

First 5 Commission of San Diego County
April 16, 2025

**Fiscal Year 2025 – 26 Operating Budget and 5-year Financial Spending Plan
Funding Approval**

Request

The request before the Commission is to approve the FY 2025-26 Operating Budget and the 5-year Financial Spending Plan for FY 2025 through FY 2030; and authorize contracts as outlined hereafter. The proposed budget and financial spending plan, furthers the vision and values of the Commission and continues to support the foundational work of the Commission to support lasting systems change while still providing an equitable safety net of services for young children and their families during times of diminishing resources.

Background

On December 17, 2024, the Commission approved the Strategic Plan 2025-2030. The new plan narrows and focuses the work that was reflected in the current 2015-2020 Strategic Plan given lower funding levels. In order to transition into the new focus areas for the 2025-2030 years, a \$20.5 million average annual contribution is proposed for programs and initiatives. This annual rate maintains programs and services at the highest level possible based on the projected decline in Prop 10 revenues and results in approximately \$2.9 million in available Sustainability Funds at the end of this upcoming 5-year financial spending plan.

The Operating Budget for Fiscal Year 2025-26 includes a variety of revenue sources, that include Proposition 10 and Proposition 56 backfill revenue, CalWORKs home visiting funds, FFPSA administrative and training funds, First 5 CA Impact Legacy funds, CFWB funds and the draw down from the sustainability fund.

In this budget cycle, we have reduced administrative costs through a reduction in staff positions through attrition and six (6) positions to be cost allocated to CFWB and FFPSA related costs. This results in a projected cost savings of over \$500k and decreased the administrative rate to 6.33%.

As for the FFPSA related revenue, this is a pilot at this time with CFWB and we will be looking to recover up to 50% of our Proposition 10 funds that are FFPSA eligible. The home visiting program, through Healthy Families America, is an allowable reimbursement and it is anticipated to recover an estimated \$1 million annually in funding through this effort.

Additionally, we will be negotiating with the Medi-Cal Managed Care Plans in FY 25/26 to determine what opportunities are available to support the stabilization of key programs that support healthy development, early identification and treatment and maternal and caregiver mental health services.

In Figure 1 that follows, the outline of contracts to be approved for the Fiscal Year 2025-26 and through Fiscal Year 2030 as identified, includes contracts that will be competitively re-procured and/or extended, as well as the sole source request for SDCOE. This coming fiscal year will be focused on the procurement of identified contracts with an anticipated completion date of June 2026.

Link to First 5 San Diego Strategic Plan

The FY 2025-26 Operating Budget and the corresponding 5-year Financial Spending Plan supports the Strategic Plan 2025-2030 that is focused on meeting the evolving needs of children families across the county. The operating budget and its corresponding 5-year Financial Spending Plan focus on programs

and initiatives that building strong, integrated systems through deep collaboration, policy advocacy, and innovative funding approaches to better serve our children 0 through 5 and their families.

The new Strategic Plan further elevates seven (7) new guiding principles that call the commission to be family centered, and focused on partnerships, systems change, prevention, advocacy, capacity and impact.

The goals and strategies as outlined are focused on early identification and treatment; collaboration with health plan partners; enhancement of quality early learning; care coordination; supporting maternal and caregiver mental health; home visitation supports; and public education and community outreach and engagement.

Link to *Live Well San Diego*

The Operating Budget for FY 2025-26, and the Financial Spending Plan for fiscal years 2025-2030 supports *Live Well San Diego* by providing a variety of opportunities to promote and support early care and education and the promotion of health and wellbeing for children and families through First 5 San Diego funded programs.

Recommendations:

- 1) Approve the FY 2025-26 Operating Budget, Sustainability Fund Budget, and FY25-30 Financial Spending Plan.
- 2) Find that the proposed First 5 San Diego funding allocations are consistent with the Commission's Strategic Plan, furthers the support and improvement of early childhood development within the County, and provides a public benefit.
- 3) Approve funding for the contracts outlined in Figure 1 for the amounts listed, FY 25/26, and applicable option years as outlined. Option years will allow the contracts to be extended as funding is approved. Funding for each fiscal year will come from that year's budget.
- 4) Authorize the Executive Director or her designee to negotiate a project length budget and execute an amendment with each contractor approved in recommendation number 3 above.
- 5) Authorize the Executive Director, or her designee, to work with the Department of Purchasing and Contracting to negotiate and execute a Sole Source contract with San Diego County Office of Education for the Learn Well Initiative as outlined in Item 4-5.

Fiscal Impact

Up to **\$26,644,051** will be approved for operations and programs for the 2025-26 fiscal year in addition to approval of the Financial Spending Plan for funding through FY 2025-30.

Figure 1

Contract Approvals Fiscal Year 2025 – 2030				
Contract #	Contractor	Initiative	Fiscal Year 2025-26	Option years to be added
543149	American Academy of Pediatrics Chapter 3	First 5 First Steps Coordination	450,000*	4
534750	American Academy of Pediatrics Chapter 3	Healthy Development Services Coordination	511,626	1
534755	Family Health Centers of San Diego (Central)	Healthy Development Services	1,970,625	1
534757	Family Health Centers of San Diego (East)	Healthy Development Services	1,343,125	1
551749	Harder + Co	Independent Data Evaluation	590,000	-
552716	Health Quality Partners of Southern California	Oral Health Initiative	500,000	1
545594	Home Start Inc.	First 5 First Steps	1,740,306*	-
557977	MIG, Inc.	Parent and Public Education	400,000	4
546245	Palomar Health Development, Inc. (North Inland)	Healthy Development Services	1,231,499	1
545639	Palomar Health Development, Inc. (North Coastal/Inland Regions)	First 5 First Steps	1,196,188*	-
524597	Persimmony International	CMEDS Data System	278,770	4
551954	Rady Children's Hospital San Diego	KidSTART Center	975,000	1
534775	Rady Children's Hospital - San Diego (N. Coastal)	Healthy Development Services	1,267,500	1
534759	Rady Children's Hospital San Diego (N. Central)	Healthy Development Services	801,875	1
545581	SAY San Diego Inc.	First 5 First Steps	1,694,162*	-
528231	SBCS	Mi Escuelita Pilot (CFWB)	653,160**	-
534753	SBCS	Healthy Development Services	1,273,750	1
545579	SBCS	First 5 First Steps*	1,047,688*	-
562989	San Diego County Superintendent of Schools (SDCOE)	Learn Well Initiative	5,432,772***	4
Total			23,358,046	

*Includes the CalWORKs HV Funds allocated to each F5FS contract.

**Fully funded by CFWB

***Includes the F5CA Impact Legacy Grant.