

SUMMARY ACTION MINUTES

REGULAR MEETING FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

Wednesday, April 1, 2026, 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, Lavery, McInnes, Salazar, Daniel (Alternate for Kelley) and Rodriguez (Alternate for Tran)
Commissioner McInnes participated remotely for just cause due to a caregiving need of a child pursuant to Government Code Section 54953.8.3(c)(1).

EXCUSED: Commissioners Kelley, Sarmiento and 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 First 5 Orange County's Strategic Plan Update

RECEIVED

SUMMARY ACTION MINUTES

CONSENT CALENDAR: (Items 2 - 7)

4 11 12356789 10 **APPROVED AS RECOMMENDED**

x xx

2. Receive Update on New Agreements with Engaged Neighborhood Collaboratives
3. Receive Update on Neighborhood Resource Network Memorandum of Understanding Renewal and Strategies to Support Participant Engagement
4. Receive Update on Fatherhood Engagement Work
5. Receive List of Professional Association Memberships and Sponsorships
6. Approve Reappointments to the First 5 Orange County Technical Advisory Committee
7. Authorize Conflict of Interest Waiver for Woodruff & Smart, APC to Represent the County of Orange

REGULAR ITEMS: (Items 8 - 12)

8. Adopt Resolutions Authorizing an Amendment to an Agreement with First 5 Riverside for Receipt of Funds and Amendments to Agreements with Designated Organizations to Implement First 5 California's Improve and Maximize Programs so All Children Thrive (IMPACT) Legacy

471235689 10 11 **APPROVED AS RECOMMENDED**

x xx

RESOS: 26-005 – 006 C&FC

9. Authorize Funding for an Intergovernmental Transfer (IGT) Transaction with CalOptima Health and Kaiser Permanente and Adopt Resolution Authorizing Agreements with the California Department of Health Care Services, Kaiser Permanente, and CalOptima Health

4 10 12356789 11 **APPROVED AS AMENDED TO REFLECT POSSIBLE INCREASE IN
PAYMENTS/MATCH DOLLARS AS NOTED BY CEO IN RECOMMENDED
ACTIONS 2 AND 3**

x A xx

(Commissioner Rivera abstained from discussion and vote on this matter and declared her affiliation with CalOptima Health)

RESOS: 26-007 – 009 C&FC

10. Adopt Resolutions Authorizing Agreements with Designated Organizations to Provide Consulting and Data Collection and Management Services

271345689 10 11 **APPROVED AS RECOMMENDED**

x xx

RESOS: 26-010 – 011 C&FC

11. Authorize Receipt of Funding from the County of Orange, Second District, for Child Care Incubator Program Participants and Adopt Resolution Authorizing an Amendment to an Agreement with Community for Innovation, Entrepreneurship, Leadership and Opportunity (CIELO) to Administer Stipends

471235689 10 11 **APPROVED AS RECOMMENDED**

x xx

RESOS: 26-012 – 013 C&FC

12. Review and Approve First 5 Orange County's Investment Policy Statement and Receive and File the Orange County California Investment Policy

412356789 10 11 **APPROVED AS RECOMMENDED**

x xx

SUMMARY ACTION MINUTES

PRESIDENT/CEO REPORT: (Item 13)

13. Receive the President/Chief Executive Officers Report
 - a. First 5 Orange County 2026 Board Recruitment
 - b. Community Outreach Update
 - c. Exploring Opportunities to Increase Medi-Cal Revenue
 - d. State Policy Update
 - e. Financial Report
 - f. Action Plan Update

RECEIVED

PUBLIC & COMMISSION COMMENTS:

PUBLIC COMMENTS: None

COMMISSION COMMENTS:

Commissioner Lavery – Oral Re.: Announced this as her last meeting; thanked everyone involved; hopes someone will carry on her voice for children with special needs; started as an AmeriCorps/VISTA member in 2007.

Chair Rivera – Oral Re.: Thanked Commissioner Lavery for her service and commitment to the Commission and for her impact on children and families.

ADJOURNED: 10:09 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 Lorraine Daniel (Alternate)	
11 Veronica Rodriguez (Alternate)	

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

/s/

SOLEDAD L. RIVERA

Chair

/s/

Jamie Ross, Deputy
Clerk of the Commission




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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 1 April 1, 2026

DATE: March 9, 2026
TO: First 5 Orange County
FROM: Kimberly Goll, President/CEO 
ACTION: Receive Presentation on First 5 Orange County's Strategic Plan Update

SUMMARY:

For the past several months, we have been conducting activities to update First 5 Orange County's Strategic Plan with the support of Rebecca Alvarez of NP Strategies. This work has included conducting a series of discovery sessions with staff, interviewing community stakeholders, and most recently gathering input from Board members. Lisa Burke and Rebecca Alvarez will present the results of these activities, including the proposed Strategic Plan components, success measures, and prioritization framework for narrowing our future work to that which best fits First 5 Orange County's unique capabilities and has the greatest opportunity to positively impact young children and families.

Rebecca has led strategic planning engagements with a wide range of organizations and brings a combination of formal training in market research and strategy and more than 20 years of experience working with different teams, boards and organizational cultures. Her approach to planning involves asking strategic questions, involving multiple perspectives, and encouraging organizations to weigh choices and make decisions so they can be more impactful.

ATTACHMENT:

1. Strategic Plan Update Presentation

CONTACT: Lisa Burke

Strategic Plan Update

April 1, 2026

Agenda

- Background
- Measuring Impact
- Updated Plan Prioritization Process
- Success Measures
- Prioritization Framework
- Next Steps



Background

- **State Statute**
 - Requires creation of Strategic Plan and annual updates
- **First 5 OC Vision**
 - All children reach their full potential
- **Where we Focus**
 - Improving health for prenatal to age 5
 - Increasing access to and quality of early learning
 - Deepening family and community engagement
 - Collecting and leveraging data
 - Building system efficiency




Shift in Approach

- Utilized a static, broad Strategic Plan for 15 years
- Significantly updated plans in last 10 years
 - Reduced funding
 - Refined First 5 OC role
 - Leveraging Early Development Index data
- Transitioned to a more focused plan
 - Tied to population-based outcomes
 - Linked directly to specific outcomes and outputs




3/25/2026





Measuring Impact

Indicator	Definition	Baseline	Current Status	Trend
Improved early childhood development	Percentage of children On Track on Early Development Index	52.7% 2022	53.0% 2025	 Improving
Improved early childhood development in Engaged Neighborhoods	Percentage of children On Track on Early Development Index by First 5 OC's Engaged Neighborhoods	28% to 46% 2022	40% to 61% 2025	 Improving
Improved social and emotional development in young children	Percentage of children On Track on the Early Development Index, Social-Emotional composite	75.7% 2022	74.8% 2025	 Worsening

Measuring Impact

Indicator	Definition	Baseline	Current Status	Trend
Increased early developmental screening	Percentage of children on Medi-Cal that receive a developmental screen in their first three years	26% 2022	45.7% 2023	 Improving
Increased postpartum depression screening and follow up	Percentage of deliveries in which Medi-Cal members were screened for clinical depression and received follow up	8.1% 2022	17.3% 2023	 Improving
Increased early prenatal care	Percentage of infants born to people whose prenatal care began during the first three months of pregnancy	91.9% 2019-2021	91.3% 2021-2023	 Worsening

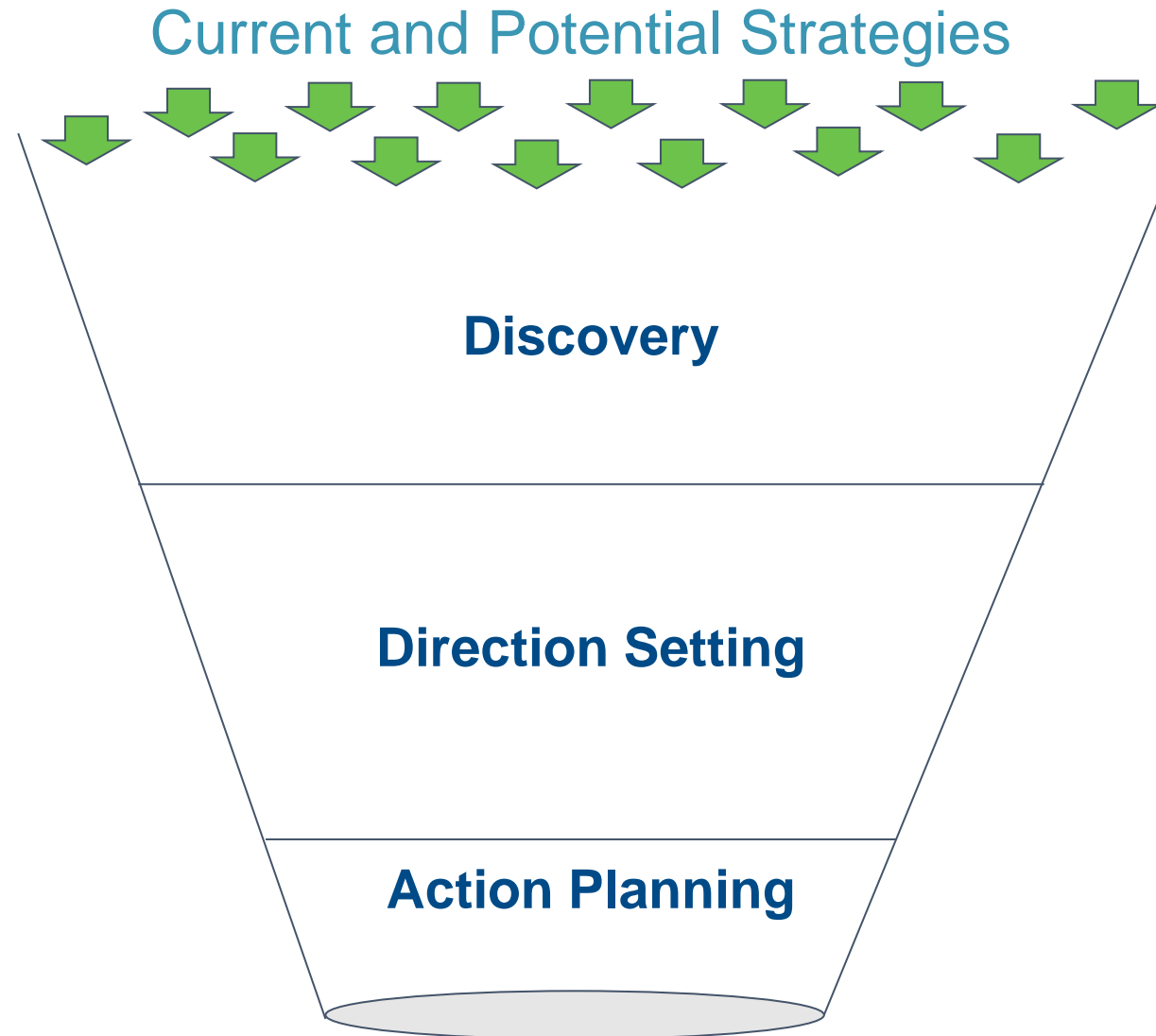
Measuring Impact

Indicator	Definition	Baseline	Current Status	Trend
Reduced engagement in the child welfare system for children ages 0-3	Rate per 1,000 children ages 0-3 with substantiated child abuse allegations	10.9 2023	11.6 2024	 Worsening
Increased licensed child care capacity	Change in licensed child care capacity for children under age 5	+0.4% 2023	Not Available	Not Available
Reduced reliance on tobacco taxes	Proportion of revenue that comes from Proposition 10 tobacco tax over time compared to overall revenue	80% is tobacco tax revenue 2023	65%* is tobacco tax revenue 2025	 Improving

*Amount adjusted due to timing of revenue coming in and some tobacco tax revenue being delayed.

Updated Plan Prioritization Process

Prioritization Process



Context for Updated Strategic Plan

- Aligned to our financial reality of declining revenue
- Built on what data tell us
- Considers what we learned from reputational audit
- Informed by staff, partner and community input
 - Staff discovery sessions
 - Stakeholder interviews
 - Board member input
 - Consultant and community engagement



Strategic Plan Components

- What children need
- What families need
- What communities need
- What systems need

Success Measures

What Children Need

- Improved HEDIS scores
 - Well Visits
 - Developmental screenings
- Decrease in Med-Cal wait lists for the highest demand services (currently autism diagnosis and speech)
- Increase in Social and Emotional Health
 - Prenatal depression screening
 - Postnatal depression screening





What Families Need

- Increase in number of families opting into pre-birth services
- Increase in number of families opting into post-birth services (e.g., home visiting, Community Health Worker connections)
- Improved risk scores for families screening at birth, based on automated hospital screening tool

What Communities Need

- Improved kindergarten readiness (EDI)
- Increase in quality child care providers
- Increase in First 5 OC volunteers as champions for 0-5
- Increase in cities allocating resources to early childhood, with priority on Engaged Neighborhoods and based on EDI data





What Systems Need

- Increase in systemic funding to 0-5 for family strengthening activities (e.g., Families First Prevention Services Act, Enhanced Case Management)
- Improved access to concrete supports for families through a systems approach
- Improved family transition between Regional Center and School District services
- Increased strategic partnerships with government and other system organizations

Prioritization Framework



Prioritization Framework

- Fit with vision, strategic plan components and success measures
- Fit with brand priorities and reputation
- Magnitude of impact for children and families
- Clarity of role for First 5 Orange County
- System impact
- Financial viability

Next Steps

Next Steps

- Two community forums
- Narrowing of work based on prioritization framework
- Action Plan development
- Return in June with final plan including Action Plans for FY 26-27
- Continued bi-monthly progress reports



Questions?



Agenda Item 2
April 1, 2026

DATE: March 18, 2026
TO: First 5 Orange County
FROM: Kimberly Goll, President/CEO 
ACTION: Receive Update on New Agreements with Engaged Neighborhood Collaboratives

SUMMARY:

The current agreements with our four Engaged Neighborhood collaboratives will end in June 2026. The collaboratives are in the process of building proposed scopes of work for the next funding cycle, informed by the recent program evaluation, Early Development Index (EDI), and First 5 Orange County's strategic plan work. This item provides an update on the development of the Engaged Neighborhood scopes of work.

DISCUSSION:

Background

First 5 Orange County has funded Engaged Neighborhood collaboratives in Santa Ana, Anaheim, La Habra, and Garden Grove for several years, each uniquely tailored to their community. Our funding helps to connect families on their journey prenatally through the start of school to resources and other supports, while engaging parents to advocate for their young children's health and kindergarten readiness. Rather than being "top-down" and directed by First 5 OC, the Engaged Neighborhoods provide an opportunity for community-led work. The collaboratives know their families' needs and are actively engaged in identifying the early childhood work they want to do to meet those needs. We fund a backbone agency in each Engaged Neighborhood to help keep the work progressing, and we share our expertise, resources, and knowledge of systems – working together to improve outcomes for young children. Each collaborative has grown their partnerships and secured additional funding as a sustainability strategy.

An evaluation of the Engaged Neighborhood program conducted early this fiscal year revealed that the Engaged Neighborhoods have consistently increased parent and community voice and connected parents and caregivers to concrete resources. Since 2021, the Engaged Neighborhoods have collectively engaged with more than 2,000 parents and caregivers in early learning, health, and leadership activities. They delivered 400+ events and workshops that connected families to essential resources and services; and trained 570 parents and caregivers of young children as leaders who now sit on local boards, councils, and committees. Other key findings include important gains such as how resource-rich spaces have created trust among residents, and how family leadership and trusted messengers enhance engagement and collective power. Importantly, EDI data shows that all the Engaged Neighborhoods have contributed to reducing child vulnerability – some by as much as five to 10 percentage points.

The evaluation also points out important elements to continue working on such as engagement gaps that remain among underrepresented families. It notes that the systems-change work of the Engaged Neighborhoods requires long-term investment, and that limited capacity impacts partner staff.

Developing New Agreements

The current three-year contract with the four Engaged Neighborhood collaboratives will end in June 2026. First 5 Orange County staff created guidelines for the Engaged Neighborhoods to build their scopes of work using the same analogy utilized by the evaluation team: a tree where the seeds represent outreach to families; roots represent the engagement with families; the trunk is the community and how it is convened by the lead agency; and the branches are the systems that affect the development of young children. Based on their own community experience and findings, EDI data and targets, and discussions with the First 5 Orange County team, each collaborative is choosing one system they want to affect and/or disrupt and is threading the analogy from seeds to branches in their proposal to impact the identified system.

Engaged Neighborhood leads and staff from our health and early learning teams are working together to build scopes that will be integrated and aligned with our soon-to-be updated strategic plan and strategic vision priorities such as improving EDI scores, increasing developmental screenings and linkage to services, improving early childhood mental health, and increasing the participation of cities allocating resources for early childhood.

Anaheim Learn Well

The Anaheim Learn Well collaborative wants to work on family and early childhood mental health through providing Kid Builders classes, Developmental Play Groups, parent leadership development, and advocating to the city to expand mental health programming and services for families of young children.

Growing Up Garden Grove

The Garden Grove collaborative also wants to tackle mental health for young children and their parents and caregivers through Developmental Play Groups, caregiver support groups, and using Community Health Workers to support families with navigation and connection to services.

We are connecting leadership from Anaheim Learn Well and Growing Up Garden Grove to Health+ Studios as they continue their work to implement the Roadmap for Family, Infant, and Early Childhood Mental Health in Orange County. One of the first activities of the Roadmap is to explore how mental health supports are provided at the neighborhood level, and these two Engaged Neighborhoods will be a great opportunity to explore and learn from localized, community-based mental health in action.

La Habra Little Learners

La Habra Little Learners will work on the system issue of early identification and intervention, including improving developmental screenings and connection to healthcare and other resources at their new Family Resource Center that will house core partners, Community Health Workers, and community champions. They want to leverage the Early Childhood Friendly resolution adopted by the city of La Habra to get more institutions, faith-based organizations, and businesses onboard and pledge to be early childhood friendly as well.

Santa Ana Early Learning Initiative

Santa Ana Early Learning Initiative intends to focus on the coordination and transition of children from the health system to the education system, in addition to providing Developmental Play Groups, navigation support through Community Health Workers, and other programs for young children. They

propose to continue their parent leadership training in neighborhoods and will continue with EDI-informed spark projects.

We have requested all Engaged Neighborhoods to include Community Health Workers as part of their proposals. This is a key sustainability strategy for First 5 Orange County, whereby we fund Community Health Workers for the collaboratives and in return we are able to bill MediCal for services provided to eligible families. While the current reimbursement is nominal, we hope to provide proof of concept for and grow this sustainability strategy. We are also requesting the Engaged Neighborhoods to identify specific neighborhoods for focused outreach and programming, based on the significant improvement we saw in EDI scores when they used a narrowed focus in the current scope of work. Finally, we will work with them to identify progress measures for their work including targets for improving EDI vulnerability in the specific neighborhoods.

Next Steps

We will return to the Board in June with final proposed scopes of work and related budgets for each Engaged Neighborhood. The June agenda item will include a request for funding authorization for the Engaged Neighborhood backbone agencies.

STRATEGIC PLAN & FISCAL SUMMARY:

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

PRIOR COMMISSION ACTIONS:

- June 2023 – Receive Report and Approve Funding for Engaged Neighborhood Collaboratives
- October 2024 – Receive Presentation and report on the ENs work, progress and next steps
- April 2025 – Approve an Agreement for an Evaluation of the Engaged Neighborhoods
- October 2025 – Receive final report of the evaluation of the ENs

RECOMMEND ACTION:

Receive update on new agreements with Engaged Neighborhood collaboratives.

ATTACHMENT:

None


CONTACT: Erwin Cox



Agenda Item 3 April 1, 2026

DATE: March 10, 2026

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO 

ACTION: Receive Update on Neighborhood Resource Network Memorandum of Understanding Renewal and Strategies to Support Participant Engagement

SUMMARY:

First 5 Orange County received notice of an amendment to renew our non-financial Memorandum of Understanding (MOU) with the Orange County Social Services Agency (SSA) for Neighborhood Resource Network (NRN) services. This item provides an update on NRN child abuse prevention and intervention efforts and additional strategies to increase participant engagement in services.

DISCUSSION:

NRN was launched in 2015 as a service option for families at highest risk of child maltreatment. The program was developed to reduce future reports of child abuse and neglect in families who have at least one child ages 0-5. It was informed by research on child abuse data by Dr. Emily Putnam-Hornstein of the Children's Data Network at the University of Southern California. Dr. Putnam-Hornstein's research found that a first call to the child abuse registry, no matter the outcome, during the first five years of a child's life is the strongest predictor of subsequent reports and involvement in the child welfare system.

First 5 OC partners with SSA to implement the program. We receive weekly referrals from SSA for families that: 1) have at least one child that is 5 years old or under; 2) have not previously had an interaction with SSA; and 3) are not eligible for any other services from SSA (in other words, the report to the child abuse registry was unsubstantiated or did not lead to an open case). SSA provides an average of 40 referrals to NRN each week.

Upon receiving a referral, we assign it to a First 5 OC-funded community-based provider based on the family's geographic location and specific service needs. That provider conducts outreach to the family and provides evidence based programming and referrals to other supports needed by the family. The intent of these services is to establish and engage a multidisciplinary team for child abuse prevention and intervention through the provision of NRN services and engage a greater number of families with children 0-5 without bringing those families into the child welfare system. First 5 OC provides the funding necessary to implement NRN and has embedded it within our home visiting program.

In February 2026, SSA notified us of their plan to renew our non-financial MOU to continue NRN service provision. As the administrative agency, we are responsible for oversight, coordination, quality assurance, and performance monitoring of the program. This includes referral management, provider oversight and certification, program monitoring and accountability, and data reporting and

transparency. In this role, we promote quality implementation, accountability, and continuous training across all our contracted service partners for delivery and improvement of the NRN program.

Between 2021 and 2025, we implemented several strategies to strengthen family engagement in the NRN program such as creating a new script for contacting families and meeting with SSA's case workers to share information about the program so they can better refer to these services. We continue to adapt our approach to emerging needs. Building on these efforts, we plan to further enhance engagement through the following strategies:

Addressing Immediate Basic Needs

Through ongoing family feedback, we recognized that many families referred to NRN first seek help for basic needs. In response, a Perinatal Community Health Worker (CHW) will be added into the multidisciplinary team as the initial point of contact for families requesting essential resources. This strategy has proven effective in connecting families to other First 5 OC programs. Addressing urgent needs such as housing, food, or material support helps build trust and increases families' openness to enrolling in additional services, including home visiting.

Strengthening Support for Families Impacted by Substance Use Disorder

With a growing number of referrals involving substance use disorder (SUD), we will be incorporating Peer Support Specialists into the Multidisciplinary Team (MDT). We have piloted using Peers as the initial point of contact for families with a history of or experiencing SUD, and their lived experience and ability to build authentic relationships have successfully facilitated connections to other services, such as home visiting, child care and Black Infant Health. This engagement model will now be formally integrated into the NRN referral process to improve enrollment and sustained participation. Both the Peers and Perinatal CHW are using Motivational Interviewing to help individuals resolve ambivalence and strengthen intrinsic motivation for behavior change through a client-centered approach.

Expanding Culturally Responsive Partnerships

To better meet the diverse cultural and linguistic needs of families, we will expand our network of community-based partners. In addition to Priority Center, All for Kids, Orange County Children's Therapeutic Arts Center, and Child Guidance Center, we will be adding new partners including OMID, Abrazar, and Asian American Senior Citizens Service Center. Combined, these organizations cover the evidence based practices of Parents as Teachers, Healthy Families America, and Parent Child Interaction Therapy. This expansion will increase access to services in Spanish, Arabic, Farsi, Vietnamese, and Mandarin, ensuring a more culturally and linguistically responsive system of care.

Collectively, these engagement strategies prioritize trust-building as the foundation for long-term participation in family strengthening and resilience opportunities through NRN services. The MOU renewal for NRN is scheduled for an Orange County Board of Supervisors meeting in April.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended actions have been reviewed in relation to the Strategic Plan and are consistent with all goal areas and in alignment with our strategies. No additional allocation of funding is associated with this item.

PRIOR COMMISSION ACTIONS:

- October 2024 - Adopt Resolutions Authorizing Agreements and Amendments with Designated Organizations to Provide Home Visiting and Support Services

RECOMMEND ACTION:

Receive update on Neighborhood Resource Network Memorandum of Understanding renewal and implementation of strategies to support participant engagement.

ATTACHMENT:

None

CONTACT:

Jessica Castillo



Agenda Item 4
April 1, 2026

DATE: March 4, 2026
TO: First 5 Orange County
FROM: Kimberly Goll, President/CEO *Kimberly Goll*
ACTION: Receive Update on Fatherhood Engagement Work

SUMMARY:

In January 2026, the National Fatherhood Initiative released a grant opportunity to facilitate a fatherhood pilot project, ProFathering15, for six months. First 5 Orange County applied and was selected as an awardee for 100 dad participants from February 23, 2026, to October 23, 2026. This agenda item provides an update on our fatherhood engagement work.

DISCUSSION:

Fatherhood involvement provides a critical resource to build protective factors, strengthen family resiliency, and create nurturing environments for young children. First 5 Orange County cofounded the OC Fatherhood Coalition in 2022 to improve outcomes for children and families by increasing fatherhood engagement with the most underserved populations in Orange County, improving engagement of dads in programs that support families, and impacting future generations.

Research over the 30 years has demonstrated that a father's involvement contributes to nearly every facet of a child's life. Higher levels of father involvement have been associated with better educational achievement, health, and mental wellness. Lower levels of father involvement and father absence have been associated with drug use, criminality, and other maladaptive behaviors. In Orange County, the sixth most populous county in the nation, there is no organization providing a free father involvement online learning course.

In January, we submitted a proposal for the National Fatherhood Initiative's ProFathering15 grant and were awarded one of the 16 slots from across the country. Recruitment for the program began on February 23, 2026.

The project delivers the ProFathering15 evidence-informed curriculum with fidelity, with individualized resource connections for 100 Orange County dads. ProFathering15 is an online, self-paced curriculum available in English and Spanish, and intentionally engages fathers through a flexible curriculum designed to accommodate busy schedules and minimize the need for travel. By the end of the program, dads gain a deeper understanding of how emotional regulation and child development shape their fathering. They learn tools to strengthen co-parenting and communication, practice positive discipline, and build their child's self-worth. All dads who complete the curriculum and finish a program evaluation will receive a gift card incentive.

We have conducted extensive outreach and recruitment for ProFathering15, inviting dads across our programs including Engaged Neighborhoods, home visiting, HealthySteps Clinics, the OC Fatherhood Coalition and via social media. We are also incorporating recruitment at our Bridges birthing hospitals during bedside screening, reaching new and expectant fathers at a critical point of readiness and motivation.

The ProFathering15 project runs from February 23, 2026, to October 23, 2026. This opportunity allows us to pilot an online, self-paced module system and assess its appeal and effectiveness for Orange County dads. It also enables us to test a direct linkage from Bridges hospital dads to fatherhood services. Insights gained from this pilot will inform future fatherhood programming and strengthen upcoming funding applications.

STRATEGIC PLAN & FISCAL SUMMARY:

The update has been reviewed in relation to First 5 Orange County Strategic Plan and aligns with the goals of Early and Ongoing Health and Development, and Safe and Nurturing Homes. Funding for this item is included in the FY 2025-26 budget.

PRIOR COMMISSION ACTIONS:

None

RECOMMENDED ACTION:

Receive update on fatherhood engagement work.

ATTACHMENT:

None

CONTACT: Andrew Montejo



**Agenda Item 5
April 1, 2026**

DATE: March 3, 2026
TO: First 5 Orange County
FROM: Kimberly Goll, President/CEO *Kimberly Goll*
ACTION: Receive List of Professional Association Memberships and Sponsorships

SUMMARY:

First 5 Orange County is a member of professional organizations that require annual membership dues. This item identifies those organizations recommended for continued membership or sponsorship.

DISCUSSION:

Memberships in state and local organizations offer opportunities for partnership development, professional learning, and networking. Following are brief descriptions of the membership organizations that enhance and support First 5 Orange County’s work.

Professional and Community Associations

First 5 Orange County’s Strategic Plan emphasizes the importance of building leaders in the community who believe that a focus on early childhood is imperative – not only for each child, but also for the region’s economic vitality and quality of life. Cultivating strategic community partnerships is an important strategy for developing a network of professional contacts and building committed leadership in the county.

A policy approved in May 2013 authorized the President/CEO to approve memberships and sponsorships within the funding authority of \$50,000, an amount previously established by the First 5 OC Board. The memberships and sponsorships listed in the following table are below \$50,000 and will be paid using the President/CEO’s authority but are provided for informational purposes.

Organization	Fee
Orange County Grantmakers: Membership of \$5000, Early Childhood Focus of \$25,000	\$30,000
Orange County Business Council: Indicators Report Sponsorship of \$5,000, Membership of \$5000	\$10,000
Orange County Association for the Education of Young Children: Conference Sponsorship of \$5,000, Membership of \$150	\$5,150
Association of California Cities Orange County	\$5,000
North Orange County Chamber	\$1,600

Orange County Hispanic Chamber of Commerce	\$1,500
Orange County Forum	\$1,000
Parents as Teachers Model Certified Subscription Renewal	\$950
EveryChild California	\$625
Zero to Three	\$360
Government Financial Officers Association	\$250
California Society of Municipal Finance Officers	\$160
Orange County Public Affairs Association	\$100

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended actions have been reviewed in relation to the Strategic Plan and are consistent with all goal areas. Funding for all memberships and sponsorships will be included in the Proposed Budget for Fiscal Year 2025-2026.

PRIOR COMMISSION ACTIONS:

- December 2024 – Adopted resolution authorizing payment for annual membership dues, professional association memberships, and regional meeting expenses.
- February 2023 – Adopted resolution authorizing payment for annual membership dues, professional association memberships, and regional meeting expenses.

RECOMMENDED ACTION:

Receive list of professional association memberships and sponsorships that fall under the previously established President/CEO funding authority limit.

ATTACHMENT:

None

CONTACT: Michael Garcell and Tiffany Alva



Agenda Item 6
April 1, 2026

DATE: March 4, 2026
TO: First 5 Orange County
FROM: Kimberly Goll, President/CEO *Kimberly Goll*
ACTION: Approve Reappointments to the First 5 Orange County Technical Advisory Committee

SUMMARY:

This item recommends the reappointment of two individuals to the First 5 Orange County Technical Advisory Committee for three-year terms.

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.

TAC members currently include representatives from key organizations and systems of care in Orange County including Health Care Agency, Social Services Agency, CalOptima, and the University of California, Irvine. The TAC bylaws allow each member to serve two consecutive three-year terms. Two current members' initial terms are set to expire this year, as shown in the table below.

Name	System Focus Area(s)	Initial Term	New Term
Dr. Michele Cheung OC Social Services Agency	<ul style="list-style-type: none">• Developmental Screenings and Linkage to Services• Home Visiting	April 5, 2023 – April 4, 2026	April 5, 2026 – April 4, 2029
Jade Jenkins University of California, Irvine	<ul style="list-style-type: none">• Child Care	Aug 2, 2023 – Aug 1, 2026	August 2, 2026 – August 1, 2029

Both members have expressed interest in continuing to serve on the TAC and their participation has brought important experience and expertise to the work, including developing and delivering successful community forums related to our systems change efforts. Their brief biographies are provided as Attachment 1. Staff recommends reappointing these members for a second term.

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. There is no funding associated with the action.

PRIOR COMMISSION ACTIONS:

- December 2025 – Appoint Tiberina Ugarcovici to the First 5 Orange County Technical Advisory Committee
- February 2025 – Appoint Dawn Smith to the First 5 Orange County Technical Advisory Committee
- 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:

Reappoint Michele Cheung and Jade Jenkins to the First 5 Orange County Technical Advisory Committee.

ATTACHMENT:

1. TAC Member Biographies

CONTACT: Lisa Burke

**Michele Cheung, MD MPH, FAAP
Orange County Health Care Agency**

Dr. Michele Cheung is board-certified pediatrician and pediatric infectious diseases specialist who has been with the Orange County Health Care Agency for over 22 years. Most recently, she has been part of the leadership team in the Community and Nursing Services Division as the Maternal, Child and Adolescent (MCA) Health Medical Director, where she collaborates with community partners on initiatives to improve the health of the MCA population, provides clinical consultation and education for the public health nurses, develops policies and procedures and other materials to guide staff, and conducts training for communicable disease surge response.

MCA areas of particular interest to Dr. Cheung include support of families affected by perinatal substance use with Family Wellness Plans (Plans of Safe Care) and addressing perinatal health disparities. She co-leads or co-chairs several community collaboratives/workgroups including the Orange County Perinatal Council, Family Support Task Force (Family Wellness Plan Coordination), Home Visiting Collaborative (Coordinated Entry), and Population Health Collaborative. She is also a member of the First 5 Orange County Technical Advisory Committee and the Black PEARL (Promoting Equity, Anti-Racism and Love) Community Participatory Advisory Board.

Before joining the OCHCA in 2004, Dr. Cheung worked as a hospital-based pediatric infectious diseases consultant and assisted with coordination of influenza surveillance at the state level. She continued to see pediatric patients as an infectious disease consultant at CHOC (Rady) Children's Hospital in Orange through the beginning of 2024. She is also a Volunteer Associate Clinical Professor in Pediatrics at the University of California (UC) Irvine and regularly has pediatric residents rotating through to learn more about public health. Dr. Cheung completed a Pediatric Infectious Diseases fellowship at UC San Francisco (UCSF), a Preventive Medicine residency at UC Berkeley/UCSF, and a Pediatrics residency at UC Irvine. She received her M.D. from Jefferson Medical College, Pennsylvania, her M.P.H from UC Berkeley, and her B.A. from Princeton University.

**Jade Jenkins, Associate Professor
University of California, Irvine**

Jade Jenkins is an Associate Professor at UCI's School of Education studying early childhood development policy. Her work is multidisciplinary and focuses on issues that are amenable to policy intervention, using diverse research methods to evaluate programs and understand the mechanisms that promote child and family wellbeing.

Jade also serves as the Associate Dean of the Undergraduate Program in Education Sciences, Co-Director of the UCI Center for Population, Inequality & Policy, and Associate Editor of Education Evaluation and Policy Analysis. She holds B.S. and M.S. degrees from the University of Florida in Family, Youth and Community Sciences, and Ph.D. in Public Policy from the University of North Carolina at Chapel Hill. Her Master's focus was in community development and poverty reduction.

After the M.S. program, Jade worked in Florida's early childhood care and education system. This firsthand experience in policy implementation was her primary motivation to pursue a Ph.D. in public policy and specialize in early childhood development to learn how to evaluate and develop policies that provide support for families with young children and reduce poverty in the long-term.

Her recent publications include:

- Why are preschool programs becoming less effective? (2026) [Journal of Public Policy and Management](#).
- Testing the Structure-Process-Outcome Model in Four Large Early Care and Education Policy Contexts. (2025) [Developmental Psychology](#).
- Forced to Redshirt: Quasi-experimental estimates of delayed kindergarten entry. (2025) [Journal of Research on Educational Effectiveness](#).



Agenda Item 7 April 1, 2026

DATE: March 19, 2026

TO: First 5 Orange County

FROM: Cassie Trapesonian, Commission Counsel

ACTION: Authorize Conflict of Interest Waiver for Woodruff & Smart, APC to Represent the County of Orange

SUMMARY:

This item requests authorization for First 5 Orange County's President/CEO to execute a waiver approving Commission Counsel's law firm, Woodruff & Smart, APC, to represent the County of Orange in litigation matters.

DISCUSSION:

The County of Orange ("County") recently reached out to partners in the litigation department of Commission Counsel's law firm regarding the possible engagement of Woodruff & Smart to assist the County with litigation matters. Pursuant to the professional rules of conduct governing attorneys in California, a lawyer may not, without the informed written consent of each client represent a client if the representation is directly adverse to another client in the same or separate matter. Specifically, and in relevant part, California Rules of Professional Conduct, Rule 1.7 provides:

(a) A lawyer shall not, without informed written consent from each client and compliance with paragraph (d), represent a client if the representation is directly adverse to another client in the same or separate matter.

(b) A lawyer shall not, without informed written consent from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer's representation of the client will be materially limited by the lawyer's responsibilities to or relationships with another client, a former client or a third person, or by the lawyer's own interests.

(c) Even when a significant risk requiring a lawyer to comply with paragraph (b) is not present, a lawyer shall not represent a client without written disclosure of the relationship to the client and compliance with paragraph (d) where: (1) the lawyer has, or knows that another lawyer in the lawyer's firm has, a legal, business, financial, professional, or personal relationship with or responsibility to a party or witness in the same matter; or (2) the lawyer knows or reasonably should know that another party's lawyer is a spouse, parent, child, or sibling of the lawyer, lives with the lawyer, is a client of the lawyer or another lawyer in the lawyer's firm, or has an intimate personal relationship with the lawyer.

(d) Representation is permitted under this rule only if the lawyer complies with paragraphs (a), (b), and (c), and:

(1) the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client;

(2) the representation is not prohibited by law; and

(3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal.

Although Woodruff & Smart is not aware of any matters in which First 5 Orange County's interests and the County's interests have been or are directly adverse either in the same or separate matter, there is the potential that such an adverse interest could arise in the future. The County provides administrative support services to First 5 Orange County through an administrative support services agreement. The County is also a funding source, or otherwise contracts with First 5 Orange County, for several programs including Home Visiting, Black Infant Health, Neighborhood Resources Network, and Peer Support Work. In addition, First 5 Orange County currently serves as a subcontractor to the County to prepare the annual Conditions of Children Report. The County may fund or contract with First 5 Orange County for additional programs and services in the future. To date, First 5 Orange County's interests and the County's interests in negotiating and executing such agreements have not been adverse; however, Commission Counsel has retained outside counsel to review and negotiate agreements with the County as necessary.

Pursuant to the waiver, a draft of which is attached, we would continue to represent both First 5 Orange County as well as the County; provided that if First 5 Orange County and the County were involved in an arbitration or litigation in which their interests were adverse, we could not represent either First 5 Orange County or the County without a specific written waiver from both agencies for that matter. In addition, Commission Counsel would not perform any work for the County, and our legal services to the County would be limited to litigation matters unrelated to First 5 Orange County's work. The County has executed a similar waiver, which is attached herein.

RECOMMENDED ACTION:

Authorize First 5 Orange County's President/CEO to execute a conflict of interest waiver approving Commission Counsel's law firm, Woodruff & Smart, APC, to represent the County of Orange in litigation matters.

ATTACHMENTS:

1. First 5 Orange County Draft Conflict of Interest Waiver
2. County of Orange Conflict of Interest Waiver

CONTACT: Cassie Trapesonian

WOODRUFF

Woodruff & Smart
A Professional Corporation

TO: Chair Rivera and First 5 Orange County Board of Commissioners
Kim Goll, President/CEO

FROM: Cassie E. Trapesonian, Commission Counsel

DATE: April 1, 2026

RE: Conflict Waiver

Pursuant to a staff report to the First 5 Orange County Board of Commissioners on April 1, 2026, this memorandum is to confirm that the Commission authorized the President/CEO, Kim Goll, to waive any objection, to the extent provided herein, of a potential conflict of interest with respect to Woodruff & Smart's representation of First 5 Orange County as its General Counsel and the County of Orange (County) in litigation matters.

Rule 1.7 of the California Rules of Professional Conduct provides in pertinent part:

(a) A lawyer shall not, without informed written consent from each client and compliance with paragraph (d), represent a client if the representation is directly adverse to another client in the same or separate matter.

(b) A lawyer shall not, without informed written consent from each affected client and compliance with paragraph (d), represent a client if there is a significant risk the lawyer's representation of the client will be materially limited by the lawyer's responsibilities to or relationships with another client, a former client or a third person, or by the lawyer's own interests.

(c) Even when a significant risk requiring a lawyer to comply with paragraph (b) is not present, a lawyer shall not represent a client without written disclosure of the relationship to the client and compliance with paragraph (d) where: (1) the lawyer has, or knows that another lawyer in the lawyer's firm has, a legal, business, financial, professional, or personal relationship with or responsibility to a party or witness in the same matter; or (2) the lawyer knows or reasonably should know that another party's lawyer is a spouse, parent, child, or sibling of the lawyer, lives with the lawyer, is a client of the lawyer or another lawyer in the lawyer's firm, or has an intimate personal relationship with the lawyer.

(d) Representation is permitted under this rule only if the lawyer complies with paragraphs (a), (b), and (c), and:

- (1) the lawyer reasonably believes that the lawyer will be able to provide competent and diligent representation to each affected client;*
- (2) the representation is not prohibited by law; and*
- (3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal.*

The waiver described herein is limited as follows: (1) Commission Counsel will not perform any work for the County; (2) Woodruff & Smart will not provide legal services to the County other than litigation-related services; (3) Woodruff & Smart attorneys who work on County litigation matters will not advise First 5 Orange County on the negotiation and interpretation of agreements to which the County is a party; and (4) should litigation, arbitration, or alternative dispute resolution be instituted in which the interests of the County and First 5 Orange County are adverse to each other during the time that Woodruff & Smart is performing legal services for both the County and First 5 Orange County, Woodruff & Smart will be unable to represent the County or First 5 Orange County in that matter in the absence of a specific waiver from both parties. Otherwise, Woodruff & Smart will fully represent First 5 Orange County in our capacity as Commission Counsel in our relationships and dealings with the County.

As noted in the above-referenced staff report and herein, although Woodruff & Smart is not aware of any matters in which First 5 Orange County's interest and the County's interest have been or are directly adverse either in the same or separate matter, there is the potential that such an adverse interest could arise in the future. The County provides administrative support services to First 5 Orange County through an administrative support services agreement. The County is also a funding source, or otherwise contracts with First 5 Orange County, for several programs including Home Visiting, Black Infant Health, Neighborhood Resources Network, and Peer Support Work. In addition, First 5 Orange County currently serves as a subcontractor to the County to prepare the annual Conditions of Children Report. The County may fund or contract with First 5 Orange County for additional programs and services in the future. Woodruff & Smart will represent First 5 Orange County in negotiations with the County on these matters and future matters, as well as in situations in which questions regarding agreements arise.

In executing this conflict waiver below on behalf of the Board of Commissioners, First 5 Orange County agrees to waive potential conflicts to the extent provided herein.

Thank you for your consideration in this matter and we look forward to continuing to serve First 5 Orange County.

Sincerely,

Cassie Trapesonian, Commission Counsel

Conflict of Interest Waiver

On behalf of the Board of Commissioners, First 5 Orange County provides its informed consent to, and waives its objections, to the extent provided herein, of any potential conflicts of interest arising out of Woodruff & Smart's concurrent representation of First 5 Orange County and the County of Orange.

Kim Goll, President/CEO

Dated: April 1, 2026

WOODRUFF

Woodruff & Smart
A Professional Corporation

BRIAN A. MOORE
DIRECT DIAL: (714) 415-1025
E-MAIL: BMOORE@WOODRUFF.LAW

October 2, 2025

VIA E-MAIL

Michael Alio, MA, ARM-P
Director of Risk Management/Deputy Director
CEO Risk Management
400 W. Civic Center Drive, 5th Floor
Santa Ana, CA 92701
Michael.Alio@ceo.oc.gov

Re: **Conflict Waiver**

Dear Michael,

This letter is to (1) advise the County of Orange (County) regarding the potential for conflicts of interest between the County and other clients of Woodruff & Smart, A Professional Corporation, (Woodruff & Smart) for which Woodruff & Smart attorneys serve as City Attorney/General Counsel and/or provide city attorney/general counsel services; and (2) confirm that the County shall waive any objection, to the extent provided herein, of such potential conflicts of interest.

In their role as City Attorney/General Counsel for various public agencies, Woodruff & Smart attorneys are occasionally involved in the negotiation, drafting, and review of various agreements to which the County is a party, such as agreements for County services. We anticipate that Woodruff & Smart attorneys will continue to provide such services for its clients in the future and will continue to negotiate, draft, and review these types of agreements. Although Woodruff & Smart is not aware of any matters in which the County's interests and the interests of other Woodruff & Smart clients have been or are directly adverse, there is the potential that such an adverse interest could arise in the future.

Therefore, except as limited below, Woodruff & Smart attorneys will be permitted to represent other public agencies in connection with the negotiation, drafting, and review of agreements involving the County, as well as in situations in which questions regarding existing agreements arise. The waiver described herein is limited as follows: (1) Woodruff & Smart attorneys who serve as City Attorney/General Counsel for other public agencies will not perform any work for the County; (2) Woodruff & Smart will not provide legal services to the County other than litigation-related services; (3) Woodruff & Smart attorneys who work on County litigation matters will not advise other Woodruff & Smart clients on the negotiation and interpretation of agreements to which the County is a party; and (4) should litigation, arbitration, or alternative dispute resolution be instituted in which the interests of the County and other Woodruff & Smart clients are adverse to each other during the time that Woodruff & Smart is performing legal

WOODRUFF & SMART, APC

555 ANTON BOULEVARD, SUITE 1200 | COSTA MESA, CA 92626-7670 | TELEPHONE (714) 558-7000 | FAX (714) 835-7787

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October 2, 2025

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services for both the County and such other clients, Woodruff & Smart will be unable to represent the County or such other clients in that matter in the absence of a specific waiver from both parties.

If this waiver with the described limitations is acceptable to the County, please sign the waiver below.

Cordially,

WOODRUFF & SMART
A Professional Corporation



BRIAN A. MOORE

In executing this conflict waiver, the County provides its informed consent to and waives its objections, to the extent provided herein, of any potential conflict of interest arising out of Woodruff & Smart's concurrent representation of the County and other public agencies for which Woodruff & Smart serves as City Attorney/General Counsel and/or provides city attorney/general counsel services.



(Signature on behalf of the County of Orange)

Dated: 10/20/25



**Agenda Item 8
April 1, 2026**

DATE: February 21, 2026

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO

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

ACTION: Adopt Resolutions Authorizing an Amendment to an Agreement with First 5 Riverside for Receipt of Funds and Amendments to Agreements with Designated Organizations to Implement First 5 California's Improve and Maximize Programs so All Children Thrive (IMPACT) Legacy

SUMMARY:

This item requests authorization to amend the agreement with First 5 Riverside to receive an additional year of funding from First 5 California to implement First 5 California's Improve and Maximize Programs so All Children Thrive (IMPACT) Legacy. It also authorizes amending agreements with the Orange County Department of Education (OCDE); Orange County Association for the Education of Young Children (OCAEYC); Community for Innovation, Entrepreneurship, Leadership and Opportunities (CIELO); and consultant Garrett Maxwell to support our local strategy to enhance the quality of early learning in Orange County.

DISCUSSION:

First 5 California is the primary funder of the IMPACT program, which aims to expand access to high-quality early learning and care, by implementing and enhancing quality rating systems across California, providing professional development and training to improve teacher-child interactions, and strengthening early learning systems through evidence-based practices and parent engagement. IMPACT takes a comprehensive approach, addressing the needs of the whole child – including health, behavioral health, child development, and family strengthening. IMPACT dollars cannot be used to fund child care slots directly.

Each county First 5 receives IMPACT funding based on its population of young children. Over the past 10 years, First 5 Orange County has received \$11,212,095 in IMPACT funds to build a local quality system for early learning. These funds have supported partnerships with OCDE, OCAEYC, CIELO, and expert consultants to increase access to quality child care programming across the county.

In 2023, First 5 California released the IMPACT Legacy Request for Applications (RFA), offering two years of funding with the possibility of two additional years. In December, First 5 California announced the final year of IMPACT Legacy funding for fiscal year 2026-2027, with First 5 Orange County's allocation continuing to be \$881,124.46 for one year. Given the success of this work over the last three-year funding cycle, we recommend continued funding for OCDE, OCAEYC, and CIELO. Additionally, to leverage Kid Builders as a family engagement strategy, a portion of funds will remain with First 5 Orange County to support providers in engaging families and educating them on social and emotional development and multilingual learning. Specific activities to be funded through IMPACT are described below.

1. Expand Access to Quality

First 5 OC will continue partnering with CIELO to engage disinvested communities and onboard family, friend, and neighbor (FFN) providers. CIELO plays a critical role in helping FFNs navigate the licensing process and alternative payment systems while supporting them in delivering quality care through communities of practice and workshops. The relationships built through the incubator program have created a pipeline into the Small Business Development Center (SBDC) and Women's Business Center (WBC) in-home child care business training series, fostering long-term business development. In addition, OCAEYC's Peer Guide program will remain funded to provide mentorship for new Family Child Care providers across the county who participate in and graduate from the SBDC/WBC in-home family child care program.

2. Improve Adult-Child Interactions and Enhance Family Engagement

OCDE will continue providing professional development and coaching to early learning providers, with a focus on high-quality adult-child interactions, social-emotional development, reducing suspension and expulsion rates, and supporting dual language learners. As subject matter experts, OCDE staff has expanded these services to FFN providers, family child care programs, and private early learning programs using IMPACT funds. This year, workshop offerings will be broadened to include sessions exclusively for home visitors. Funding will also be allocated to adapt and leverage Kid Builders resources to create provider kits. These kits will include materials designed to help educators engage families around social-emotional development and strategies for supporting multilingual learners.

3. Coordinate Statewide Efforts Towards Sustainability

We continue to prioritize sustainability planning with our funded partners. With support from expert consultants, we are engaging systems partners through a collective impact approach to explore how supports currently funded under IMPACT can be sustained beyond what we anticipate will be the final year of funding. Garrett Maxwell Agency, LLC is assisting partners in integrating a collective impact model into countywide services and aligning efforts with the Child Care Systems Collaborative. Additionally, learnings from the Building Equitable Early Learning Systems (BEELS) initiative are shaping these efforts by emphasizing equity and guiding the development of an action plan to sustain coaching and professional learning opportunities.

The termination date for existing agreements is June 30, 2026. This item requests approval to accept funding in the amount of \$881,124.46 from First 5 Riverside for July 1, 2026, through June 30, 2027, and to amend the agreements with the agencies listed in the Term Sheet (Attachment 1). All amendments are contingent upon receipt of funding from First 5 California and First 5 Riverside.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended actions have been reviewed in relation to the Strategic Plan and are consistent with the focus area of increasing access to quality infant and toddler child care.

PRIOR ACTIONS:

- April 2, 2025 – Receive funding up to \$1,00,000 from First 5 Riverside for 2025-2026 to continue implementation of First 5 California's IMPACT Legacy program.
- June 7, 2023 – Receive funding of \$1,958,054 from First 5 Riverside for two year term over fiscal years 2023-2025 to support the local implementation of First 5 California's IMPACT Legacy program.

- June 6, 2020 – Receive funding of \$3,263,424 from First 5 California to implement the First 5 IMPACT Action Plan for 2020-2023 and adopt resolutions authorizing agreements with Orange County Department of Education (OCDE); Orange County Association for the Education of Young Children (OCAEYC); Community for Innovation, Entrepreneurship, Leadership and Opportunities (CIELO); Rancho Santiago Community College District (RSCCD); and Sudario & Associates
- June 6, 2020 – Receive funding of \$841,028 from First 5 California to provide regional coordination, training and technical assistance to the Region 9 Hub counties
- December 2019 – Receive funding from First 5 California and adopted resolutions authorizing agreements with Orange County Department of Education for the Quality Early Learning Programs

RECOMMEND ACTIONS:

1. Adopt resolution (Attachment 2) authorizing President/CEO to amend Agreement No. CF26104 with First 5 Riverside to receive funds in the amount of \$881,124.46 to continue IMPACT Legacy efforts for fiscal year 2026-27.
2. Adopt resolution (Attachment 3) authorizing the President/CEO, or designee, and Commission Counsel to negotiate and execute amendments to agreements with Orange County Department of Education (OCDE); Orange County Association for the Education of Young Children (OCAEYC); Community for Innovation, Entrepreneurship, Leadership and Opportunities (CIELO); and Garrett Maxwell for the scope, terms, and conditions specified in Attachment 1.

ATTACHMENTS:

1. Term Sheet
2. Resolution (First 5 Riverside)
3. Resolution (Organizations Specified on Term Sheet)

CONTACT: Cristina Blevins

TERM SHEET

Partner	Agreement #	Current Term	Current Amount	New Amended Term	New Amended Maximum Payment Obligation	Description
Orange County Superintendent of Schools (OCDE)	FCI-IMP-05	08/01/23-06/30/26 (2 nd Amendment)	\$1,580,000.06 (2 nd Amendment)	08/01/23-06/30/27 (3 rd Amendment +12 months)	\$1,960,000.06 (3 rd Amendment +\$380,000)	Offer comprehensive professional development and coaching to IMPACT participants, including home visiting partners, ensuring they have the knowledge and skills needed to excel. Continue Communities of Practice for home-based providers, fostering a supportive network for sharing best practices and peer support. Maintain navigation process for IMPACT partners to understand and navigate Family, Friend and Neighbor (FFN) and FCC providers to QualityStart OC.
Community for Innovation, Entrepreneurship, Leadership and Opportunities (CIELO)	FCI-IMP-06	08/01/23-06/30/26 (2 nd Amendment)	\$426,124.40 (2 nd Amendment)	08/01/23-06/30/27 (3 rd Amendment +12 months)	\$627,224.40 (3 rd Amendment +\$201,100)	Recruit providers in communities with a history of segregated housing patterns, discrimination, and persistent inequities to participate in the incubator program. Offer client navigation services to new providers to help them seamlessly integrate into Quality Start OC. Provide incentives to Family, Friend, and Neighbor (FNN) providers to encourage their active participation and commitment. Additionally, establish a Community of Practice for FFN participants. This platform can facilitate the sharing of best practices, resources, and support among participants, fostering a sense of community and continuous improvement.
Orange County Association for the Education of Young Children (OCAEYC)	FCI-IMP-07	08/01/23-06/30/26 (4 th Amendment)	\$293,600 (4 th Amendment)	08/01/23-06/30/27 (5 th Amendment +12 months)	\$393,600 (5 th Amendment +\$100,000)	Actively recruit providers to participate in Quality Start OC via Peer Guide program. Implement targeted outreach strategies to ensure a diverse network of Peer Guide providers is well-represented and have access to the support and resources offered by the program. Additionally, provide comprehensive anti-bias and anti-racism training for all participants to promote inclusivity, equity, and cultural competence.

Chrystina Smith Rasshan dba Garrett Maxwell Agency, LLC.	C-524	07/01/25- 06/30/26	\$125,000	07/01/25- 06/30/27 (1 st Amendment +12 months)	\$225,000 (1 st Amendment +\$100,000)	Efficiently manage the partners involved with the IMPACT Legacy grant by organizing stakeholder meetings and enhancing the sustainability of both current and new providers. Provide targeted technical assistance focusing on funding streams and establish connections with other agencies, such as the Orange County Department of Education (OCDE), Orange County Association for the Education of Young Children (OCAEYC), SBDC, and CIELO, among others. Additionally, support the First 5 Strategic goals related to equity and family engagement initiatives, ensuring that all families have access to the resources and opportunities they need.
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** Remaining \$100,024.46 allocated to First 5 OC for Kid Builders kits and activities

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-26-C&FC

April 1, 2026

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH FIRST 5 RIVERSIDE TO CONTINUE IMPACT LEGACY EFFORTS FOR FISCAL YEAR 2026-27; 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, Commission previously entered into an agreement with First 5 Riverside (hereinafter referred to as “Grantor”) to provide continue IMPACT Legacy Efforts (hereinafter referred to as the “Agreement”);

WHEREAS, Commission desires to receive additional funding and to amend the agreement with Grantor to continue IMPACT Legacy Efforts (hereinafter referred to as the “Amendment”) for the terms and in the amounts as specified in the April 1, 2026 staff report, including attachments, for this Agenda Item (hereinafter referred to as the “Agenda Item”); and

WHEREAS, Commission desires to enter into the Amendment with Grantor in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Amendment; and

WHEREAS, Commission has reviewed the Agenda Item relating to the grant and hereby finds and determines that the proposed Amendment is in furtherance of and consistent with the Commission’s Strategic Plan; and

WHEREAS, Commission desires to authorize the President/CEO, Commission Chair, and/or Commission Clerk, as may be required by the Grantor, to execute the Amendment with the Grantor in the amount and for the terms 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, execute the Amendment with the Grantor to in the amounts and for the terms consistent with the Agenda Item.

Section 3 The Amendment will be on the form provided by the Grantor and shall 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 Amendment by the President/CEO or by the Commission Chair and delivery thereof to the Commission Clerk, as required by the Agreement.

Section 4 Commission hereby approves the Amendment with the Grantor in the amounts and for the terms as specified in the Agenda Item.

Section 5 The President/CEO and/or Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Amendment on behalf of the Commission.

Section 6 A copy of the Amendment when executed by the President/CEO and/or 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 Amendment 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, 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 and any Amendment(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such Amendment(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 April 1, 2026 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: __-26-C&FC

Agenda Date: April 1, 2026

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 Amendment)

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-26-C&FC

April 1, 2026

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AMENDMENTS TO AGREEMENTS, AT THE PRESIDENT/CEO'S SOLE DISCRETION, WITH DESIGNATED ORGANIZATIONS AND INDIVIDUALS TO IMPLEMENT IMPACT LEGACY EFFORTS FOR FISCAL YEAR 2026-27; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AMENDMENTS 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 Commission previously entered into agreements to implement IMPACT Legacy Efforts (hereinafter collectively referred to as the "Agreements") with various organizations and individuals (hereinafter referred to as the "Contractors"), which are identified in the staff report and attachments for this April 1, 2026 Agenda Item (hereinafter referred to as the "Agenda Item").

WHEREAS, the Commission has authorized the President/CEO to amend the Agreements, at the President/CEO's sole discretion, with each of the Contractors for the terms, in the amounts, and on the conditions as described in the Agenda Item (hereinafter referred to as the "Amendments"); and

WHEREAS, each Contractor desires to amend its 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 Amendment; 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 Amendments are 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 Amendments to the Agreements with each of the Contractors 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 Amendments to Agreements with each of the Contractors for the terms, in the amounts, and on the conditions consistent with the Agenda Item; and

Section 3 The form of any Amendments shall be substantially similar to the standard form agreements, subject to minor, non-substantive revisions, or as otherwise required to comply with 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 Agreements shall be conclusively evidenced by the execution of such Amendments by the Commission Chair and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves the Amendments, which will be authorized at the President/CEO's sole discretion, with each of the Contractors 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 Amendments on behalf of the Commission.

Section 6 A copy of each final Amendment 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. Each final executed Amendment 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 April 1, 2026 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: __-26-C&FC

Agenda Date: April 1, 2026

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 Amendments and Agreements)



Agenda Item 9
April 1, 2026

DATE: March 16, 2026

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO 

ACTION: Authorize Funding for an Intergovernmental Transfer (IGT) Transaction with CalOptima Health and Kaiser Permanente and Adopt Resolution Authorizing Agreements with the California Department of Health Care Services, Kaiser Permanente, and CalOptima Health

SUMMARY:

First 5 Orange County has participated in nine intergovernmental transfer (IGT) transactions as a strategy to leverage federal funding to support investments in children's health. This agenda item requests funding for an IGT transaction and authorization of an agreement with California Department of Health Care Services (DHCS).

DISCUSSION:

A rate range IGT transaction provides federal Medicaid funding for reimbursement of uncompensated care for Medi-Cal beneficiaries in a given fiscal year. This type of IGT can only occur via a managed care organization. Rate range IGTs began statewide in 2006 and have been used by every county in the state to offset the cost of uncompensated care provided by county health departments, public hospitals, and other local care providers. Due to California's comparatively low reimbursement rates, counties have substantial headroom with which to accommodate these transactions. With rate range IGTs, a government entity provides non-federal matching funds that the State uses to obtain the highest reimbursement rate that is federally allowable. As a general guide, for every dollar provided as a match, about a dollar is returned to the originating county. DHCS charges a 20 percent administrative fee on each transaction.

Participation in an IGT is limited to organizations on both the provider and financing sides that meet the following eligibility criteria:

- *Agencies that have documented uncompensated cost of serving Medi-Cal members* – Since the basis for an IGT is reimbursement for the actual cost of care for services provided, a participating entity must be able to document uncompensated costs for a defined period. In this case, the amount of the transaction is based on expenses incurred during the Calendar Year 2024 Rate Range Program. The determination of uncompensated costs is limited to the difference between the managed care organization's payment to providers for authorized benefits and the actual cost of care for these services. Agencies must show that the uncompensated care was for Medi-Cal beneficiaries.
- *Financing to support the transaction must be provided by a government entity* – The local funds to support IGT transaction financing must be public and cannot be federal funds or private provider donations. First 5 Orange County is an eligible public entity and has completed nine previous IGT transactions.

- *IGT revenue must be used for Medi-Cal covered benefits* – Potential uses for IGT funding have narrowed significantly due to federal regulations and State policies. IGT funds are now considered part of the capitation payments that managed care organizations receive from the State and thus are subject to the same restrictions. Essentially, funds may only be used for covered Medi-Cal benefits.

For this IGT, First 5 OC's projected pro rata share of the county's overall headroom for an IGT transaction is split between the two managed care organizations (MCOs) in Orange County. In the past, we have only had one managed care plan to work with: CalOptima Health. With the inclusion of Kaiser Permanente as a managed care plan in Orange County, the IGT will be split between these two MCOs. We have up to \$536,273.59 for CalOptima Health and \$40,531.22 for Kaiser Permanente. These amounts do not include the 20 percent fee assessed by DHCS which could be as high as \$116,000. However, the total funds transferred will be determined by DHCS and will be based upon actual enrollment figures and population served. Therefore, the final funding amount may be higher or lower than this estimated amount. If the final amount is lower, DHCS will return unspent funds to First 5 Orange County, and if it is higher, we will be required to provide additional funding in an amount identified by DHCS. The final reconciliation is projected to take place approximately two years after the completion of the service period.

Staff will continue to provide updates to the First 5 OC Board on the progress of this IGT transaction and total funding contributed. Our contribution will come from our Systems Building fund, which accumulates through allocating revenue that is over the budgeted revenue. This fund has historically been used to fund and support IGTs and other one-time opportunities.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended actions presented in this staff report have been reviewed in relation to the Strategic Plan and are consistent with applicable goals. Funding for this item will be included in the applicable fiscal budget once an agreement is signed with DHCS.

PRIOR COMMISSION ACTIONS:

- June 2024 – Update on Prior IGT Projects
- October 2023 – Approve Funding for IGT Rate Year 2022
- October 2022 – Update on all IGT Projects
- October 2021 – Approve Administrative Update to Terms of IGT Agreement
- February 2021 – Approved IGT Transaction

RECOMMENDED ACTIONS:

1. Authorize payment of \$536,274 and any other amount required by the California Department of Health Care Services (DHCS) based on actual enrollment figures to support an intergovernmental transfer (IGT) transaction with CalOptima Health.
2. Authorize payment of \$40,532 and any other amount required by DHCS based on actual enrollment figures to support an intergovernmental transfer (IGT) transaction with Kaiser.
3. Authorize payment of a 20 percent transaction fee to DHCS (which is estimated to be \$116,000) for the purposes of supporting the IGT transaction.
4. Adopt resolution (Attachment 1) authorizing the President/CEO, or designee, and Commission Counsel to negotiate and execute an agreement with DHCS for the transfer of

First 5 Orange County funding, as referenced above, for purposes of providing the nonfederal share for an IGT for the rate year of January 1, 2025, through December 30, 2025.

5. Adopt resolution (Attachment 2) authorizing an agreement with Cal Optima Health for the payment of IGT funds to First 5 Orange County.
6. Adopt resolution (Attachment 3) authorizing an agreement with Kaiser for the payment of IGT funds to First 5 Orange County.

ATTACHMENTS:

1. Resolution for California Department of Health Care Services – Intergovernmental Transfer of Public Funds
2. Resolution for CalOptima Health
3. Resolution for Kaiser Permanente

CONTACT: Kim Goll

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-26-C&FC

April 1, 2026

RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AN AGREEMENT WITH CALIFORNIA DEPARTMENT OF HEALTH CARE SERVICES FOR THE NON-FEDERAL SHARE OF AN INTERGOVERNMENTAL TRANSFER TRANSACTION; 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 Commission desires to enter into an Agreement (“Agreement”) with the California Department of Health Care Services (DHCS) for the non-federal share of an Intergovernmental Transfer (IGT) transaction for the terms and in the amounts as specified in the April 1, 2026 staff report (hereinafter referred to as the “Agenda Item”), including DHCS’s transaction assessment fee; and

WHEREAS, DHCS desires to enter into the Agreement with Commission in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the applicable Agreement; and

WHEREAS, Commission has reviewed the Agenda Item relating to the purpose 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 DHCS in the amount and for the terms 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 negotiate and execute the Agreement(s) with the DHCS using the DHCS's contract template(s) for the non-federal share of an IGT transaction.

Section 3 Commission hereby approves the Agreement(s) with DHCS for the terms and in the amounts as specified in the Agenda Item, including DHCS's transaction assessment fee.

Section 4 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 5 A copy of the Agreement(s) 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(s) shall be placed on file in the office of the Clerk of the Commission.

Section 6 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 Amendments (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 7 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 April 1, 2026 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: __-26-C&FC

Agenda Date: April 1, 2026

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 Agreement(s))

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-26-C&FC

April 1, 2026

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH THE ORANGE COUNTY HEALTH AUTHORITY DBA CALOPTIMA HEALTH FOR THE INTERGOVERNMENTAL TRANSFER TRANSACTION; 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, Commission desires to enter into an agreement (hereinafter referred to as the “Agreement”) with the Orange County Health Authority dba CalOptima Health (hereinafter referred to as “CalOptima”) for participation in an Intergovernmental Transfer Transaction;

WHEREAS, the Commission desires to enter into the Agreement with CalOptima for the terms and in the amounts as specified in the April 1, 2026 staff report, including any attachments, for this Agenda Item (hereinafter referred to as the “Agenda Item”); and

WHEREAS, Commission desires to enter into the Agreement with CalOptima 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 Agreement 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 President/CEO, Commission Chair, and/or Commission Clerk, as required by the Agreement, to execute the Agreement with CalOptima in the amount and for the terms 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, execute the Agreement with CalOptima in the amounts and for the terms consistent with the Agenda Item.

Section 3 The Agreement will be on the form provided by CalOptima and shall 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 President/CEO or by the Commission Chair and delivery thereof to the Commission Clerk, as required by the Agreement.

Section 4 Commission hereby approves the Agreement with CalOptima in the amounts and for the terms as specified in the Agenda Item.

Section 5 The President/CEO and/or 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 Agreement when executed by the President/CEO and/or 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, 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 and any Amendment(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such Amendment(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 April 1, 2026 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: __-26-C&FC

Agenda Date: April 1, 2026

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 Agreement)

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-26-C&FC

April 1, 2026

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO TO EXECUTE AN AGREEMENT WITH KAISER PERMANENTE FOR THE INTERGOVERNMENTAL TRANSFER TRANSACTION; 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, Commission desires to enter into an agreement (hereinafter referred to as the “Agreement”) with Kaiser Permanente (hereinafter referred to as “Kaiser”) for participation in an Intergovernmental Transfer Transaction;

WHEREAS, the Commission desires to enter into the Agreement with Kaiser for the terms and in the amounts as specified in the April 1, 2026 staff report, including any attachments, for this Agenda Item (hereinafter referred to as the “Agenda Item”); and

WHEREAS, Commission desires to enter into the Agreement with Kaiser 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 Agreement 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 President/CEO, Commission Chair, and/or Commission Clerk, as required by the Agreement, to execute the Agreement with Kaiser in the amount and for the terms 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, execute the Agreement with Kaiser in the amounts and for the terms consistent with the Agenda Item.

Section 3 The Agreement will be on the form provided by Kaiser and shall 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 President/CEO or by the Commission Chair and delivery thereof to the Commission Clerk, as required by the Agreement.

Section 4 Commission hereby approves the Agreement with Kaiser in the amounts and for the terms as specified in the Agenda Item.

Section 5 The President/CEO and/or 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 Agreement when executed by the President/CEO and/or 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, 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 and any Amendment(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such Amendment(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 April 1, 2026 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: __-26-C&FC

Agenda Date: April 1, 2026

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 Agreement)



Agenda Item 10
April 1, 2026

DATE: March 2, 2026
TO: First 5 Orange County
FROM: Kimberly Goll, President/CEO 
ACTION: Adopt Resolutions Authorizing Agreements with Designated Organizations to Provide Consulting and Data Collection and Management Services

SUMMARY:

First 5 Orange County's core business is to allocate public funds to improve outcomes for young children in Orange County. In furtherance of this goal, it is necessary to contract with evaluation, performance management, and proprietary software vendors. This item requests approval of new consultant and vendor agreements for Fiscal Year 2026-2027.

DISCUSSION:

First 5 Orange County's Policy 6.1 provides that "the Commission recognizes circumstances which make a Request for Qualifications (RFQ) process unproductive, when it is generally accepted that only one provider is available or has the specific level of expertise and existing knowledge and involvement in a specific project or functional area." A summary of the expertise of each consultant falling into this category is provided below.

Salesforce (Carahsoft Technology Corporation)

In April 2020, the Board approved the design of a new contracts and data management database that enables us to measure progress at both programmatic and system levels. The database also provides the administrative functions of budgeting and payment and the necessary data for reporting required by the State. In Fall 2020, First 5 Orange County's High 5 contracts and data management system launched successfully.

We developed High 5 by leveraging the First 5 Alameda system at a lower cost and significantly shorter development time than building a new system. The High 5 database requires us to purchase an annual license from the Salesforce data platform. It is recommended that we continue to contract with Salesforce (through Carahsoft Technology Corporation).

Accenture LLP (formerly Navisite LLC)

Accenture was approved as our High 5 developer to leverage First 5 Alameda's High 5 system. Accenture has expertise in the Salesforce Application Suite as well as First 5 Orange County's custom solution built on the Salesforce App Cloud platform. Staff recommends continuing to contract with Accenture to ensure seamless support for the implementation, ongoing managed services, and any special projects for First 5 Orange County's High 5 System.

For this contract, staff recommends authorizing Commission Counsel to negotiate and execute the agreement, which may include modifications to our standard boilerplate terms and conditions. Such revisions may be necessary to reflect the specialized nature of the technical assistance and

managed services provided. Counsel will ensure that any changes remain consistent with First 5 Orange County's organizational, legal, and financial interests.

STRATEGIC PLAN & FISCAL SUMMARY:

The proposed actions have been specifically reviewed in relation to First 5 Orange County's Strategic Plan and are consistent with its goals. Funding for the proposed actions will be included in the Proposed Fiscal Year 2026-2027 Budget.

PRIOR COMMISSION ACTIONS:

- June 2025 – Adopted resolution authorizing agreements or amendments to agreements with designated individuals and organizations to provide consultant services.
- June 2024 – Adopted resolution authorizing agreements or amendments to agreements with designated individuals and organizations to provide consultant services.

RECOMMENDED ACTIONS:

1. Adopt resolution (Attachment 1) authorizing the President/CEO, or designee, to enter into Agreement No. PS-370 with Carahsoft Technology Corporation for Salesforce platform subscription services for the term July 1, 2026, to June 30, 2027, in an amount not to exceed \$115,000.
2. Adopt resolution (Attachment 4) authorizing Commission Counsel to negotiate and enter into Agreement No. PS-371 with Accenture LLP to provide technical support, special projects, and managed services for the term from July 1, 2026, to June 30, 2027, in an amount not to exceed \$120,000 including any necessary modifications to standard terms and conditions.

ATTACHMENTS:

1. Resolution (Carahsoft)
2. Resolution (Accenture LLP)

CONTACT: Kimberly Goll and Michael Garcell

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-26-C&FC

April 1, 2026

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENT NO. PS-370, AT THE PRESIDENT/CEO'S SOLE DISCRETION, WITH CARAHSOFT TECHNOLOGY CORPORATION FOR SALESFORCE PLATFORM SUBSCRIPTION SERVICES; 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. PS-370 with Carahsoft Technology Corporation (hereinafter referred to as the "Contractor"), at the President/CEO's sole discretion, for Salesforce platform subscription services (hereinafter collectively referred to as the "Agreement") for the terms, in the amounts, and on the conditions as described in in the staff report, and applicable attachments, for this April 1, 2026 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 April 1, 2026 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: __-26-C&FC

Agenda Date: April 1, 2026

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)

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-26-C&FC

April 1, 2026

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENT NO. PS-371, AT THE PRESIDENT/CEO'S SOLE DISCRETION, WITH ACCENTURE LLP FOR TECHNICAL SUPPORT, SPECIAL PROJECTS, AND MAANGED SERVICES; 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. PS-371 with Accenture LLP (hereinafter referred to as the "Contractor"), at the President/CEO's sole discretion, for technical support, special projects, and managed services (hereinafter collectively referred to as the "Agreement") for the terms, in the amounts, and on the conditions as described in in the staff report, and applicable attachments, for this April 1, 2026 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 April 1, 2026 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: __-26-C&FC

Agenda Date: April 1, 2026

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 11
April 1, 2026

DATE: February 24, 2026

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO

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

ACTION: Authorize Receipt of Funding from the County of Orange, Second District, for Child Care Incubator Program Participants and Adopt Resolution Authorizing an Amendment to an Agreement with Community for Innovation, Entrepreneurship, Leadership and Opportunity (CIELO) to Administer Stipends

SUMMARY:

Orange County Supervisor and First 5 Orange County Board Member Sarmiento has allocated \$75,000 for child care business incubator stipends, in support of First 5 Orange County's efforts to increase quality infant and toddler child care. This item requests receipt of funds from the County of Orange, through its Second District, and an amendment to the agreement with the Community for Innovation, Entrepreneurship, Leadership and Opportunity (CIELO) to provide stipends for additional participants who complete the program, residing and opening an in-home child care program within the Second Supervisorial District.

DISCUSSION:

First 5 Orange County implements the child care business incubator program in partnership with CIELO, Orange County Association for the Education of Young Children (OCAEYC), and the Small Business Development Center's (SBDC) Women's Business Center. The program, which includes eight weeks of business and child care training sessions, is currently in the third year of implementation. To date, more than 500 individuals have completed the training, and 82 have received their child care licenses resulting in up to 492 additional child care slots countywide for young children.

On February 24, 2026, Supervisor Sarmiento allocated \$75,000 of funding to provide stipends for participants residing in and opening an in-home child care program in his district, which includes the cities of Anaheim, Orange, Santa Ana, and parts of Garden Grove and Tustin. This supplemental funding can support up to 15 participants. First 5 OC will recruit and provide matching funds to stipend an additional 15 participants in the Second District. Once graduated and licensed, these 30 future child care providers could add up to 180 additional 0-5 child care slots in the Second District.

Participants in the incubator program have access to the following support:

- A business coach from SBDC
- A peer guide from the OCAEYC
- Licensing support from Community Care Licensing, First 5 OC staff, and consultants
- Program navigation from CIELO staff

- Support for professional growth and quality improvement, through enrollment in Quality Start OC
- Resources for families in their care including from Orange County Department of Education, Children's Home Society, Regional Center of Orange County, Think Together, Start Well, Help Me Grow, Family Child Care Leadership Group, and local school districts

All participants who complete the training, and apply for and receive their child care license receive a \$5,000 stipend to support their new business.

Staff recommends authorizing the receipt of funds from the County of Orange, Second District, and amending Agreement No. PS-346 with CIELO to add the \$75,000 of additional funding to administer stipends to participants in the business incubator program. Staff will work closely with CIELO to ensure that these resources are directed to eligible participants within the appropriate cities as part of the larger cohort.

STRATEGIC PLAN & FISCAL SUMMARY:

The proposed action has been reviewed in relation to First 5 Orange County's Strategic Plan and is consistent with its goals. Funding for the proposed action will be included in the Fiscal Year 2025-2026 and 2026-2027 Budgets.

PRIOR COMMISSION ACTIONS:

- February 2026 – Authorize Amendment to Agreement PS-346 with CIELO to Administer stipends to the Family Child Care Business Program Participants
- June 2025 – Agreement No. PS-346 with CIELO to Administer Stipends to Family Child Care Business Incubator Participants
- June 2024 – Authorized Agreement No. FCI-CC-02 with CIELO to administer stipend program to participants who complete the described coursework as well as receive a family child care license
- April 2023 – Authorized Agreement No. FCI-CC-01 with CIELO to administer stipend program to participants who complete the described coursework as well as receive a family child care license

RECOMMEND ACTIONS:

1. Adopt resolution (Attachment 1) authorizing First 5 Orange County to receive \$75,000 from the County of Orange, Second District, to implement stipends in the Second District for child care incubator program participants, and authorize the President/CEO, or designee, and Commission Counsel to negotiate and enter into an agreement with the County of Orange, as necessary.
2. Adopt resolution (Attachment 2) authorizing an amendment to Agreement No. PS-346 with Community for Innovation, Entrepreneurship, Leadership and Opportunity (CIELO) to administer stipends to Family Child Care Business Incubator participants residing in Orange County Second Supervisorial District for the term of July 1, 2025, through June 30, 2027, adding \$75,000 for a total maximum obligation of \$435,000.

ATTACHMENTS:

1. Resolution (County of Orange)
2. Resolution (CIELO)

CONTACT: Cristina Blevins

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-26-C&FC

April 1, 2026

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO TO RECEIVE FUNDS AND EXECUTE A GRANT AGREEMENT WITH THE COUNTY OF ORANGE TO SUPPORT THE CHILD CARE INCUBATOR PROGRAM; 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, Commission desires to receive funding and enter into a grant agreement (hereinafter referred to as the “Grant Agreement”) with the County of Orange (hereinafter referred to as “Grantor”) to support the Child Care Incubator Program;

WHEREAS, the Commission desires to enter into the Grant Agreement with Grantor for the terms and in the amounts as specified in the April 1, 2026 staff report, including attachments, for this Agenda Item (hereinafter referred to as the “Agenda Item”); and

WHEREAS, Commission desires to enter into the Grant Agreement with Grantor 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 grant and hereby finds and determines that the proposed Grant Agreement is in furtherance of and consistent with the Commission’s Strategic Plan; and

WHEREAS, Commission desires to authorize the President/CEO, Commission Chair, and/or Commission Clerk, as required by the grant, to execute the Grant Agreement with the Grantor in the amount and for the terms 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, execute the Grant Agreement with the Grantor to in the amounts and for the terms consistent with the Agenda Item.

Section 3 The Grant Agreement will be on the form provided by the Grantor and shall 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 President/CEO or by the Commission Chair and delivery thereof to the Commission Clerk, as required by the Grant Agreement.

Section 4 Commission hereby approves the Grant Agreement with the Grantor in the amounts and for the terms as specified in the Agenda Item.

Section 5 The President/CEO and/or Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Grant Agreement on behalf of the Commission.

Section 6 A copy of the Grant Agreement when executed by the President/CEO and/or 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 Grant 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 Grant Agreement, 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 Grant Agreement and any Amendment(s); and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such Amendment(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 April 1, 2026 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: __-26-C&FC

Agenda Date: April 1, 2026

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 Agreement)

CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

RESOLUTION NO. ___-26-C&FC

April 1, 2026

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AUTHORIZING THE PRESIDENT/CEO AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AN AMENDMENT TO AGREEMENT NO. PS-346, AT THE PRESIDENT/CEO'S SOLE DISCRETION, WITH COMMUNITY FOR INNOVATION, ENTREPRENEURSHIP, LEADERSHIP, AND OPPORTUNITIES (CIELO) TO SUPPORT THE CHILD CARE INCUBATOR PROGRAM; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AMENDMENT 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 Commission previously entered into Agreement No. PS-346 (hereinafter referred to as the "Agreement") with Community for Innovation, Entrepreneurship, Leadership and Opportunities (CIELO) (hereinafter referred to as the "Contractor"), to support the Child Care Incubator Program; and

WHEREAS, the Commission has authorized the President/CEO to amend the Agreement, at the President/CEO's sole discretion, for the terms, in the amounts, and on the conditions as described in in the staff report, and applicable attachments, for this April 1, 2026 Agenda Item (hereinafter referred to as the "Agenda Item"); and

WHEREAS, the Contractor desires to amend 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 amendment (hereinafter referred to as the "Amendment"); 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 Amendment 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 Amendment 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 Amendment 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 Amendment 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 Amendment shall be conclusively evidenced by the execution of such Amendment by the Commission Chair and delivery thereof to the Commission Clerk.

Section 4 Commission hereby approves the Amendment, 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 Amendment on behalf of the Commission.

Section 6 A copy of the final Amendment, 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 Amendment 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 April 1, 2026 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: __-26-C&FC

Agenda Date: April 1, 2026

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 12
April 1, 2026

DATE: March 20, 2026
TO: First 5 Orange County
FROM: Kimberly Goll, President/CEO *Kimberly Goll*
ACTION: Review and Approve First 5 Orange County's Investment Policy Statement and Receive and File the Orange County California Investment Policy

SUMMARY:

Annually, First 5 Orange County reviews our Investment Policy Statement. This item requests review and approval of that Statement, and filing of the Orange County California Investment Policy.

DISCUSSION:

On December 15, 1998, the Board of Supervisors adopted an OC Children and Families ordinance #98-18, establishing the Children and Families Commission and Trust Fund. All First 5 Orange County operating funds are deposited in the Trust Fund pursuant to State law and are managed by the County of Orange as part of the Orange County Investment Pool (OCIP).

Governing Authority

The Commission, as the governing body, serves as the fiduciary authorized to make investment decisions on behalf of First 5 Orange County. Any investment program adopted by the Commission shall be operated in conformance with federal, state, and other legal requirements, including California Government Code sections 53600-53609, for the investment of First 5 Orange County funds.

Investment Parameters

As the holder of the Trust Fund, the County of Orange maintains deposits of all First 5 Orange County operating funds in the Orange County Treasury Pool. All funds are maintained in accordance with the Orange County California Investment Policy (Attachment 1).

The County provides banking, investment, and accounting services on First 5 OC's behalf as originally agreed upon in the County Services Agreement prepared by the Orange County CEO. Interest earnings are apportioned monthly. Monthly and quarterly reports are published for First 5 OC and regularly provided to the Commission detailing investment activities.

From time to time, First 5 Orange County may receive non-Proposition 10 funds that staff determine are in excess of operating needs. Upon Commission approval, these excess funds will be invested outside of the Orange County Treasury Pool in specific authorized investments. Such investments shall be matched to the appropriate time horizon and intended future use or identified liability and must comply with the investment types permitted under the Orange County California Investment Policy.

Investment Policy Statement

California Government Code contains specific provisions regarding the types of investments and practices permitted after considering the broad requirement of preserving principal and maintaining liquidity before seeking yield. First 5 Orange County, as a local agency, may invest only in those instruments specified by State law.

The updated Orange County California Investment Policy was approved on December 16, 2025, by the Orange County Board of Supervisors. The policy statement is designed to be compliant with State law and provides the structure for the prudent investment of funds deposited in the County treasury. All First 5 Orange County operating funds within the Trust Fund shall be invested by the County in compliance with the Orange County California Investment Policy.

Any excess, non-operating funds received by First 5 OC will be invested, upon Commission approval, in compliance with the investment types identified in the Orange County California Investment Policy.

STRATEGIC PLAN & FISCAL SUMMARY:

The recommended actions have been reviewed in relation to the Strategic Plan and are consistent with all goal areas. No funding is requested in this item.

PRIOR COMMISSION ACTIONS:

- April 2024 – Received and considered Investment Policy Statement
- June 2023 – Received and considered Investment Policy Statement

RECOMMENDED ACTION:

Review and approve First 5 Orange County's Investment Policy Statement and receive and file the Orange County California Investment Policy.

ATTACHMENT:

1. Orange County California Investment Policy

CONTACT: Michael Garcell

Orange County California



Investment Policy

Approved By the Board of Supervisors

December 16, 2025

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ORANGE COUNTY INVESTMENT POLICY

PURPOSE

The Orange County Investment Policy (“Policy”) provides the structure for the prudent investment of the funds of the County of Orange (“County”) and the funds of other depositors in the County treasury.

I. POLICY STATEMENT

The Policy is prepared in accordance with California State law and based on prudent money management practices. The primary goal is to invest public funds in a manner that 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 within the parameters of prudent risk management while conforming to all applicable statutes and resolutions governing the investment of public funds.

The Orange County Investment Fund (OCIF), which includes all cash balances deposited into the Treasury, is designed to meet both the investment and cash requirements of our participants.

II. SCOPE

This Policy governs the investment of funds deposited into the County treasury. This Policy is more restrictive than State law in certain areas. Funds from bond proceeds may be invested in accordance with Government Code section 53601(m), which authorizes investment in accordance with the statutory provisions governing the issuance of the bonds, or to the extent not inconsistent therewith or if there are no specific statutory provisions, in accordance with the approved documents providing for the issuance.

1. Pooled Funds:

The County will maintain a pooled investment fund. The pooled fund’s name is the Orange County Treasury Pool (OCTP). Government Code Sections 53600 *et seq.*, 53630 *et seq.* and 27000.3 guide the investment requirements of the OCTP, and, if applicable, the OCTP may be a permitted investment for bond proceeds.

2. Specific Investment Accounts:

The County or a participant that deposits funds in the County treasury may request a specific investment account to invest funds pursuant to a specific investment objective. Such investments may include cash required for future long-term needs. All new specific investment accounts require the written approval of the County Investment Manager, as defined in Section IV (Investment Authority). If approved, the investments will be matched to the time-horizon for their future use or to an identified liability. The County or the governing body of any participating agencies will be required to sign a written agreement acknowledging that there may be risk to principal should they desire to redeem funds early.

In addition, no investment will be made in any security that at the time of the investment has a term remaining to maturity in excess of five years, unless the appropriate legislative body has granted express authority either specifically or as part of an investment program approved by that legislative body no less than three months prior to the investment.

III. PRUDENT INVESTOR STANDARD

The Board of Supervisors, as a fiduciary of public funds adheres to the “prudent investor” standard as stated in Government Code sections 27000.3 and 53600.3. When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing public funds, the Board of Supervisors shall act with care, skill, prudence and diligence under the circumstances then prevailing, specifically including, but not limited to, the general economic conditions and the anticipated needs of the County and other depositors that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the County and the other depositors. Within the limitation of this section and considering individual investments as part of an overall investment strategy, investments may be acquired as authorized by law.

The Board of Supervisors and those delegated staff shall act in accordance with written procedures and the Policy, exercise due diligence, report in a timely fashion and implement appropriate controls to mitigate adverse developments.

IV. INVESTMENT AUTHORITY

The authority to invest the funds of the County and the funds of other depositors in the County Treasury rests with the Board of Supervisors. The Board may delegate its investment authority as it determines appropriate. Throughout this Policy, the “County Investment Manager” shall be defined as the County official or individual who is authorized by the Board to invest the funds of the County and the funds of other depositors in the County treasury.

V. OBJECTIVES

The primary investment objectives, presented in their absolute order of priority, are:

1. **SAFETY**

Safety of principal is the foremost investment objective. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital.

The County Investment Manager shall seek to preserve principal and minimize capital losses by mitigating credit risk and market risk as follows:

- a) **Credit Risk:** Defined as an issuer’s ability and willingness to repay interest and principal. Credit risk shall be mitigated by diversifying the fund among issues and issuers so that the failure of any one issue or issuer would not result in a significant loss of income or principal to participants.
- b) **Market Risk:** Defined as the risk of market value fluctuations due to changes in the general level of interest rates. Because longer-term securities generally have greater market risk than shorter-term securities, market risk will be mitigated by establishing a maximum duration for OCTP. Occasional market losses on individual securities may occur with portfolio management and they must be considered within the context of the overall investment return.

2. LIQUIDITY

Liquidity refers to the ability to sell an investment at any moment with a minimal chance of principal loss. OCIF will maintain sufficient liquidity for the purpose of meeting all daily operating requirements based on reasonably anticipated cash flow needs.

3. YIELD

Yield refers to the objective of attaining a market rate of return commensurate with the risk profile and cash flow characteristics of the portfolio throughout budgetary and economic cycles. Although the County Investment Manager may employ certain indices to gauge the funds' rate of return, such indices shall be used solely for comparative purposes and do not constitute a warranty or guarantee of actual fund performance. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. As noted in Government Code Section 53601.6, securities issued by, or backed by, the United States government can result in zero or negative interest accrual if held to maturity, in the event of, and for the duration of, a period of negative market interest rates.

MARK-TO-MARKET

The OCTP and Specific Investment Accounts investments are marked to market daily. The OCTP will attempt to maintain a \$1.00 net asset value (NAV) to the extent reasonably possible and consistent with the Board of Supervisors' trust and fiduciary duty. If the ratio of the market value of OCTP divided by the book value of OCTP is less than \$.9975, then the variance will be reported as well as any expected impact on the OCTP's ability to meet forecasted cash outflows. In addition, the County Investment Manager may decide to sell holdings as necessary to maintain the OCTP's NAV above \$.9975. However, the OCTP \$1.00 NAV is not guaranteed or insured by the Board of Supervisors nor is OCTP registered with the Securities Exchange Commission (SEC).

The County Investment Manager will provide the NAV of OCTP and each Specific Investment Account in the investment report.

VI. AUTHORIZED INVESTMENTS

The County is authorized to invest in specific types of securities as provided in the Government Code. Investments not specifically listed below are prohibited. All securities must be United States dollar denominated. All investment transactions must be executed through broker-dealers, banks, or counterparties authorized by the County Investment Manager. In addition, comprehensive due diligence must be conducted on all securities prior to investment, followed by at least an annual review to ensure that the investment's outlook remains favorable and has not deteriorated.

The OCTP and Specific Investment Accounts may invest in the following areas to the extent they are consistent with the investment objectives, do not violate the investment restrictions, and adhere to limitations specified in this section, and Sections VII and VIII.

1. U. S. TREASURY SECURITIES

United States Treasury bills, notes, bonds, or certificates of indebtedness, for which the full faith and credit of the United States are pledged for the payment of principal and interest.

2. U. S. GOVERNMENT AGENCY SECURITIES

Obligations, participations, or other instruments of, or issued by, a federal agency or a United States government-sponsored enterprise (GSE). There is no limit on the percentage of OCTP that can be invested in this category including no issuer limit.

3. COMMERCIAL PAPER

Commercial Paper of “prime” quality of the highest ranking or of the highest letter and number rating as provided for by a Nationally Recognized Statistical Rating Organization (“NRSRO”). The entity that issues the commercial paper shall meet either of the following conditions in paragraph (a) or paragraph (b):

- a) Has total assets in excess of five hundred million dollars (\$500,000,000), is organized and operating within the United States as a general corporation and has debt other than commercial paper, if any, that is rated “A” or higher by a NRSRO.
- b) Is organized in the United States as a special purpose corporation, trust, or limited liability company, has program-wide credit enhancements including, but not limited to overcollateralization, letters of credit or a surety bond, and has commercial paper that is rated “A-1” or higher, or the equivalent, by an NRSRO.

4. NEGOTIABLE CERTIFICATES OF DEPOSIT

Negotiable certificates of deposit issued by a nationally or state-chartered bank, savings association, or a federal association (as defined by Section 5102 of the California Financial Code), or by a federally licensed or state-licensed branch of a foreign bank.

5. REPURCHASE AGREEMENTS

Investments in repurchase agreements for the purpose of this Policy means a purchase of securities by the County Investment Manager pursuant to an agreement by which the seller will repurchase the securities on or before a specified date and for a specified amount and will deliver the underlying securities to the County by book entry, physical delivery, or by third party custodial agreement. The term of a repurchase agreement shall not exceed one year and have capital of not less than \$500,000,000. The term "securities," for the purpose of repurchase agreements, means securities of the same issuer, description, issue date and maturity.

To participate in repurchase agreements, a master repurchase agreement must be completed and signed by all parties involved. The County will maintain a signed copy of the agreement. Repurchase agreements are required to be collateralized by securities or cash.

Collateralization:

In order to anticipate market changes and provide a level of security for all repurchase agreement transactions, the market value of securities that underlie a repurchase agreement shall be valued at 102% or greater of the funds borrowed against those securities and the value shall be adjusted no less frequently than weekly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall comply with the market value requirement if the value of the underlying securities is brought back up to 102% no later than the next business day.

Collateral will be limited to cash, and U.S. Treasury and U.S. Government Agency securities. For compliance purposes, U.S. Treasury and U.S. Government Agency collateral are exempt from the issuer limits as stated in Section VIII.1. Collateral will be held by an independent third party with whom the County Investment Manager has a current custodial agreement. A clearly marked evidence of ownership (safekeeping/custody receipt) must be supplied to the County and retained. No collateral substitutions may be made without prior approval of the County Investment Manager.

Agreements are subject to Government Code Section 53601 and must comply with the delivery requirements and the maturity provision from Section 53601.

6. BANKERS' ACCEPTANCES

Bankers' acceptances, also known as time drafts or bills of exchange that are drawn on and accepted by a commercial bank. Purchases of bankers' acceptances shall not exceed 180 days maturity.

7. MONEY MARKET MUTUAL FUNDS

Shares of beneficial interest issued by diversified management companies that are money market mutual funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940 (15 U.S.C. Sec. 80a-1 et seq.), which only invest in direct obligations in U.S. Treasury bills, notes, and bonds, U.S. Government Agencies, Municipal Debt, and repurchase agreements with a weighted average maturity of 60 days or less. Money Market Mutual Funds that do not maintain a constant Net Asset Value (NAV) are prohibited. Approved money market mutual funds shall meet either of the following criteria:

- a) Attained the highest ranking or the highest letter and numerical rating provided by no less than two NRSROs.
- b) Retained an investment advisor registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of \$500,000,000.
- c) Money market mutual funds will not exceed 20 percent of the agency's moneys. No more than 10 percent of the agency's moneys may be invested in shares of beneficial interest of any one mutual fund. For specific investment accounts, this constraint will apply to the agency's total balances in both OCTP and the specific investment account (s).

8. STATE POOL – LOCAL AGENCY INVESTMENT FUND

The County Investment Manager may invest in the Local Agency Investment Fund (LAIF) established by the State Treasurer under Government Code Section 16429.1. LAIF has no final stated maturity and will be reported as a one-day maturity.

9. MUNICIPAL DEBT

Such instruments are defined as being issued by a local or state agency, including:

- a) Bonds issued by the local agency, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency or by a department, board, agency or authority of the local agency.
- b) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of a state.
- c) Bonds, notes, warrants, or other evidences of indebtedness of a local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

10. MEDIUM-TERM NOTES

Medium-term notes are defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years, as limited by this policy. Medium-term notes must be issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States.

11. INVESTMENT POOLS

Shares of beneficial interest issued by a joint powers authority organized pursuant to Government Code Section 6509.7, which invests in the securities and obligations as authorized under 53601 (a) to (o), inclusive, and that comply with the investment restrictions of Government Code Sections 53600 through 53610 and Section 53630. The County Investment Manager shall be required to investigate all local government investment pools prior to investing. The analysis shall include, but is not limited to, the following characteristics of a pool/fund as part of its investigation and review:

- Eligible securities
- Maximum maturity
- REPO collateral/counter-party
- Size of the pool/fund
- Limits on withdrawal/deposit
- Expense ratio

12. SUPRANATIONAL SECURITIES

Supranational securities are defined as United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity five years or less, and eligible for purchase and sale within the United States.

VII. INVESTMENT CREDIT RATING RESTRICTIONS

For OCTP and Specific Investment Accounts, credit ratings will be applied at the time of purchase of a security and monitored for changes while owned. A downgrade subsequent to purchase in a security's credit rating will not constitute a violation of the Policy. When a credit rating downgrade occurs which results in a rating below the minimum credit requirement, an analysis must be performed to evaluate the credit to determine whether to hold or sell the security. The credit ratings referenced in this policy must be assigned by one of the following NRSROs: Standard & Poor's Corporation (S&P), Moody's Investors Service, Inc. (Moody's) and Fitch Ratings (Fitch).

All investments, except those noted below in a) and b): 1) must have the minimum ratings required below by at least two NRSROs, and 2) the lowest rating of any NRSRO must meet or exceed the minimum rating required in the table below:

NRSRO	Short-Term	Long-Term
S&P	A-1	AA
Moody's	P-1/MIG 1/VMIG 1	Aa
Fitch	F-1	AA

If an issuer of Long-term debt has a Short-term debt rating, then the Long-Term rating may not be less than the minimum required Short-term debt ratings in the table above.

Any issuer, and all related entities, that have been placed on “Credit Watch-Negative” or downgraded by a NRSRO will be placed on hold and current holdings reviewed for possible sale unless the following criteria are met and are also approved in writing by the County Investment Manager prior to purchase:

The issuer has:

- (a) an A-1+ or F1+ short-term rating; and
- (b) at least an AA or Aa2 or higher long-term rating from each of the NRSROs that rate the issuer.

Exceptions to the Rating Policy above:

- a) Municipal debt issued by the County of Orange, California (as defined in Section VI.9), U.S. Government obligations (as defined in Section VI.1 and VI.2) and State Pool (as defined in Section VI.8), are exempt from the credit rating requirements listed above.
- b) Money Market Mutual funds satisfying the requirements of Section VI.7 and Investment Pools (as defined in Section VI.11) require the highest ranking or the highest letter and numerical rating provided by at least one NRSRO.

VIII. INVESTMENT TYPE, DIVERSIFICATION, MATURITY AND DURATION RESTRICTIONS

It is best practice to diversify the OCTP and Specific Investment Accounts. Investments diversification is required to minimize the risk of loss resulting from assets off a specific maturity, issuer or a specific class of securities. The diversification strategies shall be established by the County Investment Manager and periodically reviewed.

1. ISSUER CONCENTRATION

Only debt of issuers listed on the Approved Issuer List may be purchased. The following diversification limits will also apply at the time of purchase of a security.

Investment Type	California Government Code			The Policy		
	Investment Limit	Issuer Limit	Max Maturity	Investment Limit	Issuer Limit	Max Maturity
U.S. Treasury Securities	100%	None	5 Years	100%	None	5 Years
U.S. Government Agency Securities (GSE’s)	100%	None	5 Years	100%	None	5 Years
Municipal Debt	100%	None	5 Years	20%	5% except OC at 10%	3 Years
Medium-Term Notes	30%	None	5 Years	20%	5%	5 Years
Bankers Acceptances	40%	30%	180 Days	40%	5%	180 Days
Commercial Paper	40%	10%	397 Days	40%	5%	397 Days
Negotiable Certificates of Deposits	30%	None	5 Years	20%	5%	18 months
State of California Local Agency Investment Fund	\$75 million per account	N/A	N/A	\$75 million per account	N/A	N/A
Repurchase Agreements	100%	None	1 Year	20%	10%	180 Days
Money Market Mutual Funds (MMMF)	20% of total agency funds	10% of total agency funds	N/A	20% (same)	10% (same)	N/A
Joint Power Authority Investment Pools (JPA)	100%	None	N/A	20%	10%	N/A
Supranationals	30%	None	5 Years	30%	5%	5 Years

2. MATURITY

- a) The maximum maturity of any investment purchased will be five years with the exception of Specific Investment Accounts and any investment in the OCTP that is expressly authorized by the Board of Supervisors or the appropriate legislative body to be invested in longer than five-year maturities. The settlement date will be used as the date of purchase for measuring maturity limitations.
- b) For calculating the weighted average maturity of the portfolio, the maturity of a variable-rate security will be considered its next interest rate reset date, if there is a reasonable expectation that the security will maintain an approximate value of par upon each adjustment of the security's interest rate at any time until final maturity.

3. DURATION

The OCTP shall have a maximum duration of 3 years. There are no duration requirements for the Specific Investment Accounts.

IX. PROHIBITED TRANSACTIONS

All permitted investments shall conform in all respects with this Policy and applicable provisions of the Government Code, as may be amended from time to time. Investments prohibited by the Government Code are not permitted.

The County Investment Manager must approve in writing as soon as possible any investment transactions that violates a credit risk criterion or an allocation limitation. Thereafter, action shall be taken by the County Investment Manager to correct such matter as soon as practical. If an investment is in compliance at the time of purchase, a subsequent violation resulting from a change in market values will not constitute a violation of that restriction.

1. The following transactions are prohibited:

- a) Borrowing for investment purposes ("Leverage").
- b) Reverse Repurchase Agreements, as defined by Government Code Section 53601(j)(3) and (j)(4).
- c) Structured Notes (e.g. inverse floaters, leveraged floaters, structured certificates of deposit, equity-linked securities, event-linked securities). This includes all floating-rate, adjustable-rate or variable-rate securities in which a change in interest rates or other variables that can reasonably be foreseen to occur during their term would result in their market value not returning to par at the time of each interest rate adjustment.

Simple "floating rate notes," whose periodic coupon adjustment is based on a short-term (one-year or less) rate index (such as Treasury bills, federal funds, prime rate, or SOFR) and which have a reasonable expectation of maintaining a value of par at each interest rate adjustment through final maturity, are exempt from this definition. Additionally, U.S. Treasury and Agency zero coupon bonds or callable securities that otherwise meet the quality, maturity and percent limitations assigned to their respective security category, are exempt from this section.

- d) Structured Investment Vehicles (SIV).
- e) Derivatives (e.g., options, futures, swaps, swap options, spreads, straddles, caps, floors, collars).
- f) Money Market Mutual Funds that do not maintain a constant Net Asset Value (NAV).

X. ETHICS AND CONFLICT OF INTEREST

The County Investment Manager and all persons involved in the investment process shall refrain from personal business activity, which could create a conflict with proper execution of the investment program, or which could impair the ability to execute impartial investment decisions. The County Investment Manager and investment personnel shall disclose to the applicable oversight body any material financial interests in financial institutions, broker dealers, and vendors (“Outside Entities”) that conduct business with the County of Orange and shall disclose any material financial investment positions in such Outside Entities.

1. STATEMENT OF ECONOMIC INTEREST FORM 700

County officers, public officials and all designated employees must annually file a Form 700 (Statement of Economic Interests) in accordance with the County’s Conflict-of-Interest Code.

2. COUNTY’S GIFT BAN ORDINANCE – SEC. 1-3-22 THE CODIFIED ORDINANCES, ORANGE COUNTY, CALIF.

The County’s Gift Ban Ordinance prohibits the receipt of specified gifts to the County officers, public officials and “designated employees” from business entities and individuals that “do business with the County” as that term is defined in the Ordinance. Under the Ordinance, the term “designated employee” includes every employee of the County who is designated in the County’s Conflict-of-Interest Code to file a Form 700 and every member of a board or commission under the jurisdiction of the Board of Supervisors required to file such a form. The County Investment Manager will review this list of “designated employees” periodically and submit any proposed changes to the Board of Supervisors for approval.

XI. AUTHORIZED BROKER/DEALERS AND FINANCIAL INSTITUTIONS

The County Investment Manager will maintain a list of broker/dealers and financial institutions authorized to provide investment and/or depository services and products. Any permitted investment, not purchased directly from an approved issuer, shall be purchased either from a “primary” or regional securities broker/dealer qualifying under SEC Rule 15c3-1(uniform net capital rule) and licensed by the state as a broker/dealer as defined in Section 25004 of the Corporations Code or a “well capitalized” national bank or Federal savings association as defined in Title 12 of the Code of Federal Regulations (CFR) Part 6.4 or a savings association or Federal association as defined by Section 5102 of the California Financial Code. To be eligible to receive local agency money, a bank, savings association, federal association or federally insured industrial loan company shall have received an overall rating of not less than “satisfactory” in its most recent evaluation by the appropriate federal financial supervisory agency of its record of meeting the credit needs of California’s communities, including low- and moderate-income neighborhoods, pursuant to Section 2906 of Title 12 of the United States Code. Government Code sections 53601.5 and 53601.6 shall apply to all investments that are acquired pursuant to this section.

Broker/dealers must comply with the political contribution limitations contained in Rule G-37 of the Municipal Securities Rulemaking Board. Any broker, brokerage, dealer, or securities firm that contributed to the County Investment Manager, Treasurer, any member of the Board of Supervisors, or any candidate for those offices, within any consecutive 48-month period, are prohibited from selection onto the list of authorized security broker/dealers.

The County Investment Manager shall conduct an annual review of each broker/dealer and financial institution's financial condition and registrations to determine whether it should remain on the approved broker/dealer list for investment and/or depository services and require annual audited financial statements to be on file for each firm. The County Investment Manager shall strive to open an application period every two years for all new broker/dealers and financial institutions submitting a questionnaire or being reviewed if an existing broker/dealer to determine if they should be added to or removed from the approved broker/dealer list. This detailed questionnaire is required to be completed by broker/dealers and financial institutions seeking to provide investment services.

The County Investment Manager shall annually send a copy of the current Policy to all broker/dealers and financial institutions approved to provide investment services to the County, and they shall notify the County Investment Manager in writing of receipt and that they have received it.

XII. PERFORMANCE EVALUATION

The County Investment Manager shall either coordinate with the Treasurer, or submit its own investment report to the pool participants, the County Executive Officer, the Director of Internal Audit, the Auditor-Controller and the Board of Supervisors. The investment reports shall be issued no less frequently than within 45 days of the end of the quarter.

The investment report shall contain sufficient information to permit an informed outside reader to evaluate the performance of the investment program and shall include the type of investment, issuer, date of maturity, par and dollar amount invested on all securities, investments and moneys held, and shall additionally include a description of any of the funds, investments, or programs, that are under the management of contracted parties, including lending programs. With respect to securities held by the County Investment Manager, and under management any outside party that is not a local agency or LAIF, the report shall also include a current market value as of the date of the report and shall include the source of the valuation. The report shall also state compliance of the portfolio to the Policy, or the manner in which the portfolio is not in compliance. The investment report shall include a statement denoting the ability of the local agency to meet its pool expenditure requirements for the next six months, or an explanation as to why sufficient money shall, or may not be available.

The County Investment Manager shall provide financial information on investments for disclosure in the County's ACFR, in accordance with GASB Statements 31, 40, 72 and 84. In addition, the County Investment Manager shall either coordinate with the Treasurer, or submit its own report on monthly investment transactions to the Board of Supervisors.

XIII. SAFEKEEPING

All security transactions, including collateral for repurchase agreements, entered into by the County Investment Manager shall be conducted on a delivery-versus-payment (DVP) basis. All investments shall have the County of Orange and either the OCTP or the Specific Investment Account name as its registered owner except, if applicable, for municipal debt issued by the County of Orange through a private placement, in which case the name of the registered owner shall be determined by written agreement between the parties.

All securities shall be held by a third-party custodian designated by the Treasurer or applicable County officer (this does not apply to money market funds or investment pools). The third-

party custodian shall be required to issue a safekeeping statement to the Treasurer or applicable County officer listing the specific instrument, rate, maturity, and other pertinent information.

XIV. MAINTAINING THE PUBLIC TRUST

All participants in the investment process shall act as custodians of the public trust. The overall program shall be designed and managed with a degree of professionalism that is worthy of the public trust.

XV. INTERNAL CONTROLS

The County Investment Manager shall establish a system of written internal controls, which will be reviewed annually with the County's independent (external) auditor. The controls shall be designed to prevent loss of public funds due to fraud, employee error, and misrepresentation by third parties, unanticipated market changes, or imprudent actions by employees of the County Investment Manager. All agreements, statements, and investment trade packets will be subject to review annually by auditors in conjunction with their audit. The County Investment Manager shall evaluate audit reports in a timely manner with any applicable oversight body. Daily compliance of the investment portfolio shall be performed by the applicable County department. Compliance will be determined on a fair market value basis. Except for emergencies or previous authorization by the County Investment Manager, all investment transactions are to be entered daily into the appropriate Investment Accounting System.

1. INVESTMENT PROCEDURES

The County Investment Manager shall develop and maintain written administrative procedures for the operation of the investment program that are consistent with this Policy. Procedures will include reference to safekeeping, Master Repurchase Agreements, wire transfer agreements, collateral and depository agreements, banking service contracts, and other investment and banking related activities. Such procedures shall include explicit delegation of authority to personnel responsible for investment transactions.

The County Investment Manager shall be responsible for all transactions undertaken and shall establish a system of controls to regulate investment related activities. No investment personnel may engage in an investment transaction except as provided under terms of this Policy and the procedures established by the County Investment Manager.

XVI. EARNINGS AND COSTS APPORTIONMENT

The County Investment Manager determines the interest earnings for the OCTP and then allocates them to each individual pool participant based upon their average daily balance.

Any authorized officer who invests, deposits or otherwise handles funds for public agencies for the purpose of earning interest or other income on such funds as permitted by law, may deduct from such interest or income, before distribution thereof, the actual administrative cost of such investing, depositing or handling of funds and of distribution of such interest or income, as authorized by Government Code Section 27013. Such cost reimbursement shall be paid into the county general fund. In addition, if applicable, the costs of compliance with Government Code section 27130, *et seq.* shall be included as an eligible administrative cost. The County Investment Manager shall annually prepare a proposed budget revenue estimate and estimated

basis fee charge of this investment administrative fee charged in accordance with Government Code Section 27013. The County Investment Manager must annually reconcile the estimated charges and actual costs incurred and adjust participant accounts accordingly.

Investment earnings, including any gains or losses, less the above estimated fee charge will be allocated to the pool participants on at least a quarterly basis. The applicable investment report will state the current estimated investment administrative fee charged to participants.

XVII. PERFORMANCE STANDARDS

The investment strategy is to manage the portfolios with less risk than a comparable benchmark index while using economies of scale to administer the program at a reasonable cost. The County Investment Manager shall determine whether market yields are achieved using the indices most comparable to the fund, such as money rate data published in Barron's, The Wall Street Journal, Bloomberg, the local government investment pool index or other bond fund indices. The standards enumerated herein do not constitute a guarantee of the fund's performance.

The County Investment Manager's investment strategy is to hold purchased securities until maturity. Changing economic conditions, interest rates, and credit quality may dictate a sale in advance to minimize market and credit risks or enhance yield. Such sales should consider the short- and long-term impact on the portfolio. The County Investment Manager must approve in advance the sale of all securities prior to maturity.

XVIII. INVESTMENT POLICY REVIEW

This Policy shall be reviewed on an annual basis by the County Investment Manager and any applicable oversight body. The Policy shall be submitted annually to the Board as a receive and file item as part of the County's Strategic Financial Plan. However, any changes to the Policy shall be presented for review and approval by the Board of Supervisors.

XIX. FINANCIAL REPORTING

All applicable investment reports and all investment compliance Audit Reports shall be provided to the Orange County Board of Supervisors, the County Executive Officer, the Chief Financial Officer, the Director of Internal Audit, the Auditor-Controller, any applicable oversight body, and the presiding judge of the Superior Court. All reports filed by the County Investment Manager shall, among other matters, state compliance of the portfolio with the Policy, or the manner in which the portfolio is not in compliance. A statement will also be filed by the denoting the ability of OCTP to meet its expenditure requirements for the next six months or provide an explanation of why sufficient money may not be available.

XX. LEGISLATIVE CHANGES

Any State of California law that further restricts allowable maturities, investment type, percentage allocations, or any other provision of this Policy will, upon effectiveness, be incorporated into this Policy and supersede any and all previous applicable language.

XXI. DISASTER RECOVERY PROGRAM

The Disaster Plan includes critical phone numbers and addresses of key treasury and investment personnel as well as currently approved bankers and broker/dealers. The Disaster Plan is distributed to key County and investment personnel. The plan provides for an offsite location to be communicated at the time of readiness if our offices are uninhabitable. In the event the County Investment Manager or authorized staff is unable to invest the portfolio, the Treasurer, or applicable County officer, has an agreement with the custodian for a daily sweep of uninvested cash with the custody bank into a money market mutual fund. Until normal operations of the County Investment Manager's office have been restored, the limitations on the size of an individual issuer and the percentage restrictions by investment type would be allowed to exceed those approved in this Policy and would be required to be reported to the Board of Supervisors and pool participants in a timely manner.

XXII. INVESTMENT POLICY GLOSSARY

This Glossary is for general reference purposes only and does not constitute an exhaustive or exclusive list of terms and definitions applicable to this Investment Policy. The definitions included herein do not modify any of the terms of this Investment Policy or applicable law.

ACCREDITED INVESTOR: Defined in the Code of Federal Regulations (CFR) 230.501 (a)(9) as any entity, including a government body that owns “investments”, as defined in the CFR 270.2A51 - 1(b)(7)(i), such as cash and cash equivalents, for investment purposes under the Investment Company Act in excess of \$5 million.

ACCRUED INTEREST: The amount of interest that is earned but unpaid since the last interest payment date.

ADJUSTABLE RATE NOTE: (See Floating Rate Note)

AGENCY SECURITIES: (See U.S. Government Agency Securities)

AMORTIZATION: The systematic reduction of the amount owed on a debt issue through periodic payments of principal.

AVERAGE LIFE: The average length of time that an issue of serial bonds and/or term bonds with a mandatory sinking fund feature is expected to be outstanding.

ASKED PRICE: The price at which securities are offered from a seller.

ASSET BACKED SECURITIES (ABS): (See Receivable-Backed Securities)

BANKERS' ACCEPTANCE (BA): Negotiable money market instruments issued primarily to finance international trade. These are time drafts in which a bank “accepts” as its financial responsibility to pay the principal at maturity even if the importer does not. In essence, these are bank obligations collateralized by goods being shipped between an exporter and an importer.

BASIS POINT: When a yield is expressed as 7.32%, the digits to the right of the decimal point are known as basis points. One basis point equals 1/100 of one percent. Basis points are used more often to describe changes in yields on bonds, notes and other fixed-income securities.

BID PRICE: The price at which a buyer offers to buy a security.

BOOK ENTRY: The system, maintained by the Federal Reserve, by which most money market securities are “delivered” to an investor’s custodian bank. The Federal Reserve maintains a computerized record of the ownership of these securities, and records any changes in ownership corresponding to payments made over the Federal Reserve wire (delivery versus payment). The owners of these securities do not receive physical certificates.

BOOK VALUE: The original cost of the investment, plus accrued interest and amortization of any premium or discount.

BROKER: A broker brings buyers and sellers together and is compensated for his/her service.

CALLABLE BONDS: Bonds that may be redeemed by the issuing company prior to the maturity date.

CALL PRICE: The price at which an issuer may redeem a bond prior to maturity. The price is usually at a slight premium to the bond's original issue price to compensate the holder for loss of income and ownership.

CALL RISK: The risk to a bondholder that a bond may be redeemed prior to maturity.

CAPITAL GAIN/LOSS: The profit or loss realized from the sale of a capital asset.

COUNTY INVESTMENT MANAGER: The County official or individual authorized by the Board of Supervisors to invest the funds of the County and the funds of other depositors in the County treasury.

CERTIFICATE OF DEPOSIT (CD or NCD): A deposit of funds at a bank for a specified period of time that earns interest at a specified rate. Commonly known as "CDs" or "negotiable CDs."

COLLATERAL: Securities or cash pledged by a borrower to secure repayment of a loan or repurchase agreement. Also, securities pledged by a financial institution to secure deposits of public moneys.

COMMERCIAL PAPER (CP): Short-term unsecured promissory notes issued by corporations for maturities of 397 days or less.

CONSUMER RECEIVABLE-BACKED BONDS: (See Receivable-Backed Securities)

CONVEXITY: A measure of a bond's price sensitivity to changing interest rates. A high convexity indicates greater sensitivity of a bond's price to interest rate changes.

CREDIT OUTLOOK: (See Rating Outlook)

CREDIT QUALITY: The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized statistical rating organizations.

CREDIT RISK: The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

CREDIT WATCH: indicates that a company's credit is under review and credit ratings are subject to change.

*+ (positive) Credit is under review for possible upgrade.

*- (negative) Credit is under review for possible downgrade.

* Credit is under review, direction uncertain.

COUPON: The rate at which a bond pays interest.

CURRENT YIELD: The annual income from an investment divided by the current market value. Since the mathematical calculation relies on the current market value rather than the investor's cost, current yield is unrelated to the actual return the investor will earn if the security is held to maturity.

CUSTODIAN: A bank or other financial institution that keeps custody of stock certificates and other assets.

DEALER: A dealer, as opposed to a broker, acts as a principal in all transactions, buying and selling for

his own account.

DELIVERY VERSUS PAYMENT (DVP): Delivery of securities with a simultaneous exchange of money for the securities.

DERIVATIVE: A security whose interest rate of principal amount may vary and are determined by a market index or a combination of market indexes.

DISCOUNT: The difference between the par value of a bond and the cost of the bond, when the cost is below par. Some short-term securities, such as Treasury bills and bankers acceptances, are known as discount securities. They sell at a discount from par, and return the par value to the investor at maturity without additional interest. Other securities, which have fixed coupons, trade at a discount when the coupon rate is lower than the current market rate for securities of that maturity and/or quality.

DIVERSIFICATION: An investment principle designed to spread the risk in a portfolio by dividing investments among different sectors, industries and companies.

DOLLAR-WEIGHTED AVERAGE MATURITY: A calculation that expresses the “average maturity” of an investment portfolio using each investment’s maturity weighted by the size of that investment.

DURATION: A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

FEDERAL FUNDS RATE: Interest rate charged by banks with excess reserves at a Federal Reserve district bank to banks needing overnight loans to meet reserve requirements. A target rate is set by the FOMC.

FEDERAL OPEN MARKET COMMITTEE (FOMC): This committee sets Federal Reserve guidelines regarding purchases and sales of government securities in the open market as a means of influencing the volume of bank credit and money.

FEDERAL RESERVE SYSTEM: A U.S. centralized banking system, which has supervisory powers over the 12 Federal Reserve banks and about 6,000 member banks.

FITCH, INC: (see Nationally Recognized Statistical Rating Organization)

FIXED-INCOME SECURITIES: Securities that return a fixed income over a specified period.

FLOATING RATE NOTE: A debt security whose interest rate is reset periodically (monthly, quarterly, annually) and is based on a market index (e.g. Treasury bills, Secured Overnight Financing Rate (SOFR), etc.).

INTEREST: The amount earned while owning a debt security, generally calculated as a percentage of the principal amount.

INTERNAL CONTROLS: An internal control structure designed to ensure that the assets of the entity are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable 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.

INVESTMENT COMPANY ACT OF 1940: Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

LIQUIDITY: The speed and ease with which an investment can be converted to cash.

LOCAL AGENCY: County, city, city and county, including a chartered city or county, school district, community college district, public district, county board of education, county superintendent of schools, or any public or municipal corporation.

MARK-TO-MARKET: The market valuation for every security in a portfolio used in determining Net Asset Value (NAV).

MARKET RISK: The risk that changes in overall market conditions or interest rate may adversely affect current market prices.

MARKET VALUE: The price at which a security is trading and could presumably be purchased or sold.

MASTER REPURCHASE AGREEMENT: A written contract between the parties of a repurchase agreement establishing each party's rights in all current and future transactions until termination of the contract by either party.

MATURITY: The date upon which the principal or stated value of an investment becomes due and payable.

MEDIUM TERM NOTES (MTN): Debt securities issued by a corporation or depository institution with a maturity ranging from nine months to five years. The term "medium-term note" refers to the time it takes for an obligation to mature, and includes other corporate debt securities originally issued for maturities longer than five years, but which have now fallen within the five- year maturity range. MTNs issued by banks are also called "bank notes."

MONEY MARKET: The market in which short-term debt instruments (Treasury bills, discount notes, commercial paper, bankers acceptances, etc.) are issued and traded.

MONEY MARKET MUTUAL FUNDS: An investment company that pools money from investors and invest in a variety of short-term money market instruments

MOODY'S INVESTORS SERVICE, INC: (See Nationally Recognized Rating Services)

MUNICIPAL DEBT: Bonds, notes and other securities issued by a state, municipality or county.

NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION (NRSRO): Firms that review the creditworthiness of the issuers of debt securities, and express their opinion in the form of letter ratings (e.g. AAA, AA, A, BBB, etc.). The primary rating agencies are the following: Standard & Poor's Corporation; Moody's Investor Services, Inc.; and Fitch, Inc.

NEGOTIABLE CD: (See Certificates of Deposit)

NET ASSET VALUE (NAV): A per-share valuation of a mutual fund based on total assets minus total liabilities.

NON-CALLABLE: Bond that cannot be called at the option of the issuer.

OFFER PRICE: The price asked by a seller of securities.

PAR or PAR VALUE: The amount of principal that must be paid at maturity. Also referred to as the face amount of a bond, normally quoted in \$1,000 increments per bond.

PHYSICAL DELIVERY: The delivery of an investment to a custodian bank in the form of a physical certificate and/or supporting documents evidencing the investment (as opposed to “book entry” delivery).

PORTFOLIO: A group of securities held by an individual or institutional investor.

PREMIUM: The difference between the par value of a bond and the market value of the bond, when the market value is above par.

PRICE RISK: The risk that the price of a bond sold prior to maturity will be less than the price at which the bond was originally purchased.

PRIMARY DEALER: Banks and securities brokerages authorized to buy and sell government securities in direct dealings with the Federal Reserve Bank of New York in its execution of Federal Open Market Operations.

PRIME RATE: The base rate that banks use in pricing commercial loans to their best and most creditworthy customers.

PRINCIPAL: The face value or par value of an investment.

PROSPECTUS: A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information of the issuer, the issuer’s business, the proposed use of proceeds, the experience of the issuer’s management, and certain certified financial statements.

QUALIFIED INSTITUTIONAL BUYER (QIB): Defined in CFR Section 230.144A as a class of investors that can be conclusively assumed to be sophisticated and in little need of the protection afforded by the Securities Act’s registration provisions. They must own and invest on a discretionary basis at least \$100 million in securities of issuers that are not affiliated with the QIB to qualify for qualified institutional buyer status. This includes any institutional investors included in the accredited investor definition, provided they satisfy the \$100 million threshold.

RATING OUTLOOK: The potential direction of the credit rating assigned by a NRSRO for a specific company.

REINVESTMENT RISK: The risk that coupon payments (or other payments received) cannot be reinvested at the same rate as the initial investment.

RECEIVABLE-BACKED SECURITIES: Securities collateralized with consumer receivables, such as automobile loans, credit card receivables, or home equity loans, which are owned by the issuer, but placed with a trustee for the benefit of the investor.

RECEIVABLE PASS-THROUGH CERTIFICATE: A debt obligation that is backed by a portfolio of receivables, normally issued by a bank or financial institution. The interest and principal of the obligation is paid out of the cash flow generated by the receivables portfolio.

REFUNDED BOND: A bond secured by an escrow fund that is sufficient to pay off the entire issue of bonds at the next call date (pre-funded) or maturity (escrowed to maturity).

REGISTERED STATE WARRANT: A short-term obligation of a state governmental body issued in anticipation of revenue.

REPURCHASE AGREEMENT (REPO): The purchase of securities, on a temporary basis, with the seller's simultaneous agreement to repurchase the securities back at a later date at a specified price that includes interest for the buyer's holding period.

RULE 2a-7 OF THE INVESTMENT COMPANY ACT: Applies to all money market mutual funds and mandates such funds to maintain certain standards.

RULE G-37 OF THE MUNICIPAL SECURITIES RULEMAKING BOARD: Federal regulations to sever any connection between the making of political contributions and the awarding of municipal securities business.

SAFEKEEPING: Storage and protection of a customer's financial assets, valuables, or documents, provided as a service by an institution serving as Agent or Custodian and, where control is delegated by the customer.

SECURITIES & EXCHANGE COMMISSION (SEC): The federal agency responsible for supervising and regulating the securities industry.

SINKING FUND: Money accumulated on a regular basis in a separate custodial account that is used to redeem debt securities or preferred stock issues.

STANDARD & POOR'S CORPORATION: (See Nationally Recognized Rating Services)

STRUCTURED INVESTMENT VEHICLE (SIV): A pool of investment assets that attempts to profit from credit spreads between short-term debt and long-term structured finance products such as asset-backed securities (ABS). Funding for SIVs comes from the issuance of commercial paper that is continuously renewed or rolled over; the proceeds are then invested in longer maturity assets that have less liquidity but pay higher yields. SIVs often employ great amounts of leverage to generate returns.

SUPRANATIONAL: An entity that is formed by two or more central governments with the purpose of promoting economic development for the member countries. Examples include the International Bank for Reconstruction and Development, International Finance Corporation, and the Inter-American Development Bank.

THIRD-PARTY CUSTODIAL AGREEMENT: (See Custodian)

TOTAL RETURN: The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or capital gains. This is calculated by taking the following components during a certain time period.

$$(\text{Price appreciation}) + (\text{Dividends paid}) + (\text{Capital gains}) = \text{Total Return}$$

TRADE DATE: The date and time corresponding to an investor's commitment to buy or sell a security.

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) and Tennessee Valley Authority (TVA).

U.S. TREASURY SECURITIES: Securities issued by the U.S. Treasury and backed by the full faith and credit of the United States. Treasuries are considered to have no credit risk, and are the benchmark for interest rates on all other securities in the U.S. and overseas. The Treasury issues both discounted securities and fixed coupon notes and bonds.

Treasury bills: non-interest-bearing discount securities with maturities under one year issued by the U.S. Treasury to finance the national debt.

Treasury notes: interest-bearing obligations of the U.S. Treasury with maturities ranging from two to ten years from date of issue.

Treasury bonds: interest-bearing obligations issued by the U.S. Treasury with maturities that range from ten to thirty years from date of issue.

UNIFORM NET CAPITAL RULE: SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

VARIABLE RATE NOTE: (See Floating Rate Note)

VOLATILITY: A degree of fluctuation in the price and valuation of securities.

WEIGHTED AVERAGE MATURITY (WAM): The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 60 days and no one security may have a maturity that exceeds 397 days.

WHEN ISSUED (WI): A conditional transaction in which an authorized new security has not been issued. All “when issued” transactions are settled when the actual security is issued.

YIELD: The annual rate of return on a debt investment computed as though held to maturity expressed as a percentage.

YIELD TO CALL (YTC): The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date.

YIELD TO MATURITY (YTM): The rate of return earned on an investment considering all cash flows and timing factors: interest earnings, discounts, and premiums above par.

ZERO-COUPON BONDS/U.S. TREASURY STRIPS: A bond which represents ownership of a single coupon or principal payment due on a U.S. Treasury bond. Zeros or strips mature at face value at a specified date in the future and make no payments until that date. They always sell at a discount from face value.



**Agenda Item 13
April 1, 2026**

DATE: March 23, 2026

TO: First 5 Orange County

FROM: Kimberly Goll, President/CEO

ACTION: Receive the President/Chief Executive Officer's Report

First 5 Orange County 2026 Board Recruitment

The First 5 Orange County Board includes six at-large members who serve staggered two-year terms beginning April 1 and ending March 31 of the second year. Each year, three of these seats are filled through a formal recruitment process. For the 2026 cycle, two positions fall under the Health and Early Intervention category, and one position falls under the Education and Early Intervention category.

Recruitment was promoted through the First 5 Orange County website, an email announcement, and social media. Members of the Board of Supervisors also shared the opportunity through their e-newsletters. Several community partners, including the Orange County Department of Education, Orange County Grantmakers, and the Orange County Business Council helped amplify the outreach.

Recruitment closed on March 13, 2026, with 17 applications received, including several candidates who applied for both categories. All applications have been forwarded to the Clerk of the Board, who will manage the next steps in the process. The full Board of Supervisors is expected to make the final appointments at one of their April Board meetings.

Community Outreach Update

In the first quarter of 2026, First 5 Orange County participated in a total of 18 events, including seven events we hosted between January and March. We have intentionally focused on smaller events to better engage and meet the needs of parents. These events included our Kid Builder Story Time Program at Anaheim Sunkist and Westminster Libraries, and the 2026 Kinderpalooza hosted by Orange County Public Libraries, at Dana Point, Foothill Ranch, and Stanton Libraries. Across these library events and other community events, we engaged with over 1,200 participants, including parents, children ages 0–5, providers, and community partners.

We continue to meet families where they live, learn, and play by bringing Kid Builder activities and resources to locations they already frequent. Recently, we launched a Kid Builder Play and Learn Series in collaboration with VM Clinic in Westminster, one of our HealthySteps clinics. This is the first series of its kind at a pediatric clinic, engaging families and children ages 0–5 in early developmental milestones. The program runs once a month from March through June and is offered in Vietnamese and English.

Upcoming events include the following:

- **Easter Egg Hunt & Community Resource Fair – City of Stanton**
 - Saturday, April 4th, 2026, 9 AM – 11 AM
 - Stanton Central Park, 10660 Western Ave, Stanton

- **Orange County Fatherhood Coalition Conference**
 - Tuesday, April 7th, 2026, 9 AM – 3 PM
 - Orange County Department of Education, 200 Kalmus Drive, Costa Mesa

- **Literacy Pop-Up Event – City of Stanton**
 - Thursday, April 16th, 2026, 2 PM – 4 PM
 - Oranewood Church, 8421 Oranewood Ave, Garden Grove

- **District Four Conditions of Children Forum**
 - Friday, April 17th, 2026, 12 PM – 2 PM
 - La Habra City Hall, 110 E. La Habra Blvd, La Habra

- **Pretend City Good to Go Fair**
 - Saturday, April 18th, 2026, 9 AM – 2 PM
 - Pretend City Museum, 29 Hubble, Irvine, CA 92618

- **District Four Children and Families Health Fair**
 - Saturday, April 25th, 2026, 9 AM – 12 PM
 - Magnolia High School, 2450 W Ball Rd, Anaheim

- **Stronger Starts Statewide Day of Action in May – in partnership with First 5 California, CalOptima, Social Services Agency, and Supervisor Vicente Sarmiento**
 - Saturday, May 9th, 2026, 9 AM – 1 PM
 - Pepper Tree Park, 230 W First St, Tustin

The Stronger Starts event will bring together early learning and community resources, developmental screenings, dental and vision services, diaper and food distribution, and engaging activities for the entire family.

Exploring Opportunities to Increase Medi-Cal Revenue

First 5 OC staff are currently exploring a potential sole source agreement with Sellers Dorsey to support sustainable, compliant Medi-Cal revenue growth in areas aligned with critical maternal and child health and quality outcomes. Sellers Dorsey, in partnership with the First 5 Association, has identified a cohort of First 5 commissions that are well-positioned to achieve meaningful results through this collaborative model. The firm brings extensive experience and expertise in identifying, achieving state and federal approval of, and implementing Medicaid quality programs to advance value-based and Medicaid financing programs for targeted initiatives that meet Centers for Medicare & Medicaid Services (CMS) requirements. In addition, Sellers Dorsey's cohort-based approach and performance-based, no-risk payment structure – where compensation is limited to a program management fee if the program is successful – provide a strong rationale for pursuing a sole source agreement. Staff will continue to assess this opportunity and may return to the Board with a proposed agreement for consideration at the June

meeting. This represents a promising opportunity to: 1) support financial stability for work already prioritized and funded by First 5 OC; 2) further center our investments on improving health outcomes; and 3) maintain our leadership at the forefront of statewide efforts.

State Policy Update

As of the February 20, 2026 bill introduction deadline, roughly 1,800 bills were introduced in the second year of the current two-year legislative session. The First 5 Association has been monitoring and compiling legislation related to the prenatal-to-five population. Because many of these bills are spot bills, intent bills, or still undergoing amendments, the Association is actively reviewing and analyzing them to determine which measures to recommend for support. Attachment 1 is the current list of bills identified for tracking.

Financial Report

Attachment 2 provides monthly statements summarizing the high-level investment activities for the three-month period of October 1 through December 31, 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 operating funds are invested in the Orange County Investment Pool and are managed under the Orange County Investment Policy.

Financial Highlights for the months of January and February are provided as Attachments 3 and 4. The report summarizes information regarding year-to-date revenue, expenses, and encumbrances.

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 5.

A more detailed summary of accomplishments and challenges for each Action Plan is provided as Attachment 6. Below are a few highlights from our work over the past two months.

- We participated in 18 community events, and engaged with 1,230 individuals, including families, children ages 0–5, providers, and other community members.
- We have 80 participants registered for Cohort 8 of the child care business incubator program which is our maximum capacity. In the past two months five participants from Cohort 7 have been licensed, opening up 40 new child care slots.
- The Child Care Data Systems Workgroup has established a vision, purpose statement, and success measures that they are now working to implement. The three success measures are: 1) the data system is family-centered; 2) providers regularly update information in the data system; and 3) the data system allows for easy extraction and analysis of data across providers and partners to inform systems change.
- One HealthySteps clinic, Families Together of OC, has reached full sustainability.
- As of March 23, 2026, all data has been collected from the four charter school sites that agreed to participate in the Early Development Index – a total of 250 records.
- We were accepted to be one of 11 agencies across the country to pilot a new program called ProFathering15.
- Fifty-five families are enrolled in the Black Infant Health Program (40 participating in group support and 1:1 case management, and 15 in 1:1 case management only).

Attachments:

1. Legislative Bill Tracker
2. Quarterly Summary Investment Statements
3. January Financial Highlights
4. February Financial Highlights
5. Action Plan Status Matrix
6. Action Plan Summary of Progress

First 5 Association of California 2026 Bill Tracker

Bill No.	Author	Description	Status	Position
AB 259	Rubio	Open Meetings (Teleconferencing) Extends the authorization for alternative teleconferencing procedures for local agency legislative bodies (requiring an in-person quorum at a public location) from January 1, 2026 to January 1, 2030.	Senate: 2 year bill	
AB 350	Bonta	Health Care Coverage: Fluoride Treatment Requires health plans and insurers to cover fluoride varnish application for children without cost sharing, regardless of whether billed as a dental or medical benefit, for contracts issued or renewed on or after January 1, 2026.	Senate: 2 year bill	Watch
AB 904	Aguiar-Curry	CalWORKs: Childcare Eligibility Expands childcare services eligibility to include parents on family and medical leave from employment, requiring a self-attestation form signed under penalty of perjury at certification or recertification.	Senate: 2 year bill	Support
AB 957	Ortega	Tobacco Sales: Pharmacies Prohibits pharmacies from selling cigarettes or tobacco products.	Senate: 2 year bill	Watch
AB 1129	Rodriguez	Birth Defects Monitoring Allows (but does not require) Local Health Officers to make birth defects and conditions occurring or diagnosed in a child's first year reportable and to implement a local birth reporting program.	Senate: Inactive file	Support

First 5 Association of California 2026 Bill Tracker

AB 1579	Ramos	Children's Crisis Continuum Pilot Program Allows pilot program participants without a crisis residential program to redirect all awarded grant funds, including funds designated for crisis residential programs, to other continuum of care components.	Scheduled 3/10/26 Asm. Hum Svcs	Watch
AB 1596	Davies	Sales Tax Exemption: Infant Car Seats Exempts infant car seats from state sales and use tax from January 1, 2027 through January 1, 2032.	Referred to asm committee on revenue and taxation	
AB 1628	Rodriguez	Safe Surrender: KID Act Expands the safe surrender law to protect parents or custodians from child abandonment prosecution when surrendering infants 30 days old or younger (up from 72 hours) at a safe-surrender site.	Introduced 1/26/26	
AB 1631	Muratsuchi	Kindergarten Completion Requirement Beginning in the 2028–29 school year, requires children to complete one year of kindergarten before entering first grade at a public elementary school, with limited exceptions for children judged ready for first-grade work.	Referred to Asm. Com on Ed	Watch
AB 1634	Davies	Child Health License Plates Allows California Legacy License Plate applicants to add a "Have a Heart, Be a Star, Help Our Kids" shape for an additional fee, and increases fees for those specialty plates, with proceeds split between the California Environmental License Plate Fund and the Child Health and Safety Fund.	Scheduled 3/10/26 in Asm Human Services Committee	Support

First 5 Association of California 2026 Bill Tracker

AB 1639	Davies	California Drowning Prevention and Rescue Act Clarifies that 9-1-1 CPR instructions for drowning victims include both ventilation and chest compressions; requires updated public education on CPR; and requires biennial reports to the Legislature on California's lifeguard workforce beginning June 30, 2028.	Referred to Asm committees on health and emergency management	Watch
AB 1690	Ahrens	Young Child Tax Credit Expands the Young Child Tax Credit by redefining "qualifying child" to include children up to a higher age threshold (unspecified in the bill text) for taxable years beginning on or after January 1, 2026.	Referred to Asm Committee on Revenue and Taxation	
AB 1746	Davies	CalWORKs: Childcare Request Forms Requires counties to provide CalWORKs applicants and recipients with a childcare request form at key points in the process and to approve or deny the form within 10 working days of receipt.	Introduced 2/9/26	
AB 1914	Schiavo	General Plan: Childcare Element Requires cities and counties, upon updating two or more general plan elements on or after January 1, 2028, to also review and update those elements to address local childcare needs and access.	Introduced 2/13/26	
AB 1981	Aguiar-Curry	Subsidized Childcare: Reimbursement Rate Reporting If new childcare reimbursement rates are not in effect by July 1, 2025, requires the Department of Social Services to annually report its rate transition timeline to the Chairperson of the Joint Legislative Budget Committee, starting no later than January 31, 2027.	Introduced 2/13/26	Recommend Support

First 5 Association of California 2026 Bill Tracker

AB 1996	Bonta	California Child Poverty Reduction Advisory Council Establishes an 18-member advisory council within CalHHS, co-chaired by the CalHHS Secretary and DSS Director, to evaluate policies affecting child poverty and well-being and report to the Legislature, with an initial report due July 1, 2027.	Introduced 2/17/26	Recommend Support
AB 2092	Bonta	Early Childhood Integrated Data System Creates a statewide data system under DSS to link data across programs serving children birth to age five, establishes an Interagency Task Force to oversee development, and requires data-sharing agreements with specified state entities.	Introduced 2/18/26	Recommend Support
AB 2258	Ávila Farías	Childcare: This bill would state the intent of the Legislature to enact legislation to help Californians obtain affordable, high-quality childcare.	Introduced 2/19/26 (spot bill)	Watch
AB 2314	Rogers	Childcare: regulations: this bill would state the intent of the Legislature to enact legislation to reform childcare regulations.	Introduced 2/19/26 (spot bill)	Watch
AB 2379	Solache	Childcare workers: immigration rights: This bill would state the intent of the Legislature to enact legislation to ensure childcare workers have access to resources and education regarding protecting their immigration rights.	Introduced 2/19/26 (spot bill)	Watch
AB 2429	Rubio	Childcare: Mental Health Consultation Services Streamlines the requirements for reimbursable early childhood mental health consultation services by replacing the current detailed relationship-based model components with a simpler standard centered on at least one annual classroom observation per school year.	Introduced 2/20/26	Recommend Support
AB 2441	Rodriguez	Community Supporting Innovation Pilot Program Requires the Office of Child Abuse Prevention to establish a pilot program awarding grants to 25 community-based organizations, such as family resource centers, to serve as referral and support pathways	Introduced 2/20/26	Recommend Support

First 5 Association of California 2026 Bill Tracker

		for families with complex needs who are not at substantial risk of child abuse. Pilot sites would connect families to services related to basic needs, childcare, behavioral health, and financial stability to reduce unnecessary child welfare involvement. The office must evaluate the program and submit recommendations for statewide implementation to the Legislature by July 1, 2030.		
AB 2515	Harabedian	Childcare: Technical Changes Makes technical, nonsubstantive changes to provisions governing staffing rules for center-based childcare and development programs under contract with DSS.	Introduced 2/20/26	
AB 2673	Rodriguez	Tax Credit: Childcare Contributions Creates a 50% tax credit (up to \$100,000) against personal income and corporation taxes for qualified contributions to promote childcare, for taxable years January 1, 2027 through January 1, 2032.	Introduced 2/20/26	
AB 2678	Muratsuchi	Preschool: QRIS Block Grant Makes nonsubstantive changes to provisions governing the early learning quality rating and improvement system (QRIS) block grant administered by the Superintendent of Public Instruction.	Introduced 2/20/26	
AB 2704	Addis	Fee Schedule pilot program: this bill would establish a pilot program focused on enrolling under-represented entities in the Fee Schedule that serve children 0 to 5, students in small and rural school districts, and transitional age youth (TAY).	Introduced 2/20/26 (spot bill)	Support, co-sponsor
AB 2737	Patel	California Early Intervention Services Act Makes a technical, nonsubstantive change to provisions governing timely evaluation and assessment of infants and toddlers under the California Early Intervention Services Act.	Introduced 2/20/26	Watch
ACR 120	Ávila Farías	Positive Parenting Awareness Month: This measure would designate January 2026 as Positive Parenting Awareness Month in California.	2/19/26 adopted and to Assembly (35-0)	Recommend support

First 5 Association of California 2026 Bill Tracker

SB 324	Menjivar	Medi-Cal: Enhanced Care Management Requires Medi-Cal managed care plans to contract with community providers for Enhanced Care Management and community supports whenever those providers are available, experienced, and capable of meeting access and quality requirements.	Assembly 2 year bill	Support
SB 626	Smallwood-Cuevas	Perinatal Health Screenings and Treatment Strengthens maternal mental health requirements for health plans by requiring case management and care coordination, and encourages coverage of at least one FDA-approved medication and one FDA-approved digital therapeutic for perinatal mental health.	2 year bill, held at Assembly desk	Support
SB 716	Durazo	CA Home Internet Lifeline Act Requires the CPUC to include standalone broadband internet access as a Lifeline service, with participating ISPs required to offer plans of at least 100/20 Mbps for \$30 or less per month.		Support
SB 902	Grayson	Childcare: Electronic Signatures Authorizes electronic signatures under the Uniform Electronic Transactions Act (UETA) to satisfy signature requirements under the Child Care and Development Services Act.	Introduced 1/21/26, referred to Senate Human Services and Judiciary	Recommend Support
SB 912	Cervantes	Comprehensive Perinatal Services (Medi-Cal) Consolidates oversight of the statewide comprehensive perinatal services program under DHCS, requires provider training, mandates managed care plan compliance, and requires reporting on individuals served beginning July 15, 2027, with a regulatory framework due by January 1, 2028.	Introduced 1/26/26 (spot bill), referred to Sen Health	
SB 954	Blakespear	CEQA Exemptions: Childcare Facilities States legislative intent to enact future legislation amending CEQA provisions related to childcare facilities, natural and protected lands, and advanced manufacturing.	Introduced 2/2/26, referred to Sen Rules	

First 5 Association of California 2026 Bill Tracker

SB 1051	Menjivar	Foster Care: Childcare Authorizes childcare navigators to refer foster children to county welfare departments for the Emergency Child Care Bridge Program and requires those counties to determine the child's eligibility.	Introduced 2/12/26	
SB 1110	Becker	Early Learning and Care: Reimbursement Rates Beginning July 1, 2026, bases reimbursement for state preschool and center-based childcare programs on whether the program maintains at least 85% of certified daily enrollment; caps administrative and program support costs; sets a \$300,000 minimum reimbursement floor; and places contractors below 85% enrollment for three consecutive years on conditional contract status.	Introduced 2/17/26	Watch

**First Five Orange County
Treasurer's Quarterly Report of the Commission's Cash Balances
October 1, 2025 through December 31, 2025**

OVERVIEW

This report summarizes the Commission's cash balances in the records of the County Treasury for the three-month period from October 1, 2025 through December 31, 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 \$75,024,583.13 at December 31, 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 December 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 October, November, and December 2025. The net year-to-date yield for FY 2025-2026 is 4.018%, higher than the current forecast of 3.465%, down from the previous 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.oc.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
October	\$ 75,923,813	4.060%	\$ 70,033,804	\$ 15,076,717,228	\$ 15,036,279,151	241	1.00	0.59
November	\$ 74,584,455	4.100%	\$ 70,005,845	\$ 15,308,856,879	\$ 15,266,610,279	326	1.00	0.64
December	\$ 75,024,583	4.020%	\$ 89,801,182	\$ 17,553,773,064	\$ 17,508,768,246	448	1.00	0.83

(1) Interest Receivable has been broken out separately from OCTP Market Value.

ECONOMIC UPDATE

The U.S. economy experienced lower employment gains and inflation decreased during the fourth quarter of 2025.

- Employment declined by an average of -22,000 per month, lower than the previous quarter's 51,000 (revised) per month average.
- Headline inflation was at 2.7% year over year, down from 3.0% in the previous quarter.
- The Federal Open Market Committee (FOMC) met on October 29, 2025, and on December 10, 2025, and both times cut interest rates by 25 basis points with a current range of 3.50% - 3.75%. The FOMC kept its policy interest rate at a rate of 3.50% - 3.75% at their January 28, 2026. On January 30, President Trump nominated Kevin Warsh to become the next Fed Chair, replacing Jerome Powell when the latter's term ends in May 2026. The financial market expects further cuts in 2026.
- The unemployment rate was at 4.4% (survey: 4.5%) at the end of the fourth quarter, unchanged from the previous quarter.
- The Empire State Manufacturing Index improved to -3.7 (survey: 10.0) from -7.0 in the previous quarter, while the Philadelphia Fed Index worsened to -8.8 (survey: 2.3) from 19.5 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 fourth quarter for tenors between one month and one year. However, for tenors beyond one year, the curve has normalized.
- The 90-day Treasury Bill yield decreased to 3.67% from 4.02%. The two year Treasury Note yield decreased to 3.47% from 3.60% while the ten year Treasury Bond yield decreased to 4.18% from 4.16%.

FIRST FIVE COMPLIANCE AND COUNTY TREASURY AUDIT REPORTS

The County Treasurer's Assets in the County Treasury (that includes the OCTP funds) are audited annually by the County Auditor-Controller Internal Audit Division (AC-IAD) along with quarterly reviews pursuant to State law. As mandated by State law GCS 27134, the TOC (dissolved in 2025) requires an annual compliance audit of Treasurer's compliance with the Investment Policy Statement, and the TOC directed that quarterly compliance monitoring be completed to the Investment Policy Statement rendered by the Treasurer pursuant to 53646(a)(1). The AC-IAD and external auditor issued seven reports during the quarter ended December 31, 2025 (or prior to this report date), as follows:

Review of the Treasurer's Schedule of Assets (SOA) as of September 30, 2024 & December 31, 2024 - (Attachments B & C).

On November 14, 2025, the AC issued the quarterly Review of the Treasurer's SOA in the County Treasury as of September 30, 2024, and the quarterly Review of the Treasurer's SOA in the County Treasury as of December 31, 2024 (August 4, 2025, engagement letter, with change to modified accrual basis of accounting) with no material modification required. This review is mandated by GCS 26920.

Treasurer's Investment Portfolio Compliance Monitoring for the Quarter Ended September 30, 2024 & December 31, 2024 - (Attachments D & E).

On January 13, 2026, Brown Armstrong issued the Quarterly Compliance Monitoring reports of the County Treasurer as directed by the Treasury Oversight Committee (dissolved as of March 11, 2025) for the period September 30, 2024, and December 31, 2024 (July 18, 2025, engagement letter). Both reports reported no findings of compliance exceptions.

Treasurer's Report of the Schedule of Assets Held in the County Treasurer as of June 30, 2025 (Attachment F).

On January 30, 2026, Eide Bailly issued the Treasurer's Report of the Schedule of Assets Held in the County Treasurer as of June 30, 2025 (Schedule) as mandated by GCS 26920. The audit

opinion stated that the Schedule presents fairly, in all material respects, the assets held in the County Treasury in accordance with accounting principles generally accepted in the United States of America.

County Investment Portfolio Compliance Monitoring for the Quarter Ended March 31, 2025 & June 30, 2025 - (Attachments G & H).

On November 5, 2025 and on December 5, 2025, Brown Armstrong issued the Quarterly Compliance Monitoring reports of the County Investment Portfolio for the period March 31, 2025, and June 30, 2025 (July 18, 2025, engagement letter), respectively. Both reports reported no findings of discrepancies.

STATEMENT OF ACTIVITY

We have attached the Statement of Activity for the Commission's cash balances for the months of October, November, and December 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 October, November, and December 2025
- B. Review of the Treasurer's Schedule of Assets as of September 30, 2024
- C. Review of the Treasurer's Schedule of Assets as of December 31, 2024
- D. Treasurer's Investment Portfolio Compliance Monitoring for the QE September 30, 2024
- E. Treasurer's Investment Portfolio Compliance Monitoring for the QE December 31, 2024
- F. Treasurer's Report of the Schedule of Assets Held in the County Treasurer as of June 30, 2025
- G. County's Investment Portfolio Compliance Monitoring for the QE March 31, 2025
- H. County's Investment Portfolio Compliance Monitoring for the QE June 30, 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

October 31, 2025

FIRST 5 ORANGE COUNTY

Fund Number : 225

OCTOBER 2025 STATEMENT

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
10/01/2025	September 2025 Investment Admin Fee	\$ (2,471.74)
10/15/2025	June 2025 Interest Paid	\$ 254,356.38

Summary

Total Deposit:	\$ 4,366,171.17	Beginning Balance:	\$ 73,496,052.18
Total Withdrawal:	\$ (1,938,410.25)	Ending Balance:	\$ 75,923,813.10



COUNTY OF ORANGE
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SANTA ANA, CA 92702-4515



octreasurer.gov/publicfunds
November 30, 2025

FIRST 5 ORANGE COUNTY

Fund Number : 225

NOVEMBER 2025 STATEMENT

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
11/03/2025	October 2025 Investment Admin Fee	\$ (2,257.93)
11/18/2025	July 2025 Interest Paid	\$ 262,193.79

Summary

Total Deposit:	\$ 635,750.16	Beginning Balance:	\$ 75,923,813.10
Total Withdrawal:	\$ (1,975,108.65)	Ending Balance:	\$ 74,584,454.61



COUNTY OF ORANGE
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octreasurer.gov/publicfunds

December 31, 2025

FIRST 5 ORANGE COUNTY

Fund Number : 225

DECEMBER 2025 STATEMENT

Transactions

<u>Transaction Date</u>	<u>Transaction Description</u>	<u>Amount</u>
12/01/2025	November 2025 Investment Admin Fee	\$ (2,196.56)
12/16/2025	August 2025 Interest Paid	\$ 256,593.79

Summary

Total Deposit:	\$	2,197,216.36	Beginning Balance:	\$	74,584,454.61
Total Withdrawal:	\$	(1,757,087.84)	Ending Balance:	\$	75,024,583.13



Andrew N. Hamilton, CPA Orange County Auditor-Controller



Internal Audit

Review of the Treasurer's Schedule of Assets as of September 30, 2024

Audit Manager: Rodrigo Martinez
Auditor II: Stephanie Tapia

Audit Number 2407
Report Date: November 14, 2025



OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

ANDREW N. HAMILTON, CPA
AUDITOR-CONTROLLER

DATE: November 14, 2025
TO: Honorable Board of Supervisors
FROM: Rodrigo Martinez, Audit Manager
SUBJECT: Review of the Treasurer's Schedule of Assets as of September 30, 2024

Pursuant to GOV Section 26920(a), we have reviewed the Treasurer's Schedule of Assets (Schedule) as of September 30, 2024, and the related notes to the Schedule. We use the term schedule instead of statement because the Schedule only presents the assets in the County Treasury; it does not present the financial position of the County Treasury. A statement fairly presents financial position in conformity with GAAP (e.g., a statement of net position), and a schedule presents data on legally prescribed basis different from GAAP (e.g., GOV Section 26920). Our report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Treasurer-Tax Collector during this engagement. If you have any questions, please contact me at 714-834-6106.

Other recipients of this report:

- Members, Audit Oversight Committee
- Dana Schultz, Assistant Treasurer-Tax Collector
- Jun Intal, Division Director of Treasury
- Brian Winn, Investment Accounting/Compliance Manager
- Salvador Lopez, Chief Deputy Auditor-Controller
- Stephanie Tapia, Auditor II
- Foreperson, Grand Jury
- Robin Stieler, Clerk of the Board of Supervisors
- Eide Bailly LLP, County External Auditor

Independent Accountant's Review Report

We have reviewed the accompanying Orange County Treasurer's Schedule of Assets (Schedule) as of September 30, 2024, and related notes to the Schedule. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the Schedule as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the modified accrual basis of accounting; this includes determining that the modified accrual basis is an acceptable basis for the preparation of the Schedule in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Schedules that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the Schedule for it to be in accordance with the modified accrual basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Orange County Treasurer and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the Schedule in order for it to be in accordance with the modified accrual basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the Schedule, which describes the basis of accounting. The Schedule is prepared in accordance with the modified accrual basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.



Rodrigo Martinez
Santa Ana, California
November 14, 2025

Orange County Treasurer's
Schedule of Assets as of September 30, 2024
(Dollar Amounts in Thousands)

	Orange County Treasurer's Pool	Specific Investment Account	Bond Proceeds Account	Total
Cash	\$ 1,231	\$ -	\$ -	\$ 1,231
Investments	13,848,769	542,762	23,584	\$ 14,415,115
Interest Receivable	119,138	428	181	\$ 119,747
Total Assets	\$ 13,969,138	\$ 543,190	\$ 23,765	\$ 14,536,093

Note 1 – Summary of Significant Accounting Policies

The Financial Reporting Entity

The Orange County Treasurer-Tax Collector (TTC) is responsible for tax collection, banking, investment, disbursement, and accountability of public funds. The TTC is also responsible for authorizing all County bank accounts and, pursuant to California Government Code (CGC) Sections 27000.1 – 27000.5, 27130 – 27137, and 53600 – 53686, conducting County investment activities for all public funds in the Orange County Investment Fund (OCIF), which in State law is called the County Treasury. The OCIF consists of three types of Funds, an external investment pool called the Orange County Treasurer's Pool (OCTP), Specific Investment Accounts and a Bond Proceeds Account that are included in the Schedule of Assets. The primary goal is to invest public funds in a manner which will provide maximum security of principal invested with secondary emphasis on providing adequate liquidity to pool participants. The last goal is to achieve a market rate of return within the parameters of prudent risk management while conforming to all applicable statutes and resolutions governing the investment of public funds.

The OCTP is managed on behalf of the pool participants that consist of the County, local school and community college districts (Educational Districts), both of whom are required by State statute to deposit funds with the TTC, and other non-mandatory local agencies and districts (Voluntary Pool Participants). Monies of the County, Educational Districts and other legally separate external entities, which are not part of the County reporting entity, are commingled (pooled) for banking and investment purposes only and invested on the participants' behalf, for the purpose of benefiting from economies of scale through pooled banking and investment activities. The OCTP is not registered with the Securities and Exchange Commission (SEC) as an investment company and therefore is exempt from SEC rules. The TTC will act on a "best efforts" basis to stabilize the OCTP Net Asset Value (NAV) at or above \$0.9975 (in absolute dollar amounts). OCTP does not have any legally binding guarantees of share values. The investment practices and policies of the TTC are based on compliance with state law and prudent money management. On August 1, 2024, Fitch affirmed their highest credit rating for the OCTP of AA+ for credit risk and a rating of S1. There is no assurance that such ratings will continue for any given period of time or that any such rating may not be lowered, suspended or withdrawn entirely by the respective rating agency if, in the judgment of such rating agency, circumstances so warrant.

The Specific Investment Accounts are governed by the Investment Policy Statement (IPS) and the Bond Proceeds Account is governed by a governing board bond resolution and both account types have separate agreements detailing investment related information between the County and/or a participant's governing board to invest funds that are set up for a specific requirement and if the investment maturities may extend beyond five years.

The State of California allows the Board of Supervisors (Board) the ability to delegate the investment authority to the TTC in accordance with CGC Section 53607. On an annual basis, the Board delegates the investment authority to the TTC. Pursuant to CGC 27130-27137, the Board has established the Treasury Oversight Committee (TOC) that monitors and reviews the IPS annually and also causes an audit of the County Treasury to ensure compliance. The TOC consists of the County Executive Officer, the elected County Auditor-Controller, the elected County Superintendent of Schools, or their respective designees, and four public members appointed by the Board of Supervisors, with at least three having expertise in, or an academic background in, public finance.

Financial Statement Presentation

The accompanying schedule of assets is presented on a modified accrual basis of accounting, which is a comprehensive basis of accounting other than the generally accepted accounting principles in the United States of America (GAAP). The cash balance differs from the accrual basis primarily by not including the amount of outstanding checks and deposits in transit. The accompanying schedule of assets presents only the assets of the County Treasury that includes the Orange County Treasurer's Pool (OCTP), Specific Investment Accounts and Bond Proceed Accounts and is not intended to present fairly the financial position of the County as a whole. Contributions from pool participants are recognized in the period in which they are received. Distributions to pool participants are recognized in the period in which they are disbursed.

Note 2 – Cash and Investments

Cash

As of September 30, 2024, the OCTP maintained accounts at Wells Fargo bank. Demand deposits of public funds at financial institutions that are not covered by the Federal Depository Insurance Corporation (FDIC) are required to be collateralized under CGC Section 53652 et. seq. and the IPS, which also prescribe the amount of collateral at market value that is required to secure these deposits. All such collateral is considered to be held by an agent of depository pursuant to CGC Section 53658. The pledge to secure deposits is administered by the California Department of Financial Protection and Innovation. Obligations pledged to secure deposits must be delivered to an institution other than the institution in which the deposit is made; however, the trust department of the same institution may hold them. Written agreements are required to provide, among other things, that the collateral securities are held separately from the assets of the custodial institution. Collateral is required for demand deposits at 110% of all deposits not covered by FDIC obligations of the United States and its agencies, or obligations of the State or its municipalities, school districts, and district corporations are pledged. Collateral of 150% is required if a deposit is secured by first mortgages or first trust deeds upon improved residential real property located in California. FDIC is available for demand deposits and time saving deposits at any one financial institution up to a maximum of \$250.

Investments

The TTC invests in securities for the OCTP, the Specific Investment Accounts, and the Bond Proceeds Account. Investments by the TTC are reported at fair value in compliance with Government Accounting Standards Board (GASB) Statement No. 72. Investments in the OCIF are marked-to-market on a daily basis and the fair value of the investments is provided by the custodial bank. Investments held by the TTC are exposed to risks such as interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Investment Strategy

The TTC's investment strategy for the OCTP is to preserve principal, provide liquidity to meet the disbursements needs and generate a yield within the parameters of prudent risk management. The cash flow needs of the OCTP participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of participants. The TTC's basic investment strategy is to buy and hold, to a designated maturity, high quality fixed income investments.

The Specific Investments Accounts are used to account for the schedule of assets for individual investment accounts. The individual investment strategies are customized to the needs of the requesting participants.

The Bond Proceeds Account is invested according to the bond indenture and are used to account for the schedule of assets for an Educational District and is customized to the needs of the District.

The investments in the accompanying Schedule are reported at fair value based on pricing received from the custodial bank. The table below summarizes the investments stated at fair value for OCTP, Specific Investment and the Bond Proceeds Accounts as of September 30, 2024:

	Orange County Treasurer's Pool	Specific Investment Account	Bond Proceeds Account
U. S. Government Agencies	\$ 8,977,663	\$ 10,061	\$ 15,749
U. S. Treasuries	3,019,660	532,701	7,101
Money Market Mutual Funds	1,850,054	-	734
Local Government Investment Fund	1,392	-	-
Total Investments at Fair Value	\$ 13,848,769	\$ 542,762	\$ 23,584

Note 3 – Interest Receivable

Interest receivable consists of interest accrued on investments including interest purchased with certain securities. At September 30, 2024, interest receivable totaled: \$119,138 for OCTP, \$428 for Specific Investments, and \$181 for the Bond Proceeds account.



Andrew N. Hamilton, CPA Orange County Auditor-Controller



Internal Audit

Review of the Treasurer's Schedule of Assets as of December 31, 2024

Audit Manager: Rodrigo Martinez
Auditor II: Stephanie Tapia

Audit Number 2408
Report Date: November 14, 2025



OFFICE OF THE
ORANGE COUNTY AUDITOR-CONTROLLER

ANDREW N. HAMILTON, CPA
AUDITOR-CONTROLLER

DATE: November 14, 2025

TO: Honorable Board of Supervisors

FROM: Rodrigo Martinez, Audit Manager

SUBJECT: Review of the Treasurer's Schedule of Assets as of December 31, 2024

Pursuant to GOV Section 26920(a), we have reviewed the Treasurer's Schedule of Assets (Schedule) as of December 31, 2024, and the related notes to the Schedule. We use the term schedule instead of statement because the Schedule only presents the assets in the County Treasury; it does not present the financial position of the County Treasury. A statement fairly presents financial position in conformity with GAAP (e.g., a statement of net position), and a schedule presents data on legally prescribed basis different from GAAP (e.g., GOV Section 26920). Our report is attached for your review.

We appreciate the assistance extended to us by the personnel of the Treasurer-Tax Collector during this engagement. If you have any questions, please contact me at 714-834-6106.

Other recipients of this report:

Members, Audit Oversight Committee
Dana Schultz, Assistant Treasurer-Tax Collector
Jun Intal, Division Director of Treasury
Brian Winn, Investment Accounting/Compliance Manager
Salvador Lopez, Chief Deputy Auditor-Controller
Stephanie Tapia, Auditor II
Foreperson, Grand Jury
Robin Stieler, Clerk of the Board of Supervisors
Eide Bailly LLP, County External Auditor

Independent Accountant's Review Report

We have reviewed the accompanying Orange County Treasurer's Schedule of Assets (Schedule) as of December 31, 2024, and related notes to the Schedule. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the Schedule as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the modified accrual basis of accounting; this includes determining that the modified accrual basis is an acceptable basis for the preparation of the Schedule in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of Schedules that are free from material misstatement, whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the Schedule for it to be in accordance with the modified accrual basis of accounting. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of the Orange County Treasurer and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the Schedule in order for it to be in accordance with the modified accrual basis of accounting.

Basis of Accounting

We draw attention to Note 1 of the Schedule, which describes the basis of accounting. The Schedule is prepared in accordance with the modified accrual basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.



Rodrigo Martinez
Santa Ana, California
November 14, 2025

Orange County Treasurer's
Schedule of Assets as of December 31, 2024
(Dollar Amounts in Thousands)

	Orange County Treasurer's Pool	Specific Investment Account	Bond Proceeds Account	Total
Cash	\$ 15,752	\$ -	\$ -	\$ 15,752
Investments	16,607,935	547,474	22,758	\$ 17,178,167
Interest Receivable	129,202	183	282	\$ 129,667
Total Assets	\$ 16,752,888	\$ 547,657	\$ 23,040	\$ 17,323,586

Note 1 – Summary of Significant Accounting Policies

The Financial Reporting Entity

The Orange County Treasurer-Tax Collector (TTC) is responsible for tax collection, banking, investment, disbursement, and accountability of public funds. The TTC is also responsible for authorizing all County bank accounts and, pursuant to California Government Code (CGC) Sections 27000.1 – 27000.5, 27130 – 27137, and 53600 – 53686, conducting County investment activities for all public funds in the Orange County Investment Fund (OCIF), which in State law is called the County Treasury. The OCIF consists of three types of Funds, an external investment pool called the Orange County Treasurer's Pool (OCTP), Specific Investment Accounts and a Bond Proceeds Account that are included in the Schedule of Assets. The primary goal is to invest public funds in a manner which will provide maximum security of principal invested with secondary emphasis on providing adequate liquidity to pool participants. The last goal is to achieve a market rate of return within the parameters of prudent risk management while conforming to all applicable statutes and resolutions governing the investment of public funds.

The OCTP is managed on behalf of the pool participants that consist of the County, local school and community college districts (Educational Districts), both of whom are required by State statute to deposit funds with the TTC, and other non-mandatory local agencies and districts (Voluntary Pool Participants). Monies of the County, Educational Districts and other legally separate external entities, which are not part of the County reporting entity, are commingled (pooled) for banking and investment purposes only and invested on the participants' behalf, for the purpose of benefiting from economies of scale through pooled banking and investment activities. The OCTP is not registered with the Securities and Exchange Commission (SEC) as an investment company and therefore is exempt from SEC rules. The TTC will act on a "best efforts" basis to stabilize the OCTP Net Asset Value (NAV) at or above \$0.9975 (in absolute dollar amounts). OCTP does not have any legally binding guarantees of share values. The investment practices and policies of the TTC are based on compliance with state law and prudent money management. On August 1, 2024, Fitch affirmed their highest credit rating for the OCTP of AA+ for credit risk and a rating of S1. There is no assurance that such ratings will continue for any given period of time or that any such rating may not be lowered, suspended or withdrawn entirely by the respective rating agency if, in the judgment of such rating agency, circumstances so warrant.

The Specific Investment Accounts are governed by the Investment Policy Statement (IPS) and the Bond Proceeds Account is governed by a governing board bond resolution and both account types have separate agreements detailing investment related information between the County and/or a participant's governing board to invest funds that are set up for a specific requirement and if the investment maturities may extend beyond five years.

The State of California allows the Board of Supervisors (Board) the ability to delegate the investment authority to the TTC in accordance with CGC Section 53607. On an annual basis, the Board delegates the investment authority to the TTC. Pursuant to CGC 27130-27137, the Board has established the Treasury Oversight Committee (TOC) that monitors and reviews the IPS annually and also causes an audit of the County Treasury to ensure compliance. The TOC consists of the County Executive Officer, the elected County Auditor-Controller, the elected County Superintendent of Schools, or their respective designees, and four public members appointed by the Board of Supervisors, with at least three having expertise in, or an academic background in, public finance.

Financial Statement Presentation

The accompanying schedule of assets is presented on a modified accrual basis of accounting, which is a comprehensive basis of accounting other than the generally accepted accounting principles in the United States of America (GAAP). The cash balance differs from the accrual basis primarily by not including the amount of outstanding checks and deposits in transit. The accompanying schedule of assets presents only the assets of the County Treasury that includes the Orange County Treasurer's Pool (OCTP), Specific Investment Accounts and Bond Proceed Accounts and is not intended to present fairly the financial position of the County as a whole. Contributions from pool participants are recognized in the period in which they are received. Distributions to pool participants are recognized in the period in which they are disbursed.

Note 2 – Cash and Investments

Cash

As of December 31, 2024, the OCTP maintained accounts at Wells Fargo bank. Demand deposits of public funds at financial institutions that are not covered by the Federal Depository Insurance Corporation (FDIC) are required to be collateralized under CGC Section 53652 et. seq. and the IPS, which also prescribe the amount of collateral at market value that is required to secure these deposits. All such collateral is considered to be held by an agent of depository pursuant to CGC Section 53658. The pledge to secure deposits is administered by the California Department of Financial Protection and Innovation. Obligations pledged to secure deposits must be delivered to an institution other than the institution in which the deposit is made; however, the trust department of the same institution may hold them. Written agreements are required to provide, among other things, that the collateral securities are held separately from the assets of the custodial institution. Collateral is required for demand deposits at 110% of all deposits not covered by FDIC obligations of the United States and its agencies, or obligations of the State or its municipalities, school districts, and district corporations are pledged. Collateral of 150% is required if a deposit is secured by first mortgages or first trust deeds upon improved residential real property located in California. FDIC is available for demand deposits and time saving deposits at any one financial institution up to a maximum of \$250.

Investments

The TTC invests in securities for the OCTP, the Specific Investment Accounts, and the Bond Proceeds Account. Investments by the TTC are reported at fair value in compliance with Government Accounting Standards Board (GASB) Statement No. 72. Investments in the OCIF are marked-to-market on a daily basis and the fair value of the investments is provided by the custodial bank. Investments held by the TTC are exposed to risks such as interest rate risk, credit risk, concentration of credit risk and custodial credit risk.

Investment Strategy

The TTC's investment strategy for the OCTP is to preserve principal, provide liquidity to meet the disbursements needs and generate a yield within the parameters of prudent risk management. The cash flow needs of the OCTP participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of participants. The TTC's basic investment strategy is to buy and hold, to a designated maturity, high quality fixed income investments.

The Specific Investments Accounts are used to account for the schedule of assets for individual investment accounts. The individual investment strategies are customized to the needs of the requesting participants.

The Bond Proceeds Account is invested according to the bond indenture and are used to account for the schedule of assets for an Educational District and is customized to the needs of the District.

The investments in the accompanying Schedule are reported at fair value based on pricing received from the custodial bank. The table below summarizes the investments stated at fair value for OCTP, Specific Investment and the Bond Proceeds Accounts as of December 31, 2024:

	Orange County Treasurer's Pool	Specific Investment Account	Bond Proceeds Account
U. S. Government Agencies	\$ 11,409,938	\$ 10,104	\$ 15,087
U. S. Treasuries	3,553,247	537,370	6,820
Money Market Mutual Funds	1,643,342	-	851
Local Government Investment Fund	1,408	-	-
Total Investments at Fair Value	\$ 16,607,935	\$ 547,474	\$ 22,758

Note 3 – Interest Receivable

Interest receivable consists of interest accrued on investments including interest purchased with certain securities. At December 31, 2024, interest receivable totaled: \$129,202 for OCTP, \$183 for Specific Investments, and \$282 for the Bond Proceeds account.

ORANGE COUNTY
TREASURER'S INVESTMENT PORTFOLIO
COMPLIANCE MONITORING
FOR THE QUARTER ENDED
SEPTEMBER 30, 2024

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Supervisors and the County of Orange Treasurer-Tax Collector
(Treasury Oversight Committee dissolved on March 11, 2025)
Orange County, California

We have performed the procedures enumerated below on the compliance monitoring of the County of Orange Treasurer-Tax Collector's ("Treasurer") investment portfolio for the quarter ended September 30, 2024. The Treasurer is responsible for ensuring compliance with the Treasurer's 2024 Investment Policy Statement (2024 IPS).

The Treasurer has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the Treasurer's investment portfolio complied with the 2024 IPS. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

We selected 15 business days to test and analyzed the FIS Quantum data to determine if the Treasurer's investment portfolio complies with the 2024 IPS. We performed the following procedures:

- A. Authorized Investments (2024 IPS Sections VI, VII, IX, and XI): We selected one investment purchased for each of the 15 days tested to determine it conformed with the 2024 IPS restrictions at the time of purchase.

Finding: No compliance exceptions were noted as a result of our procedures.

- B. Diversification Limits (2024 IPS Section VIII.1): We verified that the selected investments did not exceed the diversification limits.

Finding: No compliance exceptions were noted as a result of our procedures.

- C. Maximum Maturity Limits (2024 IPS Section VIII.2): We verified that the maximum maturity of selected investments purchased did not exceed five years or that any investments exceeding this limit were allowed per the 2024 IPS.

Finding: No compliance exceptions were noted as a result of our procedures.

- D. Lower Maturity Limits (2024 IPS Section VIII.1): We verified that the maximum maturity of the selected investment types purchased with lower limits than those covered by 2024 IPS Section VIII.2 did not exceed 180 days for repurchase agreements and bankers' acceptances, 270 days for commercial paper, 18 months for negotiable certificates of deposit, two years for medium-term notes, and three years for municipal debt.

Finding: No compliance exceptions were noted as a result of our procedures.

- E. Issuer Concentration Limits (2024 IPS Section VIII.1): We verified that the selected investments did not exceed the issuer concentration limits per the 2024 IPS.

Finding: No discrepancies were noted as a result of our procedures.

- F. Financial Reporting (2024 IPS Section XXI): We verified that any compliance exceptions identified during testing were reported in the Treasurer's Monthly Investment Report.

Finding: No compliance exceptions were noted as a result of our procedures.

We were engaged by the Treasurer to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the 2024 IPS. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. The Treasurer has requested a copy of the report be provided to the Investment Oversight Committee.

We are required to be independent of the Treasury Oversight Committee and the Treasurer and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Supervisors and the Treasurer (Treasury Oversight Committee dissolved March 11, 2025) and a copy is being issued to the Investment Oversight Committee as per the engagement letter. Our report is not expected to be restricted to the use of specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
January 13, 2026

ORANGE COUNTY
TREASURER'S INVESTMENT PORTFOLIO
COMPLIANCE MONITORING
FOR THE QUARTER ENDED
DECEMBER 31, 2024

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Board of Supervisors and the County of Orange Treasurer-Tax Collector
(Treasury Oversight Committee dissolved on March 11, 2025)
Orange County, California

We have performed the procedures enumerated below on the compliance monitoring of the County of Orange Treasurer-Tax Collector's ("Treasurer") investment portfolio for the quarter ended December 31, 2024. The Treasurer is responsible for ensuring compliance with the Treasurer's 2024 Investment Policy Statement (2024 IPS).

The Treasurer has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the Treasurer's investment portfolio complied with the 2024 IPS. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

We selected 15 business days to test and analyzed the FIS Quantum data to determine if the Treasurer's investment portfolio complies with the 2024 IPS. We performed the following procedures:

- A. Authorized Investments (2024 IPS Sections VI, VII, IX, and XI): We selected one investment purchased for each of the 15 days tested to determine it conformed with the 2024 IPS restrictions at the time of purchase.

Finding: No compliance exceptions were noted as a result of our procedures.

- B. Diversification Limits (2024 IPS Section VIII.1): We verified that the selected investments did not exceed the diversification limits.

Finding: No compliance exceptions were noted as a result of our procedures.

- C. Maximum Maturity Limits (2024 IPS Section VIII.2): We verified that the maximum maturity of selected investments purchased did not exceed five years or that any investments exceeding this limit were allowed per the 2024 IPS.

Finding: No compliance exceptions were noted as a result of our procedures.

- D. Lower Maturity Limits (2024 IPS Section VIII.1): We verified that the maximum maturity of the selected investment types purchased with lower limits than those covered by 2024 IPS Section VIII.2 did not exceed 180 days for repurchase agreements and bankers' acceptances, 270 days for commercial paper, 18 months for negotiable certificates of deposit, two years for medium-term notes, and three years for municipal debt.

Finding: No compliance exceptions were noted as a result of our procedures.

- E. Issuer Concentration Limits (2024 IPS Section VIII.1): We verified that the selected investments did not exceed the issuer concentration limits per the 2024 IPS.

Finding: No discrepancies were noted as a result of our procedures.

- F. Financial Reporting (2024 IPS Section XXI): We verified that any compliance exceptions identified during testing were reported in the Treasurer's Monthly Investment Report.

Finding: No compliance exceptions were noted as a result of our procedures.

We were engaged by the Treasurer to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the 2024 IPS. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you. The Treasurer has requested a copy of the report be provided to the Investment Oversight Committee.

We are required to be independent of the Treasury Oversight Committee and the Treasurer and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Board of Supervisors and the Treasurer (Treasury Oversight Committee dissolved March 11, 2025) and a copy is being issued to the Investment Oversight Committee as per the engagement letter. Our report is not expected to be restricted to the use of specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
January 13, 2026

Report of the Schedule of Assets
Held in the County Treasury
June 30, 2025
Orange County Treasury

Independent Auditor’s Report 1

Financial Schedule

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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
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Independent Auditor's Report

To the Board of Supervisors
County of Orange California

Report on Schedule of Assets Held in the County Treasury

Opinion

We have audited the Schedule of Assets Held in the County Treasury (Schedule) of the County of Orange, California (County) as of and for the year ended June 30, 2025, and the related notes.

In our opinion, the accompanying Schedule presents fairly, in all material respects, the assets held in the County Treasury of the County, as of June 30, 2025, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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 Schedule section of our report.

We are required to be independent of the County 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 opinion.

Emphasis of Matter – Reporting Entity

As discussed in Note 1, the Schedule presents only the assets of the County Treasury, and does not purport to, and does not, present fairly the financial position of the County as of June 30, 2025, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule 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 the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is 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 Schedule.

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 Schedule, 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 Schedule.
- 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 County'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 Schedule.

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.

Other Matter

We have audited, in accordance with GAAS, the financial statements of the County as of and for the year ended June 30, 2025, and our report thereon, dated December 18, 2025, expressed unmodified opinions on those financial statements.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 30 2026, on our consideration of the County Treasury's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 County Treasury'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 County Treasury's internal control over financial reporting and compliance.

The image shows a handwritten signature in cursive script that reads "Eide Bailly LLP". The signature is written in black ink and is positioned above the typed name and address.

Laguna Hills, California
January 30, 2026

Orange County Treasurer
 Schedule of Assets Held in the County Treasury
 (Dollar Amounts in Thousands)
 June 30, 2025

	Orange County Treasury Pool	Bond Proceeds Account	Total
Cash and Cash Equivalents	\$ 1,906,100	\$ 1,302	\$ 1,907,402
Investments	13,628,751	22,462	13,651,213
Interest Receivable	94,479	286	94,765
Total Assets	\$ 15,629,330	\$ 24,050	\$ 15,653,380

Note 1 – Summary of Significant Accounting Policies

The Financial Reporting Entity

Under various State laws, the Orange County Treasurer-Tax Collector (TTC) is responsible for tax collection, banking, safekeeping, depositing, disbursing, reporting and accountability of public funds in the County Treasury that includes cash and investments. The surplus cash (investments) invested in the County Treasury is called the Orange County Investment Fund (OCIF). The OCIF consists of an external investment pool called the Orange County Treasury Pool (OCTP) and a Bond Proceeds Account that are included in the Schedule of Assets. State law defines three public fund objectives. First, provide maximum security of principal invested with the secondary objective to provide adequate liquidity to pool participants. The last objective is to achieve a market rate of return within the parameters of prudent risk management while conforming to all applicable statutes and resolutions governing the investment of public funds.

The OCTP is managed on behalf of the pool participants that consist of the County, local school and community college districts (Educational Districts) and other district funds, who are required by State statute to deposit funds in the County Treasury with the TTC, and other non-mandatory local agencies and districts (Voluntary Pool Participants). Monies of the County, Educational Districts and other legally separate external local agencies required to deposit funds with the Treasurer, which are not part of the County reporting entity, are commingled (pooled) for banking and investment purposes only and invested on the participants' behalf for the purpose of benefiting from economies of scale through pooled banking and investment activities. The OCTP is not registered with the Securities and Exchange Commission (SEC) as an investment company and therefore is exempt from SEC rules. The County will act on a "best efforts" basis to stabilize the OCTP Net Asset Value (NAV) at or above \$0.9975 (in absolute dollar amounts). OCTP does not have any legally binding guarantees of share values. On August 1, 2024, Fitch affirmed their highest credit rating for the OCTP of AA+ for credit risk and a rating of S1. There is no assurance that such ratings will continue for any given period of time or that any such rating may not be lowered, suspended or withdrawn entirely by the respective rating agency if, in the judgment of such rating agency, circumstances so warrant.

Under State of California Government Code (CGC) Section 53600.3, the Board of Supervisors (Board) is the governing body authorized to make investment decisions on behalf of the county and therefore fiduciaries subject to the prudent investor standard to safeguard the principal and maintain the liquidity needs of the County. CGC Section 63646(a)(1) states that, in the case of County government, the Treasurer may render a Statement of Investment Policy (IPS) to the Board to be reviewed and approved at a public meeting. The Treasurer did render a proposed 2025 Treasurer's IPS on December 17, 2024, that the Board deleted from the public agenda. The 2024 Treasurer's IPS expired on December 31, 2024. On February 11, 2025, the Board approved a County of Orange California Investment Policy submitted by County Counsel with the Board responsible for making investment decisions per CGC Section 53600.3. The Investment Policy (IP) renamed the pooled funds from the Orange County Treasurer's Pool to the Orange County Treasury Pool.

On February 25, 2025, the Board terminated the Voluntary Participant Program effective June 30, 2025, which pursuant to CGC Section 27000.3 (b) defined the Treasurer as the fiduciary of these local agency discretionary funds. As of February 28, 2025, the majority of the VPP funds on deposit had been disbursed back to the local agencies. On March 11, 2025, the Board adopted a resolution dissolving the Treasury Oversight Committee originally created pursuant to CGC Section 27131 and established an Investment Oversight Committee (IOC) not defined in State law. The Board directed voting members of the Audit Oversight Committee (Board Chair and Vice Chair, five Board appointed members) to sit as voting members of the newly created Investment Oversight Committee (IOC) and added the Superintendent of Schools as a member of the IOC.

The OCTP is governed by the IP approved on February 11, 2025. The Bond Proceeds Account is governed by a governing board bond resolution that is set up for a specific purpose and to identify if the investment maturities may extend beyond five years.

Financial Statement Presentation

This schedule is prepared using the economic resources measurement focus and the accrual basis of accounting.

The accompanying schedule of assets presents only the assets of the County Treasury that includes the Orange County Treasury Pool (OCTP) and Bond Proceed Account and is not intended to present fairly the financial position of the county as a whole in conformity with accounting principles generally accepted in the United States of America (GAAP).

Earnings on investments are recognized as revenue in the period in which they are earned, and investment costs are recognized as an expense when incurred, regardless of the timing of related cash flows. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 31 *Accounting and Financial Reporting for Certain Investments and for External Investment Pools* (GASB 31) as amended by GASB Statement No. 72, *Fair Value Measurement and Application* (GASB 72), the statement reflects the fair value of certain investments. Pool participants' shares are valued using a cost basis and income is distributed to individual eligible participants based on their average daily balances during the period based on County Treasury records and consist of (1) interest income based on stated rates (2) amortization of discounts and premiums on a straight-line basis and reduced by (3) actual investment administrative costs of such investing, depositing or handling of funds. This method used to determine participants shares sold and redeemed differs from the method used to report investments because the cost method is not designed to distribute to participants all unrealized gains and losses in the value of the pool's investments. The deposit and investment disclosures are in accordance with GASB Statement No. 40 *Deposit and Investment Risk Disclosures, an amendment to GASB Statement No. 3*.

Use of Estimates

The preparation of the schedule of assets in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the amounts reported in the schedule of assets and accompanying notes. Actual results could differ from those estimates. Where significant estimates have been made in preparing these financial statements, they are described in the applicable footnotes.

Note 2 – Cash, Cash Equivalents and Investments

Cash and Cash Equivalents

Cash and cash equivalents are demand deposits, cash on hand, Money Market Mutual Funds (MMMF) which are readily converted to cash without any penalty and traded in an established market, LAIF and securities purchased within 90 days to maturity. These amounts are offset by reconciling items such as outstanding checks and deposits in transit. At June 30, 2025, the carrying amount of the County's cash was negative \$161,019, the total bank balance amounted to \$38,389, the MMMF balance was \$1,828,306, the LAIF balance was \$1,448 and securities purchased within 90 days to maturity was \$198,976. The Bond Proceeds Account MMMF balance was \$1,302.

Securities purchased within 90 days to maturity are classified as cash equivalents for presentation purposes; however, they are included in the fair value hierarchy table because they are measured at fair value.

Custodial Credit Risk - Deposits

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2025, the OCTP maintained bank accounts at Wells Fargo Bank. Federal Depository Insurance Corporation (FDIC) insurance is available for demand deposits and interest saving deposit funds deposited at any one financial institution up to a maximum of \$250. Demand deposits of public funds at financial institutions that are not covered by the FDIC are required to be collateralized under CGC Section 53652 et. seq., which also prescribes the amount of collateral at market value that is required to secure these deposits. All such collateral is considered to be held by an agent of depository pursuant to CGC Section 53658. The pledge to secure deposits is administered by the California Department of Financial Protection and Innovation. Obligations pledged to secure deposits must be delivered to an institution other than the institution in which the deposit is made; however, the trust department of the same institution may hold them. Written agreements are required to provide, among other things, that the collateral securities are held separately from the assets of the custodial institution.

Collateral is required for demand deposits at 110% of all deposits not covered by FDIC Obligations of the United States and its agencies, or obligations of the State or its municipalities, school districts, and district corporations are pledged. Collateral of 150% is required if a deposit is secured by first mortgages or first trust deeds upon improved residential real property located in California.

Investments

The CGC Sections 53601 and 53635, ordinances and resolutions, the County's IP and bond indenture documents govern the investments that may be purchased and may include certain restrictions on investment maturity, maximum portfolio percentages, term, value, credit quality and timing to minimize the risk of loss. The IP contains allowable investment instruments in compliance with CGC Sections 53601 (Bond Proceeds Account) and 53635 (OCTP) including obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper, banker's acceptances, repurchase agreements, corporate notes, negotiable certificate of deposit, supranational instruments, MMMF, share of beneficial interest of a Joint Powers Authority that invest in authorized securities and the state pool (LAIF). The IP also adds additional restrictions on allowable instruments for the OCTP including expressly prohibits the use of leverage, reverse repurchase agreements (as defined in CGC Section 53601), structured notes, structured investment vehicles, derivatives, and MMMF that do not maintain a constant net asset value. Investments are reported at fair value in compliance with GASB 72 by the Treasurer. Investments are marked-to-market on a daily basis, and the fair value of investments is provided by the custodial bank.

Unless otherwise required in a trust agreement, educational districts (school and community college districts), including certain bond-related funds are required by legal provisions to deposit all monies received from any source in the County Treasury. At June 30, 2025, the OCTP includes approximately 65.7% of these involuntary participant deposits. Involuntary (Education Code Sections 41001 and 41002) and other external pool participant funds (CGC Section 27001.1) are deemed to be held in trust and such funds shall not be deemed funds or assets of the County and the relationship of the depositing entity and the County shall not be one of creditor-debtor.

Investment in State Investment Pool

The County is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the CGC Section 16429.1 under the oversight of the Treasurer of the State of California. The fair value of the investments in this pool is reported in the accompanying Schedule at amounts based on the pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the cost of the portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on a cost basis.

Fair Value Measures

The Treasurer categorizes its fair value measurements within the fair value hierarchy established by GASB 72. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices based on quoted identical assets in an active market.
- Level 2: Investments reflect prices that are based on identical or similar assets in inactive markets or similar assets in active markets. Inputs other than quotes are observable.
- Level 3: Investments reflect prices based on significant unobservable inputs.

Fair value measurement is based on pricing received from the custodial bank. Investments in MMMF of \$1,828,306 for the OCTP and \$1,302 for the Bond Proceeds Account are priced using cost which approximates fair value, and with a net asset value of \$1.00 (in absolute dollar amounts) per share, and per GASB Statement No. 72, are not subject to the fair value hierarchy. Additionally, cash equivalents such as securities purchased with less than 30 days to maturity and LAIF are not subject to the fair value hierarchy.

When quoted prices in active markets are available, investments are classified within level 1 of the fair value hierarchy. For investments classified within level 2, the Treasurer's custodian generally uses external pricing, vendor or matrix pricing models. The Treasurer uses the market approach method as a valuation technique in the application of GASB 72. This method uses prices and other relevant information generated by market transactions

Orange County Treasurer
Notes to Schedule
(Dollar Amounts in Thousands)
June 30, 2025

involving identical or similar assets or groups of assets. The following table presents a summary of the County Treasury's investments according to the assigned fair value hierarchy level at June 30, 2025.

	Fair Value	Fair Value Measurement		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
OCTP				
U.S. Treasuries	\$ 3,986,889	\$ --	\$ 3,986,889	\$ --
U.S. Government Agencies:				
Federal Home Loan Bank (FHLB) Bonds	5,558,979	--	5,558,979	--
Federal Farm Credit Bank (FFCB)	3,226,283	--	3,226,283	--
Federal Home Loan Mortgage Corporation (FREDDIE MAC)	732,584	--	732,584	--
Federal National Mortgage Association (FNMA)	124,016	--	124,016	--
Sub-Total	<u>13,628,751</u>	<u>\$ -</u>	<u>\$ 13,628,751</u>	<u>\$ -</u>
Securities Purchased Within 90 Days to Maturity				
U.S. Treasury Bills	198,976	--	198,976	--
Total Investments	<u>13,827,727</u>	<u>--</u>	<u>13,827,727</u>	<u>--</u>
Cash Equivalents Not Subject to Fair Value Hierarchy				
Money Market Mutual Funds	1,828,306			
Local Agency Investment Fund (LAIF)	1,448			
Total Investments and Cash Equivalents - OCTP	<u>\$ 15,657,481</u>			
Bond Proceeds Account				
U.S. Treasuries	\$ 7,025	\$ --	\$ 7,025	\$ --
U.S. Government Agencies:				
Federal Farm Credit Bank (FFCB)	9,180	--	9,180	--
Federal Home Loan Mortgage Corporation (FREDDIE MAC)	3,984	--	3,984	--
Federal National Mortgage Association (FNMA)	1,634	--	1,634	--
Federal Home Loan Bank (FHLB) Bonds	639	--	639	--
Sub-Total	<u>22,462</u>	<u>\$ -</u>	<u>\$ 22,462</u>	<u>\$ -</u>
Cash Equivalents Not Subject to Fair Value Hierarchy				
Money Market Mutual Funds	1,302			
Total Investments and Cash Equivalents - Bond Proceeds Account	<u>\$ 23,764</u>			
Total	<u>\$ 15,681,245</u>			

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, fixed income securities of longer maturities are more sensitive to changes in market interest rates. Declines in the fair value of investments are managed by limiting the length of the maturity of the securities and providing daily and ongoing liquidity in the portfolio. The County manages its exposure to interest rate risk by carefully matching incoming cash flows and maturing investments to meet expenditures and by limiting duration. The duration of OCTP as of June 30, 2025, is 0.65 year. The table below shows the maturities distribution of the OCTP as of June 30, 2025. The Bond Proceeds Account does not have duration limits and is currently invested out to 2036.

<u>Maturities</u>	<u>Par Value</u>	<u>% of Portfolio</u>
1 day to 30 days	\$ 2,629,747	16.67%
31 days to 180 days	4,995,000	31.67%
181 days to 365 days	3,500,000	22.19%
1 year to 2 years	3,623,000	22.97%
2 years to 3 years	825,000	5.23%
3 years to 5 years	200,000	1.27%
Total	<u>\$ 15,772,747</u>	<u>100.00%</u>

In general, the maximum maturity allowed is five years unless the Board or governing body has granted express authority either specifically or as part of an investment policy. Actual weighted average days to maturity by investment type for the OCTP and the Bond Proceeds Account are presented in the table after the Concentration of Credit Risk section below. The OCTP at June 30, 2025, has 48.34% of investments maturing in six months or less and 51.66% maturing between six months and five years. As of June 30, 2025, the OCTP had no variable-rate notes.

Credit Risk

This is the risk that an issuer or other counterparty to an investment or cash and cash equivalent may not fulfill its obligations or that negative perceptions of the issuer's ability to make these payments will cause the price to decline. The IP, which is more restrictive than the government code, sets forth the minimum acceptable credit ratings for investments from at least two of the following NRSROs: S&P, Moody's, or Fitch. All short-term and long-term investments, except those noted below, 1) must have the minimum ratings required below by at least two NRSROs, and 2) the lowest rating of any NRSRO must meet or exceed the minimum rating required below:

S&P	A-1, "AA"
Moody's	P-1, MIG 1/VMIG 1, "Aa"
Fitch	F-1, "AA"

If an issuer of Long-term debt has a Short-term debt rating, then it may not be less than the minimum required Short-term debt ratings above.

Exceptions to the Rating Policy above:

- a) Municipal debt issued by the County of Orange, California, U.S. Government obligations and LAIF are exempt from the credit rating requirements listed above.
- b) MMMF that have retained an investment advisor registered or exempt from registration with the SEC with not less than five years' experience managing MMMF with assets under management in excess of \$500 million require the highest rating or highest letter and numerical ranking provided by at least one NRSRO.

No investment may be purchased from an issuer and all related entities, including parent and subsidiaries, that have been placed on "credit watch-negative" by any of the NRSROs or whose credit rating by any of the NRSROs is less than the minimum rating required by the IP for that class of security unless the issuer has a short-term rating of A-1+ or F1+ or a long-term rating of at least AA or Aa2; and the County Investment Manager has approved the purchase in writing prior to purchase.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The investment policy of the County is more restrictive for certain investment types on the percentage or amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

The following table presents a summary of the investments in the County Treasury by interest rate risk, credit risk and concentration of credit risk (single issuers that represent 5 percent or more of total investments) as of June 30, 2025.

Orange County Treasurer
Notes to Schedule
(Dollar Amounts in Thousands)
June 30, 2025

<u>OCTP</u>	Fair Value	Principal	Maximum Maturity	Weighted Average Maturity (Years)	Rating (1)	% of Portfolio
U.S. Treasuries	\$ 4,185,865	\$ 4,250,000	5 Years	0.821		26.73%
U.S. Government Agencies:						
Federal Home Loan Bank (FHLB) Bonds	5,558,979	5,613,000	5 Years	0.521	AA	35.51%
Federal Farm Credit Bank (FFCB)	3,226,283	3,220,000	5 Years	1.093	AA	20.60%
Federal Home Loan Mortgage Corporation (FREDDIE MAC)	732,584	735,000	5 Years	2.323	AA	4.68%
Federal National Mortgage Association (FNMA)	124,016	125,000	5 Years	1.040	AA	0.79%
Money Market Mutual Funds	1,828,306	1,828,306	N/A	0.003	AAA	11.68%
Local Agency Investment Fund (LAIF)	1,448	1,441	N/A	0.003	NR	0.01%
	\$ 15,657,481	\$ 15,772,747		0.747	(2)	100.00%

<u>Bond Proceeds Account</u>	Fair Value	Principal	Maximum Maturity	Weighted Average Maturity (Years)	Rating (1)	% of Portfolio
U.S. Treasuries	\$ 7,025	\$ 7,300	2/15/2036	5.840		29.56%
U.S. Government Agencies:						
Federal Farm Credit Bank (FFCB)	9,180	9,666	11/2/2035	6.378	AA	38.63%
Federal Home Loan Mortgage Corporation (FREDDIE MAC)	3,984	3,500	7/15/2032	6.471	AA	16.76%
Federal National Mortgage Association (FNMA)	1,634	1,500	5/15/2029	3.877	AA	6.88%
Federal Home Loan Bank (FHLB) Bonds	639	650	11/16/2028	2.273	AA	2.69%
Money Market Mutual Funds	1,302	1,302	7/1/2025	0.003	AAA	5.48%
	\$ 23,764	\$ 23,918		5.603	(2)	100.00%

Total	\$ 15,681,245	\$ 15,796,665				
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(1) The County obtains credit ratings from S&P, Moody's, and Fitch. The ratings indicative of the greatest degree of risk have been disclosed. NR means not rated. The County is not required to disclose the credit ratings of obligations of the U.S. government or obligations explicitly guaranteed.

(2) The total Weighted Average Maturity (WAM) is the portfolio's weighted-average maturity.

Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total investments in the County Treasury are as follows: OCTP: FHLB \$5,558,979, and FFCB \$3,226,283 and Bond Proceeds Account: FFBC \$9,190 and FREDDIE MAC \$3,984.

As of June 30, 2025, all investments in the County Treasury were in compliance with credit ratings and single issuer limits, as applicable.

Custodial Credit Risk – Investments

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, the Treasurer will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The IP does not permit investments in uninsured and unregistered securities not held by the County. The Treasurer utilizes third party Delivery Versus Payment (DVP) which mitigates any custodial credit risk. Securities purchased by the County are held by third party custodians selected by the Treasurer in their trust department to mitigate custodial credit risk. On June 30, 2025, the Treasurer held all investments in the County Treasury in the custodial bank. In addition, the County did not have any securities lending during the year (or at year-end).

Foreign Currency Risk

The IP requires all securities to be U.S. dollar denominated. The investments in the County Treasury are not exposed to foreign currency risk.

Note 3 – Interest Receivable

Interest receivable consists of interest accrued on investments including interest purchased with certain securities. At June 30, 2025, interest receivable totaled \$94,479 for OCTP and \$286 for the Bond Proceeds account.

Note 4 – Subsequent Events

As allowed by CGC Section 63646(a)(1) in the case of County government, the Treasurer may and did render a proposed 2026 Treasurer's Investment Policy Statement (IPS) for a public meeting on December 16, 2025. On December 12, 2025, a Board member deleted this agenda item from the published public agenda. The CEO submitted a revised Investment Policy (IP), effective January 1, 2026, that the Board approved as part of the Strategic Financial Plan agenda item on December 16, 2025. The main changes to the IP, effective January 1, 2026, were to increase the maximum duration of the OCTP from 1.5 to 3.0 years, extend the maximum maturity limit on Medium-Term Notes from 2 years to 5 years, and to reflect changes in government code language increasing the maximum maturity local agencies may invest in Commercial Paper from 270 to 397 days.



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 of Supervisors
County of Orange, 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 (*Government Auditing Standards*), the Schedule of Assets Held in the County Treasury (Schedule) of the County of Orange, California (County), as of and for the year ended June 30, 2025, and the related notes to the Schedule and have issued our report thereon dated January 30, 2026. Our report contained an emphasis of matter regarding the Schedule presenting only the assets of the County Treasury, and does not purport to, and does not, present fairly the financial position of the County as of June 30, 2025.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the Schedule, we considered the County Treasury'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 Schedule, but not for the purpose of expressing an opinion on the effectiveness of the County Treasury's internal control. Accordingly, we do not express an opinion on the effectiveness of the County Treasury'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 entity'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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County Treasury's Schedule is 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Eide Sully LLP".

Laguna Hills, California
January 30, 2026

**ORANGE COUNTY
COUNTY'S INVESTMENT PORTFOLIO
COMPLIANCE MONITORING
FOR THE QUARTER ENDED
MARCH 31, 2025**

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Orange County Investment Oversight Committee
Orange County, California

We have performed the procedures enumerated below on the compliance monitoring of the County of Orange's (County) investment portfolio for the quarter ended March 31, 2025. County's management is responsible for compliance with the Orange County California Investment Policy (IP).

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the County's investment portfolio complied with the County's 2025 IP. Additionally, the County Executive Officer has agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

We selected 15 business days to test and analyzed the FIS Quantum data to determine if the County's investment portfolio complies with the 2025 IP. We performed the following procedures:

- A. Authorized Investments (2025 IP Sections VI, VII, IX, and XI): We selected one investment purchased for each of the 15 days tested to determine if it conformed with the 2025 IP restrictions at the time of purchase.

Finding: No discrepancies were noted as a result of our procedures.

- B. Diversification Limits (2025 IP Section VIII.1): We verified that the selected investments did not exceed the diversification limits.

Finding: No discrepancies were noted as a result of our procedures.

- C. Maximum Maturity Limits (2025 IP Section VIII.2): We verified that the maximum maturity of the selected investments purchased did not exceed five years, or that any investments exceeding this limit were allowed under the 2025 IP.

Finding: No discrepancies were noted as a result of our procedures.

- D. Lower Maturity Limits (2025 IP Section VIII.1): We verified that the maximum maturity of the selected investment types purchased with lower limits than those covered by 2025 IP Section VIII.2 did not exceed 180 days for repurchase agreements and bankers' acceptances, 270 days for commercial paper, 18 months for negotiable certificates of deposit, two years for medium-term notes, and three years for municipal debt.

Finding: No discrepancies were noted as a result of our procedures.

- E. Issuer Concentration Limits (2025 IP Section VIII.1): We verified that the selected investments did not exceed the issuer concentration limits per the 2025 IP.

Finding: No discrepancies were noted as a result of our procedures.

- F. Financial Reporting (2025 IP Section XIX): We verified that any compliance exceptions identified during testing were reported in the County's Monthly Investment Report.

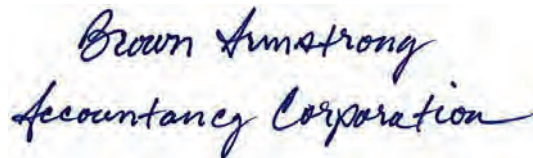
Finding: No discrepancies were noted as a result of our procedures.

We were engaged by the County Executive Officer to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the County's IP. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County Investment Oversight Committee and the County Executive Officer and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Orange County Investment Oversight Committee and is not intended to be and should not be used by anyone other than those specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in black ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive style and is positioned below the printed name of the company.

Bakersfield, California
November 5, 2025

ORANGE COUNTY
COUNTY'S INVESTMENT PORTFOLIO
COMPLIANCE MONITORING
FOR THE QUARTER ENDED
JUNE 30, 2025

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

The Orange County Investment Oversight Committee
Orange County, California

We have performed the procedures enumerated below on the compliance monitoring of the County of Orange's (County) investment portfolio for the quarter ended June 30, 2025. County's management is responsible for compliance with the Orange County California Investment Policy (IP).

The County has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of determining whether the County's investment portfolio complied with the County's 2025 IP. Additionally, the County Executive Officer has agreed to and acknowledged that the procedures performed are appropriate for their purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures and associated findings are as follows:

We selected 15 business days to test and analyzed the FIS Quantum data to determine if the County's investment portfolio complies with the 2025 IP. We performed the following procedures:

- A. Authorized Investments (2025 IP Sections VI, VII, IX, and XI): We selected one investment purchased for each of the 15 days tested to determine it conformed with the 2025 IP restrictions at the time of purchase.

Finding: No discrepancies were noted as a result of our procedures.

- B. Diversification Limits (2025 IP Section VIII.1): We verified that the selected investments did not exceed the diversification limits.

Finding: No discrepancies were noted as a result of our procedures.

- C. Maximum Maturity Limits (2025 IP Section VIII.2): We verified that the maximum maturity of the selected investments purchased did not exceed five years or that any investments exceeding this limit were allowed under the 2025 IP.

Finding: No discrepancies were noted as a result of our procedures.

- D. Lower Maturity Limits (2025 IP Section VIII.1): We verified that the maximum maturity of the selected investment types purchased with lower limits than those covered by 2025 IP Section VIII.2 did not exceed 180 days for repurchase agreements and bankers' acceptances, 270 days for commercial paper, 18 months for negotiable certificates of deposit, two years for medium-term notes, and three years for municipal debt.

Finding: No discrepancies were noted as a result of our procedures.

- E. Issuer Concentration Limits (2025 IP Section VIII.1): We verified that the selected investments did not exceed the issuer concentration limits per the 2025 IP.

Finding: No discrepancies were noted as a result of our procedures.

- F. Financial Reporting (2025 IP Section XIX): We verified that any compliance exceptions identified during testing were reported in the County's Monthly Investment Report.

Finding: No discrepancies were noted as a result of our procedures.

We were engaged by the County Executive Officer to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants (AICPA). We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on compliance with the County's IP. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of the County Investment Oversight Committee and the County Executive Officer and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely for the information and use of the Orange County Investment Oversight Committee and is not intended to be, and should not be, used by anyone other than this specified party.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
December 5, 2025



Financial Highlights as of Jan 31, 2026

Comparison of Budget vs. Actual Fiscal Year 2025-2026 Unaudited Period Ending 01/31/26

	<u>FY 2025-26 Budget</u>	<u>FY 2025-26 Actuals</u>	
Financing Sources			
Tobacco Tax Revenue	\$16,568,820	\$6,112,200	36.9%
Interest Earnings	100,000	1,550,147	1550.1%
Other Revenue	<u>7,831,000</u>	<u>2,125,920</u>	27.1%
Revenue Total	\$24,499,820	\$9,284,305	
Expenses*			
Prenatal-to-Three*	\$15,259,592	\$4,728,900	31.0%
Early Learning & Community Engagement	6,448,644	1,848,711	28.7%
Homeless Prevention	50,000	109,048	218.1%
Systems Building	2,946,492	907,200	30.8%
Performance Evaluation	<u>972,500</u>	<u>418,946</u>	43.1%
Program Services	\$25,677,228	\$8,012,804	
Admin. Functions**	<u>1,923,726</u>	<u>996,796</u>	51.8%
Total Operating Exp.	\$27,600,954	\$9,009,600	

*Including One-Time System Expenses (previously called Catalytic)

**Administrative costs and functions are defined by State Commission guidelines (Fiscal Memo No. 05-01, dated April 14, 2006) pursuant to Chapter 284, Statutes of 2005 (AB 109). Actual Administrative expenses of \$996,796 and encumbrances of \$1,150,378 were 7.8% of the Fiscal Year 2025-2026 Budget of \$27.6 million. Final administrative expenses are projected to be 7.5% at year-end.

Total Encumbrances as of Jan 31, 2026, including multi-year contracts through Fiscal Year 2027-2028

Prenatal-to-Three	\$22,683,720
Early Learning & Community Engagement	\$7,567,346
Homeless Prevention	\$87,287
Systems Building	\$1,189,968
Performance Evaluation	\$409,146
Admin. Functions	\$1,150,378

Revenue and Cash Balance Update

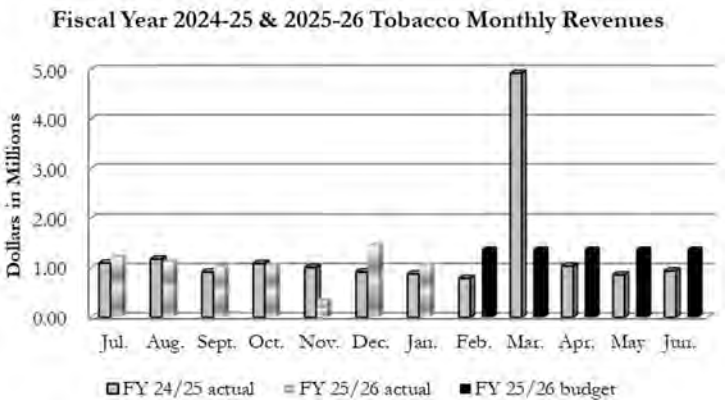
Tobacco Tax Revenue has been reported through Nov 2025. Current year revenue (July 2025 through January 2026) as reported by First 5 California is \$7.2 million. This amount includes Q1 of CECET, but does not include the annual backfill and Q2 and Q3 of CECET.

Interest earnings for Jan 2026 are \$1,550,147.

Systems Funding Update

\$50,952,389 One-Time Systems Funding was expensed from Fiscal Year 2012-2013 through Fiscal Year 2024-2025.

As of January 31, 2026, \$4.7 million was encumbered for one-time Systems Building programs.



Fiscal Year 2024-2025 Ending Fund Balance

From Commission Long Term Financial Plan

Beginning Fund Balance, July 1, 2024	\$69,903,366
Total Revenue	26,504,531
Total Program Expenses	(23,016,688)
Fund Balance for Systems Building Projects	<u>(10,947,611)</u>

June 30, 2025 Fund Balance **\$62,555,570***

*Based on Commission action through April 2025 and financial results through June 30, 2025. Final fund balance does not include One-time Systems Building Projects. For financial planning purposes, One-time Systems Building Projects have been designated by Commission action and removed from available fund balance.



Financial Highlights as of Feb 28, 2026

Comparison of Budget vs. Actual Fiscal Year 2025-2026 Unaudited Period Ending 02/28/26

	<u>FY 2025-26 Budget</u>	<u>FY 2025-26 Actuals</u>	
Financing Sources			
Tobacco Tax Revenue	\$16,568,820	\$7,158,156	43.2%
Interest Earnings	100,000	1,806,947	1806.9%
Other Revenue	<u>7,831,000</u>	<u>2,597,788</u>	27.1%
Revenue Total	\$24,499,820	\$11,562,891	
Expenses*			
Prenatal-to-Three*	\$15,259,592	\$5,468,441	35.8%
Early Learning & Community Engagement	6,448,644	2,616,219	40.6%
Homeless Prevention	50,000	118,028	236.1%
Systems Building	2,946,492	1,039,983	35.3%
Performance Evaluation	<u>972,500</u>	<u>438,521</u>	45.1%
Program Services	\$25,677,228	\$9,681,192	
Admin. Functions**	<u>1,923,726</u>	<u>1,107,760</u>	57.6%
Total Operating Exp.	\$27,600,954	\$10,788,952	

*Including One-Time System Expenses (previously called Catalytic)

**Administrative costs and functions are defined by State Commission guidelines (Fiscal Memo No. 05-01, dated April 14, 2006) pursuant to Chapter 284, Statutes of 2005 (AB 109). Actual Administrative expenses of \$1,107,760 and encumbrances of \$1,107,439 were 8% of the Fiscal Year 2025-2026 Budget of \$27.6 million. Final administrative expenses are projected to be 7.5% at year-end.

Total Encumbrances as of Feb 28, 2026, including multi-year contracts through Fiscal Year 2027-2028

Prenatal-to-Three	\$21,595,011
Early Learning & Community Engagement	\$6,999,023
Homeless Prevention	\$78,306
Systems Building	\$893,461
Performance Evaluation	\$352,227
Admin. Functions	\$1,107,439

Revenue and Cash Balance Update

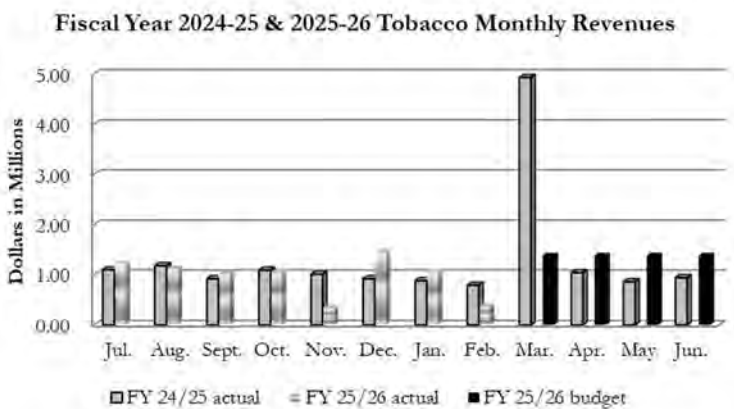
Tobacco Tax Revenue has been reported through Nov 2025. Current year revenue (July 2025 through January 2026) as reported by First 5 California is \$7.6 million. This amount includes Q1 and Q2 for CECET, but does not include the annual backfill.

Interest earnings for February 2026 are \$1,806,947.

Systems Funding Update

\$50,952,389 One-Time Systems Funding was expensed from Fiscal Year 2012-2013 through Fiscal Year 2024-2025.

As of February 28, 2026, \$4.7 million was encumbered for one-time Systems Building programs.



Fiscal Year 2024-2025 Ending Fund Balance

From Commission Long Term Financial Plan

Beginning Fund Balance, July 1, 2024	\$69,903,366
Total Revenue	26,504,531
Total Program Expenses	(23,016,688)
Fund Balance for Systems Building Projects	<u>(10,947,611)</u>

June 30, 2025 Fund Balance \$62,555,570*

*Based on Commission action through April 2025 and financial results through June 30, 2025. Final fund balance does not include One-time Systems Building Projects. For financial planning purposes, One-time Systems Building Projects have been designated by Commission action and removed from available fund balance.

Summary of First 5 Orange County Action Plans for 2025-2026

Action Plan	Staff Lead	Status
Expand Use of Kid Builders in OC	Vy	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; Billing is Delayed
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
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
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; State Funding after June 2026 is Uncertain
Develop Clear Messaging for First 5 OC to Cultivate and Leverage Partnerships and Improve Outcomes for Young Children and Families	Tiffany	On Track

Summary of Progress on Strategic Plan Action Plans

April 2026

❖ Expand Use of Kid Builders in OC

Accomplishments:

In the past two months, we concluded our Kid Builder Story Time programming at the Westminster and Anaheim Sunkist Libraries. Between these two locations, we hosted nine library programs. We also participated in the 2026 Kinderpalooza hosted by OC Public Libraries, where we brought Kid Builders to the Dana Point and Foothill Ranch Libraries. During this same period, we participated in 18 community events, both those we hosted and those we attended as partners. We engaged with 1,230 individuals, including families, children ages 0–5, providers, and other community members. These events took place throughout Orange County, with a focus on South County.

We have continued to prioritize engaging parents through smaller, more intentional events, such as library programs. We recently launched a Kid Builder Learn and Play Series at one of our HealthySteps clinics, VM Clinic. This is a four-month series taking place once a month from March through June, and it aligns with our outreach strategy of reaching families where they already are, by bringing Kid Builders to places they frequently visit such as libraries and doctor's offices. It also supports our goal of increasing engagement with the Vietnamese community, as many patients who attend VM Clinic are Vietnamese.

We have been working closely with Growing Up Garden Grove to partner on more community events in the area. Rather than having separate tables, we will be sharing a table with them at these events to provide a joint presence. Currently, most of our Kid Builder activities have been smaller events, and we have not had many large-scale opportunities for volunteer involvement. We continue to maintain communication with interns at UCI for any upcoming events where additional support may be needed. We have also received interest from individuals who would like to volunteer through the volunteer tab on our website.

We received feedback from Beyond Blindness on the Kid Builder Toolkit for Early Childhood Educators and are continuing to roll out the toolkit as requests come in. Based on Beyond Blindness feedback, we are considering where to simplify the toolkit and direct to the website vs. creating more activities within the toolkit.

Challenges:

As the number of events continues to increase, it has become more challenging to balance event coordination while managing staff capacity. It is still manageable, but something we should consider as we think about how to continue growing and sustaining our outreach efforts.

❖ Invest in Orange County's Home Visiting System

Accomplishments:

In February, the Home Visiting Collaborative hosted this fiscal year's first training, held specifically for collaborative members on principles of motivational interviewing. After the Quarter 2 audits were completed in December, the six Parents as Teachers and Healthy Families America home visiting providers created improvement goals. Since then, we have seen improvement in home visit documentation, supervision compliance, and administrative compliance. The next audit will occur in late March.

Summary of Progress on Strategic Plan Action Plans

April 2026

The Home Visiting Collaborative's referral pathway, referral form, and voluntary service expectations were revised with the Coordinated Entry workgroup and are set to begin implementation on April 1st. We have also completed recruitment for a full-time perinatal Community Health Worker, who will begin work shortly to support with the closed loop referral process and referring families that rejected home visiting to other First 5 OC support that may better suit their needs.

First 5 OC home visiting program staff continue to work with the communications team on developing an internal home visiting dashboard as well as collecting stories and creating videos to highlight the impact of the program on families and First 5 OC's role in supporting the work.

❖ Assess Feasibility of Community Health Workers as Mechanism to Sustain Prenatal-to-Three Services

Accomplishments:

We have a total of 12 individuals in the training to receive their Community Health Worker (CHW) certificate, including new staff from Padres Unidos, as well as several individuals from our Engaged Neighborhoods including Santa Ana, Garden Grove, and La Habra. Participants started attending classes and will continue through mid-summer. By July 2026, we will have trained a total of 23 CHWs through partnership with First 5 OC.

Challenges:

Gathering documentation from partners to bill in a timely manner remains a challenge. The good news is that we have hired a full-time perinatal Community Health Worker who will be able to streamline this workflow and support timely document and billing.

❖ Expand First 5 OC-funded Prenatal and Postnatal Services

Accomplishments:

Two partners, Sacred Path and Santa Ana Early Learning Initiative, have begun pop up developmental playgroups which will continue between now and June 30th. These are single offerings held in targeted communities to support postnatal community needs. We are also exploring a partnership with OC Global who will be hosting a fatherhood developmental playgroup. Our work with Camino Health continues, and they are offering an 8-week prenatal group class and a prenatal daddy boot camp. Additionally, we will host a 5-week series for fathers with our partner, Fatherhood Connection, at our location at The Village in May.

Challenges:

Families continue to experience a system barrier trying to use their Medi-Cal benefit of non-medical transportation to access preventative services like the prenatal and postnatal developmental playgroups.

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❖ Increase Organizational and Community Engagement in Family Wellness Plan Implementation

Accomplishments:

Since our report to the Board in February, we held a training on Family Wellness Plans for our Early Learning Specialists as well as OC Head Start staff. We also shared information with numerous shelters and CalAIM Enhanced Care Management case managers. We continue work to integrate Family Wellness Plan knowledge across various programs such as Black Infant Health, Black PEARL, and Engaged Neighborhoods. The upcoming summit on Community Health Workers will highlight the collaboration between Peer Support Specialists and Community Health Workers who can education on perinatal Substance Use Disorder and Family Wellness Plans.

❖ Increase Stakeholder Commitment to Advance Policy for Early Childhood

Accomplishments:

Over the past two months, progress has continued across several cities engaged in becoming Early Childhood Friendly Cities. Anaheim and La Habra have been actively developing year-long outreach and planning strategies grounded in local data to guide their first-year goals. La Habra has expressed strong interest in partnering with the city to establish a Family Resource Center for families with children ages 0–5 within a city-owned building, representing a significant step toward expanding early childhood infrastructure. Anaheim is continuing to refine its overarching early childhood goal as part of its broader engagement with Neighborhood Services. Garden Grove is preparing to bring forward a proclamation recognizing April as Early Childhood Month, signaling their growing commitment to elevating early childhood as a civic priority. Additionally, work will move forward in supporting Santa Ana to build an action plan that accompanies its early childhood resolution, ensuring clear priorities, timelines, and implementation steps. Each city will begin mapping potential funding opportunities, confirming engagement strategies, and identifying early “quick wins” to demonstrate progress while longer-term planning continues.

Coordination with the First 5 Association has remained focused but limited, with discussions primarily centered on updates to the Behavioral Health Services Act budget proposal and ensuring our sign-on letter is submitted on time. Another key area of attention has been the ongoing effort to identify a Senate champion who can support early childhood priorities at the Capitol. While no major meetings or legislative engagements have occurred during the past two months, preparation continues for participation in First 5 Advocacy Day on April 14. Over the next few weeks, leadership will determine the three priority topics we want to elevate in addition to the First 5 Association’s statewide focus, ensuring our advocacy aligns with both local and statewide early childhood needs. At the same time, our team is developing a printed version of our Annual Report to provide partners and legislators with a clear summary of our impact and priorities.

❖ Increase Number of Child Care Providers and Quality of Current Programs

Accomplishments:

We have 80 participants registered for Cohort 8 of the business incubator program which is our maximum capacity. In the past two months five participants from Cohort 7 have been licensed,

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opening up 40 child care slots in Orange County. We are returning to in person meetups and for Cohort 8 we will meet at Saddleback College in Mission Viejo. Cohort 8 will be offered in English, Spanish, and Farsi.

The Cohorts are generating great word of mouth in the communities and the fact that we filled 80 spots for Cohort 8 in a little over one month is testimony to that fact. We are following up with participants by offering programs to help them with marketing, and business acumen and checking in on them after one year in business to see what their needs are.

We continue to provide technical assistance for IMPACT Partners (Orange County Association for the Education of Young Children or OCAEYC, CIELO, and the Orange County Department of Education). OCAEYC, which provides peer guides, has been working to build capacity and has secured four new Peer Guides, who are highly motivated and engaged. Representatives from Region 9 counties convened to discuss best practices for implementing the statewide effort “Build Equitable Early Learning Systems (BEELS)” which is complementary to the IMPACT work. Together, we developed a comprehensive two-year implementation plan for the region and established a Higher Education workgroup to support BEELS Action Plan goals which met on March 11, 2026.

We are also investing in workforce development through apprenticeship models, career pathways, and professional development programs. Since our last report to the Board, we coordinated a series of trainings with Small Business Development Council (SBDC) and school district support that will roll out starting in May on Universal Pre Kindergarten, business acumen, and the Early Development Index. We have a luncheon event planned for 50 child care business owners to learn from partners such as LIIF, SBDC, OC Workforce Development Board and OC Pathways about the resources offered to support workforce development and business skills. We are also providing TA to individual child care businesses in Fullerton, Santa Ana, Mission Viejo, and Orange. And, we are coordinating a Community of Practice for apprentice program coordinators to begin discussions on common definitions for child care apprenticeships in the county. We recently hosted two hiring events in partnership with the Orange County Workforce Development Board to recruit Early Education teachers. Our apprenticeship program in collaboration with OC Pathways is progressing with Buena Park School District having three apprentices in the hiring process.

The Early Childhood Education Systems Collaborative met in January and February. In the January working session, they reviewed the research and recommendations around developing a resource tool and discussed the need for a shared professional development calendar. Children's Home Society of California (CHS) offered to host both items on their website and has the internal capacity to set this up without cost. During the February meeting, all collaborative members agreed with this plan. The "go live" implementation of these tools is anticipated in July 2026.

The Data Systems Workgroup has established a vision, purpose statement, and success measures. Our vision is *All Orange County families can quickly and easily find and secure quality child care when they need it*, and our purpose is *To deliver a simple, clear, and intuitive child care data system that supports families in navigating child care options with confidence and ease, while ensuring child care providers add and maintain up-to-date information about the care they offer*. The three success measures are:

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- Data system is family-centered.
- Providers regularly update information in the data system.
- Data system allows for easy extraction and analysis of data across providers and partners to inform systems change.

Three subgroups have been formed to develop activities to make progress toward the success measures. These subgroups meet in between the monthly larger Workgroup to keep momentum going on this project.

❖ Develop Countywide Action Plan for Continuum of Care for Early Relational Health

Accomplishments:

Now that the final Family, Infant, Early Childhood Mental Health (FIECMH) roadmap is complete, staff and the consultant team are identifying initial implementation activities. Current thinking is to begin with two areas of focus for implementation: working with two of our Engaged Neighborhoods to see how the roadmap can be used at the community level to support family mental health; and supporting families impacted by Substance Use Disorders. Health+ Studios staff are working with First 5 OC staff to plan a series of sessions to unpack the findings and system implications from our Peer Support Specialists work to date. They are also meeting with the Engaged Neighborhood leads to map out activities to be included in the next Engaged Neighborhood scopes of work (beginning in July). We continue to communicate monthly with and bring stakeholders together to ensure they are updated on the work moving forward.

❖ Increase Well-Child Visits, Developmental Screens and Linkage to Service

Accomplishments:

Detect & Connect OC

At our most recent Detect & Connect OC Steering Group meeting on March 16th we agreed to form a small team from CalOptima, Health Care Agency, Rady's Children's Hospital, and Kaiser to identify data needs. The Steering Group also agreed to setting a shared goal for the developmental screening HEDIS metric. The small group is meeting before our next Steering Group meeting in May so that they can bring recommendations to the Steering Group. This small group may evolve into a Data Work Group, but for now it is a Task Force with a specific task to complete.

The System of Care Work Group continues to work on the issue of long wait lists for autism diagnoses. Two more Diagnosis Day are being planned for April. That would assess 22 children. CalOptima Health is working on approvals for Cognoa (a technology tool to reduce the time it takes a physician to make a diagnosis of autism) and using Diagnosis Days as a pilot. Also, the behavioral health campaign was successfully launched and shared by partners via social media, email and using the flyers created. The Shared Messaging Work Group is meeting in April to discuss a next campaign topic.

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Speech and Language

First 5 OC's consultant is working with Orange Coast College on a possible speech clinic that would use students working with a Speech and Language Pathologist to reach more children and address the workforce shortage. They are meeting with Rady's speech leader to discuss whether the college can bill through their office as a workaround for billing CalOptima directly as we have had difficulty connecting with CalOptima's contracting department to discuss the billing issue/needs. We are planning a brainstorm session on the speech workforce to try to identify other potential solutions in parallel to the OCC speech clinic.

HealthySteps

As of quarter 2 of FY 25/26, three of the four implementing clinics (Families Together of Orange County, CHOICE, and Rady/CHOC) are providing HealthySteps services and billing for dyadic care. AltaMed was originally part of Cohort 1 but was moved to Cohort 2 due to their inability to hire a HealthySteps Specialist (last week AltaMed informed us that they had hiring freeze until a few months ago). The four clinics in Cohort 2 plus Altamed's three sites are completing the onboarding of their HealthySteps Specialists and meeting with ZERO to THREE for the initial contracting and training. They will begin reporting performance metrics in September of 2026. The HealthySteps Specialists from Cohort 1 have been attending monthly post-Academy collaboration meetings, which are slightly less formal and allow opportunities for clinicians to ask questions and learn from one another. Specific topics are also presented to enhance learning related to early childhood needs in Orange County. Such topics include: Speech and Language therapy, perinatal mental health, early intervention, peer specialists for perinatal substance recovery, and Early Development Index data.

One clinic, Families Together of OC has already reached full sustainability, which is related to the fact that this is their second site implementing the model. They are building on their experience with implementing the model clinically as well as their knowledge of billing and coding. During FY 25/26, Q3 and Q4 we will focus on all clinics improving dyadic services delivery and billing for these services so that the HealthySteps program is sustainable.

Challenges:

Staffing issues related to turnover and delays in hiring a HealthySteps Specialist have contributed to delays in seeing steady improvement in performance metrics. One clinic has invested in building a stronger team and working on process flows, which should result in improved outcomes next quarter. Integration of the HealthySteps Specialist seems to be challenging for two of the clinics. First 5 OC consultants will be conducting site visits to provide site specific TA in order to help teams move from a co-location model to an integrated model. The Cohort 2 Academy learning content and TA have been adapted to incorporate learnings from the experiences with Cohort 1 clinics to mitigate some of the challenges faced by clinics.

❖ Support Implementation of Black PEARL Program

Accomplishments:

All partners have recommitted to participate in year two of the Black PEARL program. As of March 12, 2026, two contracts are executed, and we anticipate all contracts to be executed by the end of March 2026. Birth Workers of Color Collective will provide doula training for 20 community members. BreastfeedLA will provide lactation support with a goal of 40 families. All four capacity-strengthening grantees will deliver culturally responsive maternal support services this fiscal year,

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and we released a Request for Applications to select two additional capacity-strengthening grantees. All partners will work with First 5 Orange County and UCI to integrate their services into UCI Health.

❖ Deepen and Expand Engaged Neighborhood Work

Accomplishments:

First 5 OC staff created guidelines for the Engaged Neighborhoods to present a proposal of their scope of work for the new agreements. The guidelines were informed and included learnings from the evaluation that Engaged Neighborhoods should consider in their proposals. All four collaboratives have now submitted a draft proposal that includes the system they want to focus on, their justification/rationale for choosing that issue, and a breakdown of key activities in the four main areas that their proposal needs to include (i.e., Seeds: services/offerings for families/young children; Roots: engagement with residents/local leaders; Trunk: convening the community; and Branches: pushing for change at the systems level. We've held brainstorming meetings that include the lead agency and First 5 OC staff to discuss the proposals, provide feedback, suggestions, and direction, and find alignment between the community's goals and First 5 OC's strategic priorities. Scopes of work, budgets and specific annual plans are being built and we're on track with the timeline to bring agreements for the next funding cycle to the June Board meeting for approval.

❖ Formalize Family Voice in First 5 OC Programs at Different Levels of Engagement

Accomplishments:

Staff met with the five different regions of school districts to share ideas and strategies to meet their goals for increased engagement with families in their communities. The sessions were very engaging, and all districts heard from each other what they are doing and what has worked. There were good takeaways for most participants, whether taking a new idea to implement or knowing that most districts have similar challenges in connecting with the parents of their students. The early learning team may do a follow up session on the main topics that bubbled up to provide continued support to the districts.

Also, the Kid Builders Family Ambassador team continued to develop their ideas for promoting Kid builders through gatherings. They are currently working with First 5 OC staff to create protocols for events and outreach activities. Part of creating protocols will include Family Ambassadors testing their idea of engaging families with sensory activities. They are excited to work on this for the Stronger Start outreach event in May.

❖ Increase the Relevance and Use of Early Development Index (EDI)

Accomplishments:

First 5 OC staff presented at the February Early Learning Specialists meeting about teacher feedback from the recent EDI data collection. The group discussed teachers' perspectives on successes and challenges of EDI data completion and strategies for improving the process in the 2028 data collection. Of the four charter school sites that agreed to participate in the EDI data collection, as of March 23, 2026, all data has been collected – a total of 250 records.

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❖ Elevate Importance of Father Engagement Across First 5 OC and Partners

Accomplishments:

The OC Fatherhood Coalitions Conference is scheduled for April 7th. Keynote speakers, a welcome speaker, and workshops have been finalized, and F5OC will facilitate a workshop on Engaging Dads in Home Visiting. Additionally, we were accepted to be one of 11 agencies across the country to pilot a new program called ProFathering15. We launched the program at the end of February, and 15 dads have completed the program so far. We have conducted outreach to all F5OC-funded programs to participate. The pilot ends in October and 100 dads will need to have completed their certificates by that time. We will gather findings and lessons learned as the program is implemented.

❖ Strengthen School District Data-Informed Engagement and Relationship Building

Accomplishments:

School districts continue to make progress as they work to integrate early childhood programs into the overall school district learning system. Districts share examples of these experiences in their ECAPs (submitted each October and April), so we should have more specifics to share in June. A number of districts are recognizing the importance of early learning programs relative to the impact on Kindergarten readiness (via EDI and anecdotal data) as well as the positive impact of a high quality early learning program's impact on enrollment growth for the school district overall. This is important as most districts are currently facing significant declines in enrollment. Districts are also using EDI data to identify activities that will make an impact on school readiness in their district.

❖ Provide Technical Assistance and Capacity Building for Orange County Black Infant Health (BIH)

Accomplishments:

Fifty-five families are enrolled in BIH (40 participating in group support and 1:1 case management and 15 in 1:1 case management only). As a part of ongoing outreach efforts, Breastfeed LA presented at the Home Visiting Collaborative meeting in March. BreastfeedLA will host another open house on March 20, 2026 to increase awareness of services and promote enrollment. A draft implementation and early impact brief has been sent to BreastfeedLA for initial review. After BreastfeedLA's review, the draft report will be sent to Health Care Agency (HCA) for feedback and additional data if available. The report is based on data provided by BreastfeedLA and includes incomplete data and/or low response rate. Qualitative data as well as HCA-collected data is needed to paint a more complete picture of BIH's early impact. Given HCA's decision not to pursue BIH beyond June 2026, we have inquired to the state about whether BIH OC can continue.

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Challenges:

With HCA's decision not to pursue BIH beyond June 2026, the biggest challenge is increasing enrollment with the looming state decision about whether BIH OC can continue. If BIH does not continue, recruitment efforts will end in April 2026 to prepare for program closeout.

❖ **Develop Clear Messaging for First 5 OC to Cultivate and Leverage Partnerships and Improve Outcomes for Young Children and Families**

Accomplishments:

Staff has been working to integrate our updated messaging across our website, particularly for the Current Work, Child Care, and Kid Builder pages, to ensure that the language, tone, and framing reflect consistent First 5 OC messaging. The next steps for our messaging work include onboarding our newly hired Senior Marketing Communications Manager, who will play a central role in expanding the use of key messages across all communications efforts. She will build a structured plan for broader adoption of the messaging framework across social media, outreach materials, and partner communications. Over the coming weeks, we will identify priority content areas where key messages can be embedded, develop templates and guidance to support consistent use, and explore opportunities to incorporate messaging into new impact stories and Five Minutes with First 5 OC features to strengthen alignment across all channels. We will also schedule staff and consultant trainings to ensure consistent application of the messaging framework across the broader network.