENTER SUPPORT

Regional Centers can often assist with funding for services. If a child qualifies for Regional Center speech services but not under insurance criteria, the denial letter from the insurance can be presented to the Regional Center, which can continue funding the needed speech therapy.

Are There any Concerns about a Child's Speech-Language Development?

SECURING RELIABLE HELP: TWO ESSENTIAL RESOURCES

There are two key resources to help caregivers navigate and secure access to speech-language services and support

CHILD HAS KNOWN SPEECH-LANGUAGE NEED + UNDER 34 MONTHS OLD

The Regional Center of Orange County offers an Early Start Program that focuses on children from birth - 34 months. Contact Regional Center to determine if this program is suitable for the child.

Care coordination with Regional Center includes:

- Connections to speech evaluations within 45 days
- Referrals for Early Intervention services after evaluation
- Dedicated staff to coordinate the process

CHILD MAY HAVE SPEECH-LANGUAGE NEED + UNDER 9 YEARS OLD

Help Me Grow connects families to resources for services including, but not limited to, resources for speech-language services for children prenatal through eight years old.

Care coordination includes:

- Tailored recommendations, referrals, and contact information for services and resources that are available and appropriate
- Live conversations with care coordinators who have expertise in early childhood development
- Follow-up care coordination with caregivers to ensure connection to services
- Providers receive closed-loop referrals, with consent from caregivers, that will inform them of referrals and outcomes



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Visit
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Help Prepare Caregivers for What to Expect

HERE IS THE TYPICAL PROCESS FOR SECURING SPEECH-LANGUAGE THERAPY WITH CAREGIVERS

Medical provider notices a concern about speech through a developmental screening or a caregiver voices possible some speech challenges

If a child is under 34 months, caregivers can call Regional Center of Orange County

Regional Center will conduct a free evaluation to determine eligibility.

If the child meets the eligibility criteria, then Regional Center will provide for speech and language therapy for up to 6 months while the caregivers contact insurance.

Caregivers share the evaluation results with insurance.

Insurance approves the therapy. If insurance agrees to fund the therapy, and the family needs to pay for a co-payment, deductible, Regional Center may consider covering that cost

Some insurance companies may request their own evaluation.

Medical Provider makes a referral for speech evaluation. Pediatricians may provide a list of recommended speech therapists.

Insurance issues an authorization to allow the speech therapist to conduct a speech evaluation with the child.

The speech therapists conducts an evaluation and writes a report with treatment recommendations

The speech therapist sends the report to the child's insurance.

After insurance processes it, the speech therapist will contact the caregiver to share whether insurance gave approval, modification, or a denial.

Sometimes, the child will qualify for Regional Center's speech service, but will not qualify for approval under insurance's criteria. There are still ways to get therapy.

The insurance will issue the denial letter.

Caregivers can show the letter to Regional Center and Regional Center will continue to fund for speech therapy.

Caregivers can contact Help Me Grow for support in accessing services (including support to get therapy through public schools)

Caregiver searches for a speech therapists within their health plan network. Help Me Grow can assist with this step.

Medical Provider makes a referral for speech evaluation. Pediatricians may provide a list of recommended speech therapists.

Insurance issues an authorization to allow the speech therapist to conduct a speech evaluation with the child.

The speech therapists conducts an evaluation and writes a report with treatment recommendations

The speech therapist sends the report to the child's insurance.

After insurance processes it, the speech therapist will contact the caregiver to share whether insurance gave approval, modification, or a denial.

Sometimes, the child will qualify for Regional Center's speech service, but will not qualify for approval under insurance's criteria. There are still ways to get therapy.

The insurance will issue the denial letter.

Caregivers can show the letter to Regional Center and Regional Center will continue to fund for speech therapy.

Caregivers can move forward with the outlined process to access services through insurance

Medical Provider makes a referral for speech evaluation. Pediatricians may provide a list of recommended speech therapists.

Insurance issues an authorization to allow the speech therapist to conduct a speech evaluation with the child.

The speech therapists conducts an evaluation and writes a report with treatment recommendations

The speech therapist sends the report to the child's insurance.

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Commissioners:

Soledad Rivera, Chair, Vicente Sarmiento, Vice Chair,
Ramin Baschshi, M.D., Madelynn Hirneise, Veronica Kelley Ph.D.,
Yvette Lavery Katy, McInnes, Irene Salazar, An Tran

CEO/President: Kimberly Goll

**Agenda Item 9
December 5, 2025**

DATE: November 17, 2025
TO: First 5 Orange County
FROM: Kimberly Goll, President/CEO 
ACTION: Adopt Resolution Authorizing Agreement with Health+ Studio to Support Implementation of the Family, Infant, Early Childhood Mental Health Roadmap

SUMMARY:

In July 2023, First 5 Orange County identified the need to increase coordination among early childhood mental health stakeholders in Orange County. Health+ Studio was selected as the consultant to help create a countywide vision and roadmap for the early childhood continuum of care. As we transition to implementation of the roadmap, this item requests authorization to enter into an agreement with Health+ Studio to continue their work for an additional year.

DISCUSSION:

As reflected the presentation at the December First 5 OC Board meeting, Health+ Studio worked with over 300 providers, government agencies, and caregivers to create a roadmap for OC's Family, Infant, Early Childhood Mental Health continuum of care. This work included co-developing a shared understanding of community needs, experiences, and desires for a responsive system. They conducted background research, including reviewing local data, interviewing community partners, and holding multiple convenings to engage with stakeholders. This work helped identify key assets, service gaps, and the existing infrastructure that supports early childhood mental health in Orange County.

The next step in the process is to begin the transition of roles to a local organization that can provide the backbone or administrative functions of the work. First 5 OC has the capacity and is well suited to serve in this backbone role and will work with Health+ Studio and stakeholders on next steps. These include identifying the governance structure and steering committee, developing a charter, and continuing engagement with community partners and families with young children.

During this transition, staff recommends continued support from Health+ Studio to move from countywide visioning to implementation of the roadmap. We recommend entering into an agreement with Health+ Studio for \$125,000 for one year to accomplish the activities described above. Of note, it remains critically important to maintain this work as there is currently significant transition in the funding for behavioral health supports and family resilience.

STRATEGIC PLAN & FISCAL SUMMARY:

The proposed actions have been reviewed in relation to First 5 Orange County's Strategic Plan and are consistent with its goals. Funding for this item is included in the Fiscal Year 2025-26 Budget.

PRIOR COMMISSION ACTIONS:

- December 2024 – Adopt Resolution Authorizing Agreement with Health+ Studio
- October 2023 – Adopt Resolution Authorizing Agreement with Health+ Studio to Provide Support for Family and Early Childhood Mental Health Community Planning

RECOMMENDED ACTION:

Adopt resolution (Attachment 1) authorizing the President/CEO, or designee, and Commission Counsel to prepare and negotiate Agreement No. C-535 with Health+ Studio for January 1, 2026 through December 31, 2026 for a total maximum obligation of \$125,000.

ATTACHMENT:

1. Health+ Studio Resolution

CONTACT: Sara Brown

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ____-25-C&FC

December 4, 2025

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENT NO. C-535, AT THE PRESIDENT/CEO'S SOLE DISCRETION, WITH HEALTH PLUS STUDIO TO SUPPORT IMPLEMENTATION OF THE FAMILY, INFANT, EARLY CHILDHOOD MENTAL HEALTH ROADMAP; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

WHEREAS, Commission adopted its Strategic Plan to define how funds authorized under the Act and allocated to the Commission should best be used to meet the critical needs of Orange County's children prenatal to five years of age as codified in the Act; and

WHEREAS, the President/CEO and Commission Counsel have prepared standard form agreements, which were approved by the Commission; and

WHEREAS, the Commission has authorized the President/CEO to enter into Agreement No. C-535 with Health Plus Studio (hereinafter referred to as the "Contractor"), at the President/CEO's sole discretion, to support implementation of the Family, Infant, Early Childhood Mental Health Roadmap (hereinafter collectively referred to as the "Agreement") for the terms, in the amounts, and on the conditions as described in the staff report, and applicable attachments, for this December 4, 2025 Agenda Item (hereinafter referred to as the "Agenda Item");

WHEREAS, the Contractor desires to enter into the Agreement, if authorized by the President/CEO, in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Agreement; and

WHEREAS, Commission has reviewed the Agenda Item relating to the scopes of services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission's Strategic Plan; and

WHEREAS, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreement with the Contractor for the terms, in the amounts, and on the conditions as specified in the Agenda Item.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission authorizes the President/CEO, or designee, and Commission Counsel to prepare and negotiate the Agreement with the Contractor for the terms, in the amounts, and on the conditions consistent with the Agenda Item; and

Section 3 The form of the Agreement shall be substantially similar to the standard form agreements, subject to minor, non-substantive revisions, or as otherwise required to comply with external funding sources, and will be reviewed and approved by the President/CEO, or designee, and Commission Counsel. The approval by the President/CEO, or designee, of the Agreement shall be conclusively evidenced by the execution of such Agreement by the Commission Chair and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves the Agreement, which will be authorized at the President/CEO's sole discretion, with the Contractor for the terms, in the amounts, and on the conditions as specified in the Agenda Item.

Section 5 The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreement on behalf of the Commission.

Section 6 A copy of the final Agreement, when executed by the Commission Chair and attested by the Clerk of the Commission, shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Agreement shall be placed on file in the office of the Clerk of the Commission.

Section 7 In addition to the authorization of Section 2 above, the President/CEO, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreement(s), including any Amendment(s); (ii) to cause the issuance of warrants; (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.

Section 8 The Clerk of the Commission shall certify to the adoption of this Resolution.

The foregoing resolution was passed and adopted by the following vote of the Children and Families Commission of Orange County on December 4, 2025 to wit:

AYES Commissioners: _____

NOES: Commissioner(s): _____

EXCUSED: Commissioner(s): _____

ABSTAINED: Commissioner(s) _____

CHAIR

STATE OF CALIFORNIA)
)
COUNTY OF ORANGE)

I, ROBIN STIELER, Clerk of the Commission of Orange County, California, hereby certify that a copy of this document has been delivered to the Chair of the Commission and that the above and foregoing Resolution was duly and regularly adopted by the Children and Families Commission of Orange County.

IN WITNESS WHEREOF, I have hereto set my hand and seal.

ROBIN STIELER

Clerk of the Commission, Children and Families Commission of
Orange County, County of Orange, State of California

Resolution No: __-25-C&FC

Agenda Date: December 4, 2025

Item No. __



I certify that the foregoing is a true and correct copy of the
Resolution adopted by the

Robin Stieler, Clerk of the Commission

By: _____
Deputy

EXHIBIT A TO RESOLUTION OF COMMISSION

(Attach copy(ies) of final executed Agreements)



**Agenda Item 10
December 4, 2025**

DATE: November 11, 2025

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO

ACTION: Receive the President/Chief Executive Officer's Report

Upcoming Consultant Request for Qualifications (RFQ)

First 5 OC's business model uses technical and project management consultants to help develop and implement strategies established by the Board. We currently contract with approximately 30 individuals and organizations for consulting services. Periodically, First 5 OC releases a Request for Qualifications (RFQ) to invite applicants interested in providing consultant services to ensure that we have a comprehensive pool of qualified consulting applicants. Placing qualifying applicants on these rosters does not obligate First 5 OC to utilize their services, and no commitment is made to issue contracts to them or engage their services in any way. A new RFQ will be released in early January to create a new consultant roster. All individuals and organizations, whether they have previously been placed on the roster, must apply. A new roster of qualified applicants and request for authority to enter into consultant contracts will be brought to the Board for approval.

Contract Renewal for CalWORKs Home Visiting

In September, we received notice from the Orange County Social Services Agency (SSA) of an amendment to extend the CalWORKs Home Visiting Services Contract for an additional two-year term, from 2026 to 2028. The amendment will leverage our existing subcontracted service providers and allow First 5 OC to continue receiving referrals from SSA for CalWORKs eligible families. Our current subcontracted partners include Abrazar, All For Kids, Asian American Senior Citizens Service Center, OMID Multicultural Institute for Development, Orange County Children's Therapeutic Arts Center, and Priority Center. The estimated annual funding amounts under this amendment are \$3,250,000 for July 1, 2026 through June 30, 2027 and \$3,250,000 for July 1, 2027 through June 30, 2028. This is a reduction of approximately \$1.5 million over two years, based on the funding allocation from the California Department of Social Services (CDSS), which will impact the program. We will be coming to the Board with additional updates once the amendment terms are finalized.

Update on Jobs First Activities

As a designated Sector Investment Coordinator supporting the Orange County Business Council (OCBC), First 5 Orange County plays a pivotal role in aligning the business community with the

needs of the early learning and care sector. Our unique position as experts in early childhood development allows us to influence system-level change by creating a bridge between economic development strategies and family-centered child care solutions. This work is part of the California Jobs First Collaborative, a statewide initiative focused on building equitable and sustainable regional economies through cross-sector partnerships and targeted investments.

To date, three rounds of funding have been executed, with grantees implementing projects guided by the comprehensive activation plan developed by First 5 OC. The plan can be found on the OCBC website: <https://ocbc.org/wp-content/uploads/2025/08/Child-Care-Activation-Plan.pdf>. It is a blueprint for how the business community can meaningfully support the child care industry through coordination of services, partnerships, and policy alignment. In our role as Sector Investment Coordinator, we continue to guide this work alongside OCBC, ensuring that child care is recognized as essential infrastructure for a thriving workforce and economy. Below is a summary of the partners funded to support the Activation Plan tasks:

Community for Innovation, Entrepreneurship, Leadership & Opportunity (CIELO)	Research and pilot “back office” support for in-home providers.
Orange County Iranian American Chamber of Commerce (OCIACC)	Support the development of in-home child care businesses that are culturally and linguistically appropriate for the Iranian community
Give Us Hope	Assess feasibility and develop a pilot in-home child care training program for Vietnamese speaking families.
Muckenthaler & Associates	Deliver technical assistance to stabilize small child care providers. Map underutilized facilities, provide technical assistance on expanding programs.
Low Income Investment Fund (LIIF)	Map existing and potential facilities that could host child care services, identify and convene cities with childcare gaps and regulatory barriers and develop policy recommendations

Child Care Summit Follow Up

First 5 OC’s Technical Advisory Committee (TAC) and Child Care Systems Task Force held a joint summit in September to explore the potential to implement a centralized system for families to access child care. After the summit, several participants expressed interest in joining a working group to continue this exploration. In December, First 5 OC will convene this working group, including representatives from the TAC, Orange County Department of Education and the Local Planning Council, child care providers, Children’s Home Society, a Family Ambassador, Grow Up Garden Grove Engaged Neighborhood, 211/United Way, Help Me Grow and the League of Cities. After clarifying roles of partners and creating a charter, they will have learning sessions with other child care hubs, decide elements for implementation in Orange County, finalize data components needed, and develop an implementation plan and estimated budget. We will update the Board as this work progresses.

Financial Update

Attachment 1 provides the monthly statements summarizing the high-level investment activities

for the three-month period of July 1 through September 30, 2025. The primary objective is to invest First 5 Orange County's funds to provide safety of principal and liquidity, while providing a reasonable return on investments. Currently, 100 percent of First 5 OC's funds are invested in the Orange County Investment Pool and are managed under the Orange County Investment Policy. All funds will remain in the County Pool unless specific First 5 OC action directs funds to other investments.

Action Plan Update

A summary matrix with a high-level overview of progress on our Action Plans, as well as staff leads, is provided as Attachment 2.

A more detailed summary of accomplishments and challenges for each Action Plan is provided as Attachment 3. Below are a few highlights from our work over the past two months.

- We participated in 12 community events, hosting three and tabling at nine, reaching more than 2,000 people including families, young children, and providers across cities including Irvine, Garden Grove, Santa Ana, San Juan Capistrano, and Anaheim.
- We established partnerships with two OC Public Library locations, Westminster and Anaheim Sunkist Libraries, and have launched a four-month Kid Builder Toddler Story Time series that highlights a different developmental milestone each month.
- We have had an additional 60 providers request the Kid Builders toolkit for early educators.
- First 5 OC infant-toddler home visiting partners continue to send families who are not interested in home visiting back to First 5 Orange County, and our Perinatal Community Health Worker (CHW) has been reaching out to those families to support with resources and lighter touch services to ensure a closed loop referral system.
- Four successful prenatal groups were held since the last First 5 OC Board Meeting: two by MOMS and two by Padres Unidos. Additionally, five developmental play groups were facilitated by our partners: three by Santa Ana Early Learning Initiative (SAELI); and two by Sacred Path.
- As of this report, there are seven First 5 OC-funded home visiting providers trained to initiate Family Wellness Plans (FWPs); five of the seven birthing hospitals we fund have integrated FWPs; and six First 5 OC-funded CHWs have been trained to share information about FWPs.
- Three Peer Support Specialist Consultants were contracted in October – Irene Cruz, Dori Ford, and Sydney Staniaszek – to assist families experiencing perinatal substance use by providing outreach, direct services, and systems-level coordination.
- Presentations on becoming Early Childhood Friendly Cities were made to the cities of Garden Grove, Irvine, and Buena Park.
- On October 4th, more than 75 fathers and their family members came together to celebrate fatherhood and the importance of positive male role models at the inaugural OC Father Fest.

Attachments:

1. Investment Report
2. Action Plan Status Matrix
3. Action Plan Summary of Progress

**First Five Orange County
Quarterly Report of the Commission's Cash Balances
July 1, 2025 through September 30, 2025**

OVERVIEW

This report summarizes the Commission's cash balances in the records of the County Treasury for the three-month period from July 1 through September 30, 2025.

COMMISSION'S CASH BALANCES

The primary objective is to invest the Commission's cash to provide safety of principal and liquidity, while providing a reasonable return on investments. Currently, 100% of the Commission's funds are invested in the Orange County Treasury Pool (OCTP) and totaled \$73,496,052.18 on September 30, 2025. The primary goal of the OCTP is to invest public funds in a manner, which will provide the maximum security of principal invested with secondary emphasis on providing adequate liquidity to Pool Participants and lastly to achieve a market rate of return. OCTP provides daily liquidity for pool participants. The September report of the Statement of Assets in the County Treasury can be viewed at octreasurer.gov/publicfunds.

COMMISSION'S CASH AND SELECTED OCTP PERFORMANCE SUMMARY – QUARTERLY

The following table presents an overview of the Commission's cash invested in the OCTP for the months of July, August, and September 2025. The net year-to-date yield for FY 2025-2026 is 4.015%, higher than the current forecast of 3.71%. The OCTP has a Net Asset Value of 1.00 and there is sufficient liquidity to meet the forecasted expenditures for the next six months for the pool participants based on the current cash forecast. Additional information on the OCTP can be found in the County Investment reports online at ceo.ocgov.gov/finance-office.

Month Ended	Commission's Month End Balance	Commission's Monthly Gross Yield	OCTP Interest Receivable ⁽¹⁾	OCTP Market Value	OCTP Book Value	OCTP Weighted Average Maturity (Days)	OCTP Net Asset Value	OCTP Duration
July	\$ 74,515,409	4.046%	\$ 86,367,827	\$ 15,354,387,727	\$ 15,344,348,785	265	1.00	0.67
August	\$ 73,149,425	4.034%	\$ 77,507,132	\$ 14,684,304,594	\$ 14,648,209,646	277	1.00	0.64
September	\$ 73,496,052	4.087%	\$ 63,806,850	\$ 14,532,792,350	\$ 14,487,289,482	279	1.00	0.65

(1) Interest Receivable has been broken out separately from OCTP Market Value.

ECONOMIC UPDATE

The government shutdown prevented the release of some September economic data; therefore, August figures are used where September data is absent.

The U.S. economy experienced lower employment gains and inflation increased during the third quarter of 2025.

- Employment gains averaged 50,000 per month, lower than the previous quarter's 54,000 (revised) per month average.
- Headline inflation increased to 2.9% year over year, up from 2.7% in the previous quarter.
- The Federal Open Market Committee cut interest rates by 25 basis points to a range of 4.00% - 4.25% during the quarter. The financial market expects further cuts in 2025.
- The unemployment rate was at 4.3% (survey: 4.3%) at the end of the third quarter, increased by 0.2% from the previous quarter.
- The Empire State Manufacturing Index improved to 11.9 (survey: 0.0) from -16.0 in the previous quarter, while the Philadelphia Fed Index improved to -0.3 (survey: 6.5) from -4.0 at the end of the previous quarter. The Federal Reserve uses these indexes as regional economic gauges with a positive reading signaling economic expansion.
- The Treasury yield curve remained inverted during the third quarter for tenors between 1 month and 3 years.
- The 90-day Treasury Bill yield decreased to 4.02% from 4.41%. The 2-year Treasury Note yield decreased to 3.60% from 3.72% while the 10-year Treasury Bond yield decreased to 4.16% from 4.24%.

FIRST FIVE COMPLIANCE AND COUNTY TREASURY AUDIT REPORTS

As of September 30, 2025, 100% of the cash of the Commission was in OCTP, an allowed investment in the FY 2025-26 IP. The County Treasurer's cash and investments accounts in the County Treasury are audited regularly by the County Auditor-Controller Internal Audit Division (AC-IAD) and compliance audited by an external auditing firm. No audit reports were issued during the quarter ended September 30, 2025.

STATEMENT OF ACTIVITY

We have attached the Statement of Activity for the Commission's cash balances for the months of July, August, and September 2025 (Attachment A). These statements report the beginning and ending balances of the Commission's cash funds.

Attachments:

- A. Statement of Activity for the months of July, August, and September 2025



COUNTY OF ORANGE
OFFICE OF THE TREASURER-TAX COLLECTOR
 Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM
 P. O. BOX 4515
 SANTA ANA, CA 92702-4515



octreasurer.gov/publicfunds

July 31, 2025

FIRST 5 ORANGE COUNTY

Fund Number : 225

JULY 2025 STATEMENT

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
07/01/2025	June 2025 Investment Admin Fee	\$ -
07/15/2025	March 2025 Interest Paid	\$ 257,869.08

Summary

Total Deposit:	\$ 1,564,684.49	Beginning Balance:	\$ 74,604,940.16
Total Withdrawal:	\$ (1,654,215.60)	Ending Balance:	\$ 74,515,409.05



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octreasurer.gov/publicfunds

August 31, 2025

FIRST 5 ORANGE COUNTY

Fund Number : 225

AUGUST 2025 STATEMENT

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
08/01/2025	July 2025 Investment Admin Fee	\$ (2,592.28)
08/27/2025	April 2025 Interest Paid	\$ 268,542.90

Summary

Total Deposit:	\$ 695,942.84	Beginning Balance:	\$ 74,515,409.05
Total Withdrawal:	\$ (2,061,926.83)	Ending Balance:	\$ 73,149,425.06



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octreasurer.gov/publicfunds

September 30, 2025

FIRST 5 ORANGE COUNTY

Fund Number : 225

SEPTEMBER 2025 STATEMENT

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
09/01/2025	August 2025 Investment Admin Fee	\$ (2,544.21)
09/01/2025	FY 2024/2025 Investment Admin Fee Refund	\$ 1,097.23
09/16/2025	May 2025 Interest Paid	\$ 267,829.30
09/22/2025	FY 2024/2025 Interest on Refund	\$ 217.54

Summary

Total Deposit:	\$	2,228,485.44	Beginning Balance:	\$	73,149,425.06
Total Withdrawal:	\$	(1,881,858.32)	Ending Balance:	\$	73,496,052.18

Summary of First 5 Orange County Action Plans for 2025-2026

Action Plan	Staff Lead	Status
Expand Use of Kid Builders in OC	Erwin	On Track
Invest in Orange County's Home Visiting System	Jessica	On Track
Assess Feasibility of Community Health Workers as Mechanism to Sustain Prenatal-to-Three Services	Yvette	On Track
Expand First 5 OC-funded Prenatal and Postnatal Services	Yvette	On Track
Increase Organizational and Community Engagement in Family Wellness Plan Implementation	Yvette	On Track, Data Sharing Delayed
Increase Stakeholder Commitment to Advance Policy for Early Childhood	Tiffany	On Track
Increase Number of Child Care Providers and Quality of Current Programs	Cristina	On Track
Develop Countywide Action Plan for Continuum of Care for Early Relational Health	Sara	On Track
Increase Well-Child Visits, Developmental Screens and Linkage to Service	Lisa, Sara	On Track, Data Access Delayed
Support Implementation of Black PEARL Program	Yvette	On Track
Deepen and Expand Engaged Neighborhood Work	Erwin	On Track
Formalize Family Voice in First 5 OC Programs at Different Levels of Engagement	Erwin	On Track
Increase Relevance and Use of Early Development Index (EDI)	Cristina	On Track
Elevate Importance of Father Engagement Across First 5 OC and Partners	Andrew	On Track
Strengthen School District Data-Informed Engagement and Relationship Building	Cristina	On Track
Provide Technical Assistance and Capacity Building for Orange County Black Infant Health (BIH)	Jessica	On Track
Develop Clear Messaging for First 5 OC to Cultivate and Leverage Partnerships and Improve Outcomes for Young Children and Families	Tiffany	On Track

Attachment 3

Summary of Progress on Strategic Plan Action Plans

December 2025

❖ Expand Use of Kid Builders in OC

Accomplishments:

In the past two months, we established partnerships with two OC Public Library locations, Westminster and Anaheim Sunkist Library, and have launched a four-month Kid Builder Toddler Story Time series that highlights a different developmental milestone each month. Our event participation protocols remain the same: requests must be made at least one month in advance, must focus on or include a significant 0-5 population, and must take place within Orange County. Since our last report to the Board, we participated in 12 events, hosting three and tabling at nine, reaching more than 2,000 people including families, young children, and providers across cities including Irvine, Garden Grove, Santa Ana, San Juan Capistrano, and Anaheim. Moving forward, we plan to continue hosting smaller, more intimate Kid Builder events in library settings, following the model of our upcoming OCPL series. We also onboarded consultant Sophie Tran, who has been helping revise Kid Builder activities and supporting listening sessions for Vietnamese families with speech and language needs. Additionally, we are planning a Kid Builder event at Land School Learning Link in the Westminster School District, where we will implement the newly updated Vietnamese Kid Builder activities.

We engaged six volunteers for the Kid Builder Day at Pretend City. Volunteers were recruited through IMed, a health-focused organization at UCI. We are currently working to expand our volunteer efforts beyond UCI to reach a broader audience. This includes creating a volunteer page on the First 5 OC website where community members can submit an interest form to get involved.

We have had an additional 60 providers request the Kid Builders toolkit for early educators. The toolkit was sent to them with a request for feedback. The Kid Builder team will follow up in three months to survey their use of the toolkit. We anticipate that child care providers could be helpful in creating modifications for the activities for children with special needs and are considering creating a workgroup to do this.

Last Board meeting, we noted that we created Kid Builder posters for pediatric clinics. We have shared these with four clinics, and our Kid Builders videos with two.

Finally, we've offered Kid Builders trainings to Community Health Workers, Start Well program directors and consultants, the MADM group of volunteers from Anaheim Learn Well, and are in conversations to present to staff at the Training and Research Foundation.

Challenges:

It has been challenging to engage UCI volunteers for smaller community events, as they tend to prefer participating in larger Kid Builder events instead. Additionally, we received only minimal feedback from providers who received the early educator toolkit at the ECE conference in March 2025. The team is considering interviews or focus groups to engage providers and receive feedback moving forward.

Summary of Progress on Strategic Plan Action Plans

December 2025

❖ Invest in Orange County's Home Visiting System

Accomplishments:

Since the last report to the Board, quality assurance interviews were conducted with six Parents as Teachers and Healthy Families America home visiting partners to review audit findings and better understand their current data entry processes. We also facilitated individual agency follow-up trainings on Visit Tracker system for five agencies, at their request. We created a Home Visit & Curriculum Compliance Table, which clarifies curriculum and administrative expectations across all home visiting models. Next steps include providing SMART goals based on audit results and sharing with partners by the end of November. A second audit will take place by the end of December 2025, with a third audit in March of 2026.

For our work on developing a coordinated entry system, the prenatal pathway and algorithm was finalized with the Home Visiting Collaborative. First 5 OC infant-toddler home visiting partners continue to send families who are not interested in home visiting back to First 5 Orange County, and our Perinatal Community Health Worker has been reaching out to those families to support with resources and lighter touch services to ensure a closed loop referral system.

We are also working with our home visiting partners to increase community engagement. A Kid Builders "Learn Through Play Day" Network Wide Group Connection took place on September 23rd. About 15 families attended and participated in Kid Builders activities with their children. Additionally, 10 Home Visiting staff members were trained to support the facilitation of the activities during the event. In anticipation of National Home Visiting Week next year, we are working to create a home visiting social media campaign. This will include posts that are tailored for First 5-funded partners, as well as posts that are made for the larger Home Visiting Collaborative. The campaign will begin early next year and lead up to National Home Visiting Week April 20-24, 2026.

We have identified the next training session for F5OC-funded partners which will be on family engagement strategies for home visiting staff, scheduled for early 2026. The next regional Home Visiting training (for southern California partners) is on December 2nd and is about staff on-site safety.

Finally, just a note that our existing agreement with Social Services Agency for CalWORKs home visiting services was extended per the protocol within the contract, but with a significantly reduced budget. We anticipate that we will need to respond to a new procurement process in Fall of 2026.

❖ Assess Feasibility of Community Health Workers as Mechanism to Sustain Prenatal-to-Three Services

Accomplishments:

In the past two months, we submitted seven claims for group CHW work, and six claims for individual encounters. Staff is currently working on the initial seven group claims that were rejected because they had the wrong modifier code. Rejection notification is mailed and took about 3 1/2 weeks from the time claim was submitted in Office Ally. Claims were resubmitted in November, and we are waiting for a response. No payments have been received for the last batch of the seven group claims; staff anticipate receiving payment before the end of the year.

Summary of Progress on Strategic Plan Action Plans

December 2025

In September, two of our Engaged Neighborhood partners (in Anaheim and Garden Grove) attended the CHW Convening at Orange Coast College to learn more about what it means to have a CHW and the navigation they can provide to residents. First 5 OC's staff lead for the CHW effort also presented at an Engaged Neighborhood Roundtable Meeting (all Engaged Neighborhood leadership together) to share CHW updates and timeline for them to participate in a 2026 CHW Cohort.

A new Perinatal CHW part-time staff was hired and began a six-month pilot at First 5 OC. We are collecting weekly data from their work so that we can develop a comprehensive outcomes report to understand the need and potential for expansion of the Perinatal CHW work.

One of our planned tasks is working with the California Department of Health Care Services (DHCS) to define a "perinatal Community Health Worker (CHW)". First 5 OC staff recently led discussion with a group of Orange County leaders, including higher education, workforce programs, CHW employers, and current CHWs to discuss what is needed for the baseline CHW training and what might be included or supplemented in terms of additional Knowledge, Skills, and Abilities specific to a perinatal CHW certificate. Until a more defined concept of the CHW perinatal needs/certificate is ready, we are holding on further discussion with DHCS. We continue to meet with the existing CHWs to learn from their experiences, including the documentation and billing processes and streamlining. Also, we are piloting an internal Perinatal CHW at F5OC and learning best approaches in outreach to families, building relationships, and serving as a trusted partner that navigates with families to the next trusted partner.

Challenges:

For submitted CHW claims, the long turnaround time and limited time available to submit claims continues to be a challenge. Additionally, while we continue to have conversations with the Engaged Neighborhoods about embedding a CHW in their structure, we don't have confirmed engagement or an individual to enroll in CHW training, which is available on a first come, first served basis at the college. We will share additional updates at December's Engaged Neighborhood Roundtable and continue to gauge their interest in CHW integration.

❖ Expand First 5 OC-funded Prenatal and Postnatal Services

Accomplishments:

Four successful prenatal groups were held since the last First 5 OC Board Meeting: two by MOMS and two by Padres Unidos. Additionally, five developmental play groups were facilitated by our partners: three by Santa Ana Early Learning Initiative (SAELI); and two by Sacred Path. We are currently working with Latino Dad connection to identify new host sites that have the potential for a high proportion of participants with CCN insurance and preparing a no-cost extension to their agreement to complete two additional developmental play group offerings. We also recently developed and Evaluation Plan for this body of work, including a data collection form for our CWH Liaison to use in her work.

Summary of Progress on Strategic Plan Action Plans

December 2025

Challenges:

One challenge is navigating the communication exchange to verify health network (CCN) and determine eligibility for billing CHW work. We have also experienced challenges with securing host sites for Latino Dad connection to enroll participants. Offerings with La Habra and OC HeadStart have been postponed.

❖ Increase Organizational and Community Engagement in Family Wellness Plan Implementation

Accomplishments:

As of this report, there are seven First 5 OC-funded home visiting providers trained to initiate Family Wellness Plans (FWPs); five of the seven birthing hospitals we fund have integrated FWPs; and six First 5 OC-funded CHWs have been trained to share information about FWPs.

Three Peer Support Specialist Consultants were contracted in October – Irene Cruz, Dori Ford, and Sydney Staniaszek. A Peer Support Specialist assists families experiencing perinatal substance use by providing outreach, direct services, and systems-level coordination. These Specialists help staff with our focus on implementing FWPs, strengthening referral pathways, and promoting recovery and resilience for families impacted by substance use during the prenatal, delivery, and postnatal periods. We have a presentation on FWPs scheduled for the Engaged Neighborhoods in December.

In the past two months, there have been two “reflective practice” opportunities focused on Family Wellness Plans for home visiting direct service staff, and we are working with the Peer Support Specialist Consultants to plan an FWP roadshow and presentations.

❖ Increase Stakeholder Commitment to Advance Policy for Early Childhood

Accomplishments:

In the past two months, outreach was conducted to all Orange County legislative offices regarding the TAC Summit, which focused on the updated child care landscape and a discussion on the state’s child care data system. Additionally, a training was held for the Home Visiting Collaborative to strengthen understanding of current state policies and prepare members for future engagement with legislators and stakeholders.

Presentations on becoming Early Childhood Friendly Cities were made to the cities of Garden Grove, Irvine, and Buena Park. To date, two cities have officially adopted the Early Childhood City resolution. We are working one-on-one with Engaged Neighborhoods to determine their specific focus areas moving forward. Our partnership with the National League of Cities (NLC) continues, providing guidance and technical assistance as cities explore adopting the resolution and implementing early childhood strategies. No new deliverables were issued in the past two months, but NLC support remains available for cities as needed. We also have an intern working on pulling the cities’ plans and budgets to identify what they are currently doing for children and families in their cities.

Challenges:

The current political climate has been difficult to navigate and to get the cities to respond or engage in becoming an early childhood city.

Attachment 3

Summary of Progress on Strategic Plan Action Plans

December 2025

❖ Increase Number of Child Care Providers and Quality of Current Programs

Accomplishments:

Related to adding infant and toddler quality child care slots in OC, our latest data shows that 20 infant/toddler spots have been added in the last two months. Cohorts 4 and 5 each added four spots and Cohort 6 added 12 spots for a total of 20 spots and five new licenses. Cohort 7 has 58 participants on track for getting licensed and graduating November 12th. This cohort we have a very engaged group who are eager to learn and ask great questions. We are confident many of them will get licensed. Tightening up the participation agreement was a good idea, and we now have a very serious group of people eager to get their license. We have also reached out to licensed participants from Cohorts 1-6 for follow up trainings and that has been well received. We are responding to the need for additional translation; specifically, Farsi and Vietnamese and are already strategizing ways to meet this need for Cohort 8.

Regarding our Workforce Apprentice Program, Buena Park School District has gotten all approvals for their apprenticeship program and is currently interviewing candidates. Westminster is our next school district to potentially collaborate with. Orange County Head Start will be invited to an upcoming Hiring Event we are co-hosting with the Orange County Workforce Development Board.

Regarding the resource guide we are creating and piloting with select cities, we have reached out to five cities to set up meetings for discussion around their land use survey (LIIF survey) and child care landscape. We are meeting with La Habra in November and Anaheim in December.

For our Jobs First work, our team has finalized a pathways graphic and is working with the communications team to develop a web version for potential workforce to access and navigate. It includes pathways, job descriptions, pay scales, transferrable skills, and education requirements as well as a glossary of terms and links for support. We also are finalizing plans to support school district programs and private/faith based and current Family Child Care business through a modified business program with Small Business Development Council. The program will include three sessions and will launch in the Spring.

Challenges:

We are experiencing some difficulty engaging cities around the resource guide. Cities are not engaging as enthusiastically as we had hoped. We regrouped and sent the results/report to them in an effort to get buy in but we have been unsuccessful in connecting with Santa Ana, Irvine, and Buena Park. This may not be a priority for cities right now as they are dealing with many other issues. We may move on to the next group of cities in hopes that there will be more engagement with them.

For the workforce apprentice program, the district challenges remain but now that Buena Park SD is fully ratified, the discussions are more hopeful. We were able to leverage the Buena Park agreement to begin conversations with Westminster School District.

Summary of Progress on Strategic Plan Action Plans

December 2025

❖ Develop Countywide Action Plan for Continuum of Care for Early Relational Health

Accomplishments:

Health+ Studios continued working sessions throughout the past month and participated in an Alignment meeting hosted by the Network of Care (United Way) in which the Family, Infant, Early Childhood Mental Health work was highlighted. The working sessions focused on each of the priorities that have been identified. Although these were small groups, participants were very engaged in the discussion and were able to identify some key action steps towards each priority. There was also a convening focused on the final roadmap.

The Roadmap Working Group met and worked on a final draft Roadmap for coordinating Family, Infant, Early Childhood Mental Health in Orange County. This Roadmap will be presented at the December First 5 OC Board meeting and at a community partner convening in December, which is currently being planned. Next steps are being defined in partnership with the Roadmap Working Group.

Challenges:

It is challenging to create a roadmap that is detailed enough but recognizes that there is a lot more detail to be determined going forward. The community is interested in hearing concrete action steps, but the Roadmap may still include recommendations for further community discussion for decision-making. The community still needs to determine who the decision-making entity (or entities) will be.

❖ Increase Well-Child Visits, Developmental Screens and Linkage to Service

Accomplishments:

Detect & Connect OC

In its last two meetings, Detect & Connect OC's Steering Group discussed the current environment. One thing that the group agreed to do is to amplify a messaging campaign that one of the stakeholders, CalOptima Health, is finalizing focused on "Access to Care for All." CalOptima is developing a partner toolkit to share messages, and it will be rolled out with all Detect & Connect OC partners. In addition, this will again be a topic at our upcoming meeting on November 10th to determine if there are other actions Detect & Connect OC partners want to take together.

The Shared Messaging Work Group's next campaign focused on behavioral health is ready to launch. We will be sharing it with the Detect & Connect OC Steering Group at our November 10th meeting and rolling it out after that. Based on the Steering Group's feedback at our last meeting, we added an additional message. It is now a 6-part campaign and has been developed with collaborative feedback from all Detect & Connect OC partners (see the related December agenda item on Detect & Connect OC work). We are also in communication with CalOptima regarding leveraging Detect & Connect partners to share their campaign focused on helping the community connect with TeleHealth and other resources, so they are comfortable getting care.

Attachment 3

Summary of Progress on Strategic Plan Action Plans

December 2025

The System of Care Work Group debriefed the Diagnosis Day Dress Rehearsal and designed a plan for a Diagnosis Day on December 6th, taking lessons learned from the dress rehearsal. More detailed information about this effort is provided in the related December agenda item on Detect & Connect OC activities.

HealthySteps

Four of the seven clinics in the first Academy cohort have begun implementing HealthySteps and have completed the 9-month portion of the Academy. The remaining three, which are Altamed clinics, have been delayed in their recruitment process and thus have not yet received their HealthySteps training by ZERO TO THREE. Altamed has been informed that it will join the second cohort of the Academy.

After releasing a new Request for Proposals, we selected four additional clinics to join Cohort 2 of the Academy. Three (Serve the People, Camino Health Center & St. Jude Neighborhood Health Center) of these four clinics are funded by the CalOptima Health Dyadic Services Academy grant to complete the commitment of funding 10 clinics. The fourth clinic, Hurtt Family Healthy Clinic, will be funded separately through F5OC funds. These clinics are in the process of signing contracts with F5OC and identifying HealthySteps Specialists to serve in that role. F5OC consultants are meeting one on one with clinics to assess their needs for technical support and to orient them to the Academy. For this cohort, applicants were selected where existing staff who are already contracted and credentialed by CalOptima Health in their clinic sites could potentially in the HealthySteps Specialists role. This was a strategic move to curtail the wait time of credentialing newly hired clinicians.

The HealthySteps Specialist role is unique in that this specialist addresses multiple issues, including perinatal mental health, early childhood behaviors and early childhood development. It is rare for clinicians to have expertise in all these areas, making the need for continuing education and technical support an essential part of the Academy. Now that the first cohort has completed the Academy phase and entered the post-Academy phase, F5OC consultants have set up educational sessions during the monthly HealthySteps Specialist meetings in order for them to receive training on additional topics, including perinatal mental health and early child development and intervention services.

Challenges:

Hiring HealthySteps Specialists continues to be a challenge. Altamed has hired one HealthySteps Specialist and continues to recruit to fill two other positions.

❖ Support Implementation of Black PEARL Program

Accomplishments:

We fund a total of seven partners through Black PEARL, with the work of each described below.

1. **Health+ Studio** (Community Engagement Partner): Conducted in-depth interviews and focus groups in partnership with local organizations, engaging 72 Black PEARL stakeholders and community members.
2. **Pacific Islander Health Partnership** (Capacity Strengthening Grantee): Focused on increasing their knowledge of maternal and infant birth outcomes in the Native Hawaiian/Pacific Islander communities and building relationships with other community partners.

Attachment 3

Summary of Progress on Strategic Plan Action Plans

December 2025

3. **Black Girls Mental Health Foundation** (Capacity Strengthening Grantee): Focused on building stronger community partnerships and staff training, strengthening internal systems and community engagement.
4. **The Suckle Center** (Capacity Strengthening Grantee): Focused on strengthening internal infrastructure and strengthening community connections.
5. **MOMS Orange County** (Capacity Strengthening Grantee): Focused on engagement and delivery of services to additional populations beyond those traditionally served.
6. **BreastfeedLA** (Lactation Counseling & Support): Conducted recruitment and community engagement activities and provided one-on-one and group lactation counseling and support to 12 families.
7. **Birthworkers of Color Collective** (Doula Training): Provided input on UCI materials and approaches, developed virtual training for UCI students and clinicians, conducted recruitment and community outreach activities, and conducted doula training with 16 participants. This was a four-day doula training, conducted September 25-28.

Challenge:

The invoicing process for our community partners has been challenging. F5OC programmatic and administrative staff have been spending a significant amount of time providing technical assistance to ensure alignment with federal requirements. Additionally, delays in contracting led to implementation of only one doula training before the end of September, by which a portion of the funding had to be spent.

❖ **Deepen and Expand Engaged Neighborhood Work**

Accomplishments:

The results of the Engaged Neighborhood evaluation were presented to the Board at the October meeting. We recently received the final report from the evaluation firm and are reviewing it and sharing it with the Engaged Neighborhoods to identify recommendations for new agreements since the current ones expire in June 2026. Over the next several months we will be meeting with the Engaged Neighborhoods leadership to develop proposed scopes of work and budgets for the next funding cycle.

❖ **Formalize Family Voice in First 5 OC Programs at Different Levels of Engagement**

Accomplishments:

One of the goals of our school district work is to work with districts to increase family engagement. We have identified four school districts that need support and our school district and community engagement staff and consultants are helping them set goals and a plan for how to start incorporating family voice into their district. Additionally, we will share our family engagement work with home visitors at their quarterly meeting in November and identify which agencies need support in incorporating families into their advisory committees.

The Kid Builders team of Family Ambassadors continue to meet biweekly and so far have created one Kid Builders video and one proposal for sensory activities for families of all abilities.

Summary of Progress on Strategic Plan Action Plans

December 2025

❖ Increase the Relevance and Use of Early Development Index (EDI)

Accomplishments:

We are on track with rolling out the EDI data, and have completed: District Reports and one-pagers for the 25 school districts; and EDI Spotlights for overall readiness, the five domains, and the social-emotional composite. We also provided EDI data and write ups for the countywide Conditions of Children and Community Indicators reports.

In terms of our work to include charter school data in the EDI, we have executed contracts with El Sol Academy and the California Republic Leadership Academy (at their two sites) and are working with additional charter school. First 5 OC staff and our consultant Limor are working with these schools to get the timeline of data transfers and move forward with the teacher training planning. We are also supporting Journey School to communicate with their teachers on the usefulness of the data.

❖ Elevate Importance of Father Engagement Across First 5 OC and Partners

Accomplishments:

On October 4th, in partnership with the Orange County Department of Education, First 5 Orange County and community organizations held the inaugural OC Father Fest. More than 75 fathers and their family members came together to celebrate fatherhood and the importance of positive male role models. Author Maestro Jerry Tello delivered an inspiring keynote, and workshops led by OCDE and First 5 OC staff discussed the importance of play in strengthening father-child bonds, with additional workshops on parenting in the digital age, and redefining Brown fatherhood. Discussions about a second Father Fest has already started. Also, on October 2nd, OCDE and First 5 OC presented to Martin Elementary School in Santa Ana about the importance of dads, with more than 20 parents attending the workshop.

We have also been working on development of a game version of a fatherhood curriculum to be both fun and educational, called Papá-teria. The focus of the game is to have dads learn about topics related to pre and postnatal fatherhood. The gaming approach is intended to appeal to those with a competitive nature. Development is started and by early 2026 we will be testing the game with dads. Finally, the OC Fatherhood Coalition has been working on creating a charter to formalize membership in the coalition. We expect to implement the charter in 2026.

❖ Strengthen School District Data-Informed Engagement and Relationship Building

Accomplishments:

Many districts continue to see progress toward stronger integration of early childhood into their broader district system. In some cases, new leaders entered the district with minimal knowledge of First 5 Orange County and EDI, and early childhood leaders are working in small increments to help increase their knowledge, and valuing of early learning and the impact it has on the overall system to support learners in their future years. The recent EDI study demonstrating a correlation from EDI readiness to 6th grade language arts and mathematics achievement has been powerful to support this learning.

Attachment 3

Summary of Progress on Strategic Plan Action Plans

December 2025

School districts have all received their EDI reports with information specific to their district. They are now building action plans to use this information for strategic events and activities aimed at improving their EDI scores.

❖ Provide Technical Assistance and Capacity Building for Orange County Black Infant Health (BIH)

Accomplishments:

There are 34 families enrolled in BIH. To increase enrollment, BreastfeedLA has continued to deepen relationships with the following organizations: Cactus in Bloom, Cinnamon's, Olive Crest, Orangewood Foundation, Birthworkers of Color Collective, Community Action Partnership OC, and the Health Equity for African Americans League. In addition, local Black sororities and churches have reached out to BreastfeedLA to provide food for families and to adopt families for the holidays.

First 5 OC's consultant is providing technical assistance for Breastfeed LA. Since the State approved the FY25/26 budget, she provided support to update the agreement with BreastfeedLA to align with the newly approved budget. Additionally, guidance was provided on completing an Agreed Upon Procedures Audit, which is required in lieu of an audit for the release of the final FY24–25 payment.

Challenges:

Black families live across many areas of the county, which makes outreach and recruitment challenging because there is no central location to connect with them. The BIH team has been tabling at events, but these events have not led to greater connection with the Black community. As a result, the BIH team is re-evaluating its strategies to increase enrollment. Additionally, there is a need to improve clarity about what data F5OC has access to and the permissions required from the state and HCA to move forward with program evaluation.

❖ Develop Clear Messaging for First 5 OC to Cultivate and Leverage Partnerships and Improve Outcomes for Young Children and Families

Accomplishments:

In the past two months, one internal messaging training was conducted for staff in partnership with our outside communications consultant. The session focused on refining how we talk about our mission, priorities, and initiatives to ensure consistency across presentations and outreach. All staff participated in the training. As a result, we now have a first draft of a messaging one-pager and draft PowerPoint slides that staff can use when representing the organization. The materials are being tested internally and will be finalized after incorporating staff feedback. Leadership is scheduled to participate in speaker training focused on using the new messaging in community settings, whether during presentations, event welcomes, or when speaking directly with parents.

We have also been incorporating the updated key messaging into 5 Minutes with First 5 at the bottom of each edition, highlighting “Who is First 5” to provide consistent context. Staff is also practicing using this messaging during community events when they are tabling to introduce First 5 OC and our programs to families and partners. We continue to explore strategies to engage the

Summary of Progress on Strategic Plan Action Plans

December 2025

community via social media using key messages, including integrating concise program descriptions and impact highlights into posts. Additionally, we met with two board members to get ideas about developing tools for consistent social media communications and sharing. Finally, we are working to incorporate key messages into our website.



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Commissioners:

Soledad Rivera, Chair, Vicente Sarmiento, Vice Chair
Ramin Baschshi, M.D, Madelynn Hirneise, Veronica Kelley Ph.D.
Yvette Lavery, Katy McInnes, Irene Salazar, An Tran

CEO/President: Kimberly Goll

Agenda Item 11
December 4, 2025

DATE: November 10, 2025

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO

A handwritten signature in black ink, appearing to read "Kimberly Goll", written over the printed name.

ACTION: Closed Session will be Held Pursuant to Government Code Section 54957.6, to Meet with the Designated Representative, Chair Soledad Rivera, Regarding the Compensation of the President/CEO

A Closed Session will be held as follows:

1. Pursuant to Government Code Section 54957.6 to meet with the designated representative, Vice Chair Soledad Rivera, regarding the compensation of the President/CEO, Kimberly Goll.

Contact: Cassie Trapesonian



Agenda Item 12 December 4, 2025

DATE: December 4, 2025

TO: First 5 Orange County

FROM: Cassie Trapesonian, Commission Counsel

ACTION: Approve President/Chief Executive Officer Employee Agreement

SUMMARY:

The First 5 Orange County Board of Commissioners appointed Kimberly Goll as President/Chief Executive Officer in 2016. Mrs. Goll's current contract is due to terminate on December 31, 2025. Earlier this year subsequent to a performance review, Commission Counsel was directed to negotiate a new employment agreement with Mrs. Goll for the position of President/Chief Executive Officer. This item requests approval of the employment agreement.

DISCUSSION:

Commission Counsel facilitated a performance review in closed session during the August 2025 Commission meeting. Following the positive performance review, First 5 Commissioners directed Commission Counsel to negotiate an new employment agreement (Attachment 1). The agreement is for a term of 5 years with an annual salary of \$253,803. The benefits package is the same package that was included in the previous agreement, which includes vacation, sick leave, car allowance, deferred compensation, retirement in the Orange County Employee Retirement System (OCERS), and other employee benefits as provided to the County of Orange Executive Management Compensation Group III.

STRATEGIC PLAN & FISCAL SUMMARY:

This item has been reviewed in relation to the Strategic Plan and is consistent with all outcome goals. Funding for the President/Chief Executive Officer position is included in the Fiscal Year 2025/26 Budget in the Administrative Category.

RECOMMENDED ACTION:

Approve the employment agreement (Attachment 1) with Kimberly Goll for the President/Chief Executive Officer position with First 5 Orange County.

ATTACHMENT:

1. Employment Agreement

Contact: Commission Counsel

EMPLOYMENT AGREEMENT

THIS EMPLOYMENT AGREEMENT ("Agreement") is made and entered into effective January 1, 2026 ("Effective Date of Agreement"), by and between the CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY ("the Commission") and KIMBERLY GOLL ("Executive").

WHEREAS, in order to ensure that its responsibilities are met at all times, the Commission must attract and retain management personnel who exhibit the highest degree of knowledge, experience, technical ability, professionalism, and qualities of leadership; and

WHEREAS, in order to attract and retain in its employment a President/CEO who possesses those qualities and experience necessary to fulfill the Commission's immediate and long-term objectives, the Commission has determined that it is advisable to enter into this Employment Agreement with Executive.

NOW, THEREFORE, in consideration of the mutual promises and agreements contained herein and other good and valuable consideration, receipt of which is hereby acknowledged, it is hereby agreed by and between the Commission and Executive as follows:

1. Initial Term of Employment. The Commission hereby employs Executive and Executive hereby accepts employment with the Commission beginning on the Effective Date of Agreement, and continuing for five (5) years thereafter until and unless Executive or the Commission earlier terminates this Agreement, and Executive's employment, as provided for herein.

2. Performance Review of Executive. Each year following the Effective Date of Agreement and six months prior to the end of the Term of Employment, the Commission shall review the performance of the Executive. If Executive's performance, at the end each year of service, as determined in the sole discretion of the Commission or its subcommittee, has met expectations, Executive shall receive a salary increase in an amount equal to the Consumer Price Index (CPI) for the U.S. Department of Labor Consumer Price index – all urban Consumers for Los Angeles-Riverside-Orange County effective on January 1st of the year following the review year. If, however, the Commission or its subcommittee determines in its sole discretion that Executive has not met expectations, she shall be awarded no salary increase, or an increase in an amount less than the CPI listed above, as determined by the Commission or its subcommittee.

3. General Duties. Executive shall serve as the President/CEO of the Commission. Executive's Position Description is attached hereto as Exhibit A. The Commission may modify Executive's Position Description, including any of her job duties and responsibilities, at any time, orally or in writing. Executive shall perform each and every duty reasonably prescribed by the Commission and provide all services, acts, or things necessary or advisable to manage, direct and conduct the business and affairs of the Commission, subject at all times to the policies set by the Commission.

4. Devotion to Commission's Business.

A. Executive shall devote Executive's entire productive time, ability and attention to the business of the Commission during the term of this Employment Agreement.

B. Executive shall not engage in any other business, whatsoever, or directly or indirectly render any service of a commercial or professional nature to any other person or organization, whether for compensation or otherwise, without the prior written consent of the Commission, provided that said consent shall not be unreasonably withheld. The expenditure of reasonable amounts of time for educational, charitable, or professional activities shall not be deemed a breach of this Agreement, and shall not require the prior written consent of the Commission, if those activities do not materially interfere with the services Executive is required to render under this Agreement.

C. This Employment Agreement shall not be interpreted to prohibit Executive from making passive personal investments or conducting private business affairs, if those activities are not a conflict of interest under applicable law or regulations, and as long as such activities do not materially interfere with the services Executive is required to render under this Agreement.

5. Uniqueness of Executive's Services. Executive has many years of service devoted to public administration. Additionally, she possesses many years of administrative experience in dealing with employees, the general public, other governmental agencies and public officials. These unique qualifications and experience provide valuable benefits to the Commission that cannot be readily replaced.

6. Annual Salary and Benefits.

A. As compensation for the services to be performed hereunder, Executive shall initially be paid a salary at the annual rate of Two Hundred Fifty-Three Thousand Eight Hundred Three Dollars (\$253,803.00), payable not less often than bi-monthly.

B. Executive shall be entitled to benefits as detailed in this Agreement, except that some of Executive's benefits are provided pursuant to, and are subject to, the terms of a County Services Agreement between the Commission and the County of Orange.

7. Car Allowance. The Commission shall provide Executive a car allowance of Nine Hundred Fifteen Dollars (\$915.00) per month. Executive's car allowance is designed to reimburse Executive for all costs associated with the use of her personal vehicle on Commission-related business. As such, the Commission shall not separately reimburse Executive for any automobile-related expenses, such as insurance, repairs, mileage or gasoline.

8. Vacation Pay. Executive shall earn 0.0962 hours of vacation for each hour of pay during her regularly scheduled workweek (approximately five (5) weeks per year) but not exceed credit for more than eighty (80) regularly scheduled hours in any pay period. Unused vacation pay may be carried forward from one year to the next. However, Executive is encouraged to use all of her earned vacation pay each year.

The maximum number of vacation pay hours Executive may accrue shall be four hundred (400) hours. If Executive's earned, but unused vacation pay hours reach the maximum, Executive shall not accrue any additional vacation pay hours. If Executive later uses vacation pay, falling below the maximum, Executive shall resume vacation accrual until the maximum is again reached.

Executive shall schedule the use of her vacation time in consultation with the Commission such that the impact on the Commission's business is minimized.

9. Sick Leave. Executive shall receive sick leave benefits upon the same terms and conditions as the members of the County of Orange representation unit designated Executive Management Compensation Group III. Executive shall receive sick leave at the rate of 96 hours per year of this Agreement. Unused sick leave shall not be paid off at the time of Executive's termination, nor at the conclusion of this Agreement.

10. Deferred Compensation Plan. On behalf of the Executive, Commission shall contribute an amount equal to three percent (3%) of Executive's salary into the County's Deferred Compensation Plan investment fund.

11. Retirement and Retirement Contribution.

A. Executive is an existing participant in the County of Orange-sponsored retirement plan and shall continue to be a participant throughout the term of this Agreement. The Commission's contributions to Executive's retirement shall be at approximately the same level as would be made if Executive were employed by the County of Orange in a position comparable to the one Executive holds under this Agreement.

12. Holidays. Executive shall have the opportunity to observe those Holidays recognized by the County of Orange.

13. Other Employee Benefits. Executive shall be eligible to receive the Optional Benefit Plan; Disability/Salary Continuance benefit (60% of monthly salary); Life Insurance (\$80,000); Accidental Death & Dismemberment; Disability Insurance; and Health and Dental Insurance for Executive and her Dependents as provided to members of the County of Orange representation unit designated Executive Management Compensation Group III.

14. Tax Withholding. The Commission shall have the obligation to deduct or withhold from the compensation due to Executive hereunder any and all sums required for federal income and other payroll taxes and all state or local taxes now applicable or that may be enacted and become applicable in the future.

15. Termination by the Commission for Cause, Non-Extension of the Agreement or Expiration of the Term of Employment.

A. The Commission may immediately terminate Executive's employment under this Agreement for Cause.

B. For the purpose of this Agreement, "Cause" shall mean any of the following, as determined by the Commission:

1. Executive's dishonesty, gross misconduct or criminal conduct;
2. Failure of the Executive to observe or perform any of her duties, if that failure continues for a period of thirty (30) days from the Commission's written notice to Executive specifying the acts or omissions deemed to amount to that failure; or
3. Gross negligence in the performance of her duties under this Agreement.

C. In the case of a Termination for Cause, the effective date of termination ("Effective Date of Termination") shall be the date of notice of termination for cause.

D. If Executive's employment and this Agreement are (1) terminated by the Commission for Cause the Commission shall pay Executive's salary and accrued vacation through the Effective Date of Termination, but the Commission shall have no further obligation to the Executive under this Agreement.

16. Termination by the Commission Without Cause.

A. The Commission may terminate Executive's employment under this Agreement for any reason other than Cause ("Termination Without Cause") upon thirty (30) days' written notice to Executive.

B. The effective date of termination ("Effective Date of Termination") shall be thirty (30) days subsequent to written notice of Termination Without Cause. However, the Commission may elect to have Executive leave her employment immediately.

C. If the Agreement is terminated without cause pursuant to this Section, Executive shall be entitled to a severance payment equal to her monthly salary multiplied by the number of months left in the Agreement term (pursuant to Government Code section 53260), up to a maximum of six (6) months.

17. Resignation by Executive. Executive may resign her employment obligations under this Agreement by giving the Commission thirty (30) days prior written notice. Upon receipt of thirty (30) days written notice, the Commission shall have the option of retaining Executive in active employment for all of that thirty (30)-day period, or accepting her resignation from employment at any time within the thirty (30)-day period. If the Commission accepts her resignation prior to the end of the thirty (30)-day period, Executive shall only be entitled to salary earned through the effective date of resignation.

18. Death of Executive. This Agreement shall terminate automatically without notice upon the death of Executive.

19. Disability. This Agreement shall not terminate upon the temporary disability of Executive, but this Agreement shall terminate upon the Permanent Disability of Executive. Executive shall be deemed to have a Permanent Disability if: (1) she qualifies for long-term disability under any disability insurance policy covering Executive; or (2) she is unable, due to a medical, physical, mental or emotional condition to perform substantially all of her duties under this Agreement for six (6) consecutive months.

20. Notices. Any notices to be given hereunder by either party shall be in writing and may be transmitted by personal delivery or by United States mail, postage prepaid. Mailed notices shall be addressed to the parties at the address maintained in the personnel records of the Commission, but each party may change that address by written notice in accordance with this section. Notices delivered personally shall be deemed communicated as of the date of actual receipt; mailed notices shall be deemed communicated as of the date of mailing.

21. Entire Agreement. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of Executive by the Commission and contains all of the covenants and agreements between the parties with respect to that employment. Each party to this Agreement acknowledges that no representation, inducement, promise, or agreement, oral or otherwise, has been made by any party, or anyone acting on behalf of any party, which is not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding on either party.

22. Modifications. Any modifications of this Agreement will be effective only if it is in writing signed by the parties.

23. Effect of Waiver. The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other party shall not be deemed a waiver of that term, covenant or condition, nor shall any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

24. Partial Invalidity. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

25. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California, in force and effect as of the date of execution.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

Executed this ____ day of December, 2025 at Orange, California.

EXECUTIVE

Kimberly Goll

CHILDREN AND FAMILIES
COMMISSION OF ORANGE
COUNTY

By: _____
Soledad Rivera, Chair

SIGNED AND CERTIFIED THAT A COPY
OF THIS DOCUMENT HAS BEEN DELIVERED
TO THE CHAIR OF COMMISSION

By: _____
Robin Stieler
Clerk of the Commission

Dated: _____

APPROVED AS TO FORM:

Cassie Trapesonian, Commission Counsel

EXHIBIT A
ORANGE COUNTY CHILDREN & FAMILIES COMMISSION

Position Description

TITLE: President/CEO	
REPORTS TO: Children and Families Commission of Orange County	
SUMMARY OF POSITION:	Responsible for management of Commission programs and operations consistent with Commission Policy. At-will executive position under contract to Commission.

ESSENTIAL DUTIES & RESPONSIBILITIES

- Select, manage, evaluate and motivate all Commission employees.
- Develop and implement the annual Business Plan for the Commission.
- Serve as primary representative to the State Commission and state associations.
- Serve as spokesperson for the Commission for contacts with the media and a wide variety of public and private organizations.
- Supervise the performance of all Commission employees and contractors.
- Direct and manage the Commission's research and evaluation programs.
- Represent the Commission at meetings, conferences and other public events.
- Manage Commission fiscal operations consistent with adopted budget.

ANNUAL PERFORMANCE GOALS

- Accomplishment of objectives and tasks identified in annual Commission Business Plan.
- Manage annual update of Commission Strategic Plan within the established schedule and budget.
- Effective administration of funding and evaluation programs to address Commission priorities.
- Ensure Commission compliance with all initiative and State Commission requirements for continued transfer of Proposition 10 revenues.
- Management of Commission operating budget within established allocations for administrative expenses.