

**FIRST 5 YUBA COUNTY  
CHILDREN AND FAMILIES COMMISSION**

**Regular Meeting Agenda (Hybrid)  
Thursday, February 23, 2023  
3:30p.m. – 5:00p.m.**

This meeting will be held in compliance with the requirements of AB 361 (Government Code 54953(e)) - and will include in person public attendance at **1128 Yuba Street, Wheatland Room (Ground floor), Marysville, CA 95901**. Members of the public may observe the meeting and provide comments to the Board via email, Zoom (internet-based option) or telephone as described below.

The meeting will be live-cast via [Zoom](#) where members of the public shall have the right to observe and offer public comment. This altered format is in observance of the recommendation by state officials that certain precautions be taken, including social distancing, to address the threat of COVID-19.

**Join Zoom Meeting**

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ITEM	SUBJECT
	Call to order, roll call and the Pledge of Allegiance
	<b>Opportunity for Public Comments</b> Items not on the Agenda – Limit five minutes per speaker.
<b>1 Discussion/Action</b>	<b>Resolution Regarding Teleconferencing in Accordance with AB361</b> The Commission will review the impact of recently adopted AB 361 authorizing the Commission and standing committee meetings to occur via teleconference.
<b>2 Discussion/Action</b>	<b>Approval of Minutes of the December 15, 2022 Regular Commission Meeting</b>
<i>Commissioner Recusal Reminder</i>	<i>All Commissioners are reminded to recuse themselves from voting on any agenda item that has a real or perceived conflict of interest.</i>
<b>3 Discussion/Action</b>	<b>Public Hearing: Review of First 5 California Annual Report for FY 2021-22</b> The Commission is asked to conduct a public hearing to receive testimony from the public at large before adopting the State Commission's Annual Report, pursuant to Health and Safety Code Section 130140(d)(3). <a href="#">Available for public review here.</a>
<b>4 Discussion/Action</b>	<b>Public Hearing: Annual Review of the County Strategic Plan</b> The Commission is asked to conduct a public hearing to receive testimony from the public at large before adopting its annual strategic plan pursuant to Health and Safety Code §130140 (a)(1)(C) (iii), (E) and (F) <a href="#">Available for public review here.</a>
<b>5 Discussion/Action</b>	<b>Mid-Year Budget Review</b> – The Commission will review and consider revisions to the current fiscal year budget.
<b>6 Discussion</b>	<b>Prop 10 Sustainability Planning</b> - The Commission will hear updates on Prop 10 revenues, and progress on Sustainability planning



<b>7 Discussion</b>	<b>Executive Director Monthly Activity Report</b> The Commission will receive information on committees, operational and program activities.
<b>Adjourn</b>	

If you are planning to attend and need special accommodations, please contact us at (530) 749-4877 at least three days in advance of the meeting. The schedule of future meetings is posted on the Commission's website, [www.first5yuba.org](http://www.first5yuba.org).

**The next regular Commission meeting will be on April 27, 2023**

*Agendas, minutes and supporting material are available for public review at 1114 Yuba Street, Suite 141, Marysville CA. Agendas are posted at the Yuba County Government Center, 915 8th Street, Marysville CA 95901. Please email [first5@co.yuba.ca.us](mailto:first5@co.yuba.ca.us) to be added to the email distribution list.*

**Updated: 2/22/2023 11:26 AM**



**AGENDA ITEM 1**  
**February 23, 2023**

<b>Subject</b>	AB 361 Open Meetings - Teleconferences
<b>Supporting Document(s)</b>	<ul style="list-style-type: none"><li>• Resolution 22-09 Authorizing Meetings by Teleconference</li><li>• Memo on AB2499 Brown Act Procedures for Remote Meetings</li></ul>
<b>Overview</b>	<p>Governor Newsom's Executive Order No. N-29-20, which allows some or all Commissioners/Committee Members to participate in a public meeting via teleconference (phone or video) expired as of September 30, 2021, was replaced by AB361.</p> <p>The local agency board must make specific findings every 30 days during a state of emergency when telephonic or virtual meetings are required. The state of emergency in California is scheduled to end on February 28, 2023.</p> <p>Once the state of emergency expires, AB2499 Brown Act Procedures for Remote Meetings will take precedence. This bill amended the Brown Act to authorize teleconferencing when a Commissioner can demonstrate "Just Cause" or an "emergency circumstance."</p>
<b>Discussion</b>	Adopting the resolution will allow for continued virtual and hybrid meetings It would apply to meetings of the Commission and its standing committees, Executive and Advisory.
<b>Recommendation</b>	Adopt the resolution authorizing the agency to allow for the Commission and standing committees to participate via teleconference through the end of the Public Health Emergency.
<b>Fiscal Impact</b>	None
<b>Action Requested</b>	Motion to Adopt the resolution authorizing the agency to allow for the Commission and standing committees to participate via teleconference through the end of the Public Health Emergency



BEFORE THE FIRST 5 YUBA COUNTY  
CHILDREN AND FAMILIES COMMISSION

**RESOLUTION: Authorizing the continuing use of teleconferencing for Commission and standing committee meetings in accordance with AB361 signed into law September 15, 2021**

**RESOLUTION NO. 22 – 09**

**WHEREAS**, First 5 Yuba County, a California local governmental agency formed under the California Children and Families Act of 1998, conducts its meetings in accordance with the Ralph M. Brown Act (Brown Act) under Government Code section 54950 et seq.; and

**WHEREAS**, the Brown Act requires all public meetings of local agencies to be publicly noticed in locations where members of the local body will be participating, that such location be open and accessible to the public, and at least a quorum of the members of the legislative body must participate from locations within the boundaries of the territory over which the local body exercises jurisdiction; and

**WHEREAS**, under AB 361, a local agency may hold a teleconferenced meeting during a proclaimed state of emergency upon a determination, by majority vote, that as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees; and

**WHEREAS**, on October 28, 2021, the Commission approved Resolution 22-01; and

**WHEREAS**, as a condition of extending the use of the teleconferencing provisions beyond Resolution 22-01, the Commission adopted Resolution 22-02 on December 16, 2021; and

**WHEREAS**, the Commission further extended the use of teleconferencing provisions when it adopted Resolution 22-03 on February 24, 2022; and

**WHEREAS**, the Commission further extended the use of teleconferencing provisions when it adopted Resolution 22-04 on April 28, 2022; and

**WHEREAS**, the Commission further extended the use of teleconferencing provisions when it adopted Resolution 22-05 on June 23, 2022; and

**WHEREAS**, the Commission further extended the use of teleconferencing provisions when it adopted Resolution 22-06 on August 25, 2022; and

**WHEREAS**, the Commission further extended the use of teleconferencing provisions when it adopted Resolution 22-07 on October 27, 2022; and

**WHEREAS**, the Commission further extended the use of teleconferencing provisions when it adopted Resolution 22-08 on December 15, 2022; and

**WHEREAS**, pursuant to AB 361, in order to continue to allow the Commission, and any standing sub-committees under the commission to meet by teleconference under such abbreviated teleconferencing procedures must be renewed at least every thirty (30) days; and



**NOW, THEREFORE, BE IT RESOLVED** that the First 5 Yuba Commission find as follows:

1. The facts stated in the recitals above are true and correct and the Commission so finds, orders, and determines.
2. The Commission hereby continues to resolve and determines that meeting in person would present imminent risks to the health and safety of attendees, and will continue to hold its meetings by teleconference pursuant to AB 361.
3. This resolution shall become effective as of February 24, 2023 and shall apply to meetings of the Commission and meetings of all standing committees of the Commission.

**PASSED, APPROVED, AND ADOPTED** this 23<sup>rd</sup> day of February 2023 by the following vote:

AYES:

NOES: None

ABSENT: None

ABSTAIN: None

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Commission Chair (or Vice Chair)

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ATTEST: Ericka Summers  
First 5 Yuba Executive Director



**COLANTUONO  
HIGSMITH  
WHATLEY, PC**

GARY B. BELL | (916) 898-0049 | GBELL@CHWLAW.US

**MEMORANDUM**

TO: Ericka Summers, Executive Director      FILE NO: 44023.0001  
First Five Yuba County

FROM: Gary B. Bell, General Counsel      DATE: February 14, 2023

RE: AB 2449 (Rubio): Brown Act Procedures for Remote Meetings

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On September 13, 2022, Governor Newsom signed Assembly Bill No. 2449 (Rubio) ("AB 2449"), effective January 1, 2023. The bill amends the Brown Act to authorize teleconferencing when a Commissioner can demonstrate "just cause" or an "emergency circumstance." The teleconferencing rules under this bill, summarized below, may be used on and after March 1, 2023 when the Governor's state of emergency ends and the procedures under Assembly Bill No. 361 ("AB 361") are no longer available.

**TELECONFERENCING UNDER THE BROWN ACT**

Before the Covid-19 Pandemic, the Brown Act authorized teleconferencing under the following conditions:

1. the Commission "shall post agendas at all teleconference locations";
2. "Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding";
3. "Each teleconference location shall be accessible to the public"; and

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AB 2449 - Brown Act Procedures for Remote Meetings\GBELL\302094.v1



4. “At least a quorum of members of the legislative body shall participate from locations within the boundaries of the ... jurisdiction.”<sup>1</sup>

At the outbreak of the Covid-19 Pandemic, Governor Newsom issued Executive Order N-29-20 in March 2020, waiving the conditions above to encourage teleconferencing to stem the rate of Covid transmission.<sup>2</sup> Governor Newsom signed AB 361, effective September 2021, adding subdivision (e) to Government Code section 54953 and codifying the waiver, but only during a proclaimed state of emergency.<sup>3</sup> Under AB 361, the Commission must make specified findings every 30 days to continue teleconferencing.<sup>4</sup> AB 361 expires on January 1, 2024.<sup>5</sup>

#### **ANALYSIS OF AB 2449**

a. **Teleconferencing Under the Default Rules v. AB 361 v. AB 2449**

AB 2449 amends the teleconferencing provisions of the Brown Act and adds subdivision (f) to Government Code section 54953. Important differences between the default teleconferencing rules and the special rules under AB 361 and AB 2449 are summarized below:

	<b>Default Rules</b>	<b>AB 361</b>	<b>AB 2449</b>
In-person participation of a quorum of commissioners	Required	Not required	Required
Method of Commissioner’s participation in teleconferenced meeting	Audio or Audio-Visual	Audio or Audio-Visual	Audio-Visual only
Required opportunities for public participation	Only in-person incl. at remote location	Call-in or internet-based	Call-in or internet-based & in-person
Required course of action if disruption prevents broadcast of	Meeting proceeds	No further action taken	No further action taken

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<sup>1</sup> Gov. Code, § 54953, subd. (b)(3).

<sup>2</sup> Exec. Order No. N-29-20 (March 4, 2020).

<sup>3</sup> Gov. Code, § 54953, subd. (e)(1).

<sup>4</sup> Gov. Code, § 54953, subd. (e)(3).

<sup>5</sup> Gov. Code, § 54953, subd. (f).



meeting or public's ability to comment			
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For an agency to invoke the procedures under AB 2449, there must at least be a quorum of the Commissioners participating in person from a singular, physical location identified on the agenda; the location must be accessible to the public; and the meeting location must be within the local agency's jurisdiction.<sup>6</sup> Local agencies must provide at least one of the following to facilitate a public meeting that equally allows remote participants to interact:

- A two-way audio-visual platform (defined to mean an online platform that provides participants with the ability to participate in a meeting through an interactive video conference and a two-way telephonic function); and/or
- A two-way telephonic service and a live webcasting of the meeting (defined to mean a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform and allows participants to dial a telephone number to listen and verbally participate).<sup>7</sup>

When participating remotely, Commissioners shall participate through both audio and visual technology.<sup>8</sup> Before any official action is taken, the Commissioner must publicly disclose whether any other individuals 18 years or older are in the room at the remote location with the Commissioner, and what the individual's relationship is to the Commissioner.<sup>9</sup>

If a disruption occurs that prevents the Commission from convening the meeting both remotely and in person, the Commission will take no further action on the meeting agenda until public access to the meeting has been restored.<sup>10</sup> This includes situations where the online platform for remote participation has been disrupted and the public may no longer access the meeting remotely. Actions taken during disruption may be challenged.<sup>11</sup>

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<sup>6</sup> Gov. Code, §§ 54953, subd. (d)(1)-(2) and (e)(1).

<sup>7</sup> Gov. Code, § 54953, subd. (f)(1)(A).

<sup>8</sup> Gov. Code, § 54953, subd. (f)(2)(C).

<sup>9</sup> Gov. Code, § 54953, subd. (f)(2)(B).

<sup>10</sup> Gov. Code, § 54953, subd. (f)(1)(D).

<sup>11</sup> *Id.*



**b. Teleconferencing for “Just Cause” v. “Emergency Circumstances”**

Unlike AB 361, which only applies during a proclaimed state of emergency, AB 2449 applies when a Commissioner can demonstrate “just cause” or an “emergency circumstance.”<sup>12</sup> “Just cause” means any of the following:

- A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely;
- A contagious illness that prevents a Commissioner from attending in person;
- A need related to a physical or mental disability; or
- Travel while on official business of the Commission or another state or local agency.<sup>13</sup>

“Emergency circumstance” means a physical or family medical emergency that prevents a Commissioner from attending in person.<sup>14</sup>

The procedures for invoking “just cause” or an “emergency circumstance” are different:

	<b>Just Cause</b>	<b>Emergency Circumstance</b>
Reason must be disclosed to the Commission	Yes	Yes
Reason for teleconferencing needs to be approved by the BCommission	No	Yes
Reason must be disclosed before the agenda publication deadline	Yes	No
Annual limit on use	Two meetings per calendar year	

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<sup>12</sup> Gov. Code, § 54953, subd. (f)(2).

<sup>13</sup> Gov. Code, § 54953, subd. (j)(2).

<sup>14</sup> Gov. Code, § 54953, subd. (j)(1).



	Just Cause	Emergency Circumstance
	Commissioners may not use a combination of “just cause” and “emergency circumstances” to participate remotely for more than three months or 20 percent of the regular meetings of the calendar year. If the legislative body meets fewer than 10 times a year, they cannot participate remotely in more than 2 regular meetings.	

**c. Process for seeking to participate remotely for “just cause”**

- Commissioner provides a general description of the just cause at the earliest opportunity possible, but before the agenda publication deadline;<sup>15</sup>
- Commissioner has not requested over two just cause teleconferencing opportunities; more than three months of consecutive just cause or emergency circumstances teleconferencing opportunities, or requests have not been made for more than 20 percent of meetings;<sup>16</sup>
- Clerk/Secretary publishes the agenda listing the means by which public may access the meeting and offer public comment;<sup>17</sup>
- Clerk/Secretary confirms a quorum of the Commission is physically present within the agency’s territorial jurisdiction;
- Teleconferencing Commissioner turns on his or her audio and video (calling in by phone is not permitted), and only turns off the audio and video when he or she must recuse himself or herself from an agenda item.<sup>18</sup>
- Commissioner discloses at the start of the meeting whether any other individuals 18 years of age or older are present in the room at the remote location with the Commissioner, and the Commissioner’s relationship with the individual.<sup>19</sup>
- Clerk/Secretary ensures all votes are taken by roll call.<sup>20</sup>

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<sup>15</sup> Gov. Code, § 54953, subd. (f)(2)(A)(i).

<sup>16</sup> Gov. Code, §§ 54953, subd. (f)(2)(A)(i) and (f)(3).

<sup>17</sup> Gov. Code, § 549542.2, subd. (a)(1).

<sup>18</sup> Gov. Code, § 54953, subd. (f)(2)(C).

<sup>19</sup> Gov. Code, § 54953, subd. (f)(2)(B).

<sup>20</sup> Gov. Code, §§ 54953, subd. (b)(2)(A).



**d. Process for seeking to participate remotely for “emergency circumstances”**

- Commissioner provides a general description of the emergency circumstance at the earliest opportunity possible, but before the agenda publication deadline;<sup>21</sup>
- Commissioner has not requested more than three consecutive months of remote participation or more than 20 percent of meetings within a calendar year; or more than two meetings if the Commission meets for less than 10 meetings per calendar year;<sup>22</sup>
- Clerk/Secretary publishes the agenda listing means by which the public may access the meeting and offer public comment;
- Clerk/Secretary confirms a quorum of the Commission is physically present within the agency’s territorial jurisdiction;
- The Commission votes to approve teleconference participation due to emergency circumstance;
- Teleconferencing Commissioner turns on his or her audio and video (calling in by phone is not permitted), and only turns off the audio and video when he or she must recuse himself or herself from an agenda item.<sup>23</sup>
- Commissioner discloses at the start of the meeting whether any other individuals 18 years of age or older are present in the room at the remote location with the Commissioner, and the Commissioner’s relationship with the individual.<sup>24</sup>
- Clerk/Secretary ensures all votes are taken by roll call.<sup>25</sup>

**CONCLUSION**

Beginning March 1, 2023, AB 2449 will provide agencies with an additional method to organize teleconferenced meetings. Commissioners and the Clerk/Secretary should familiarize themselves with these Brown Act provisions to make use of them when appropriate.

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<sup>21</sup> Gov. Code, § 54953, subd. (f)(2)(A)(ii).

<sup>22</sup> Gov. Code, § 54953, subd. (f)(3). Because the Board meets more than 10 times a year, the limitation to 2 total meetings will not apply.

<sup>23</sup> Gov. Code, § 54953, subd. (f)(2)(C).

<sup>24</sup> Gov. Code, § 54953, subd. (f)(2)(B).

<sup>25</sup> Gov. Code, §§ 54953, subd. (b)(2)(A).



Ericka Summers, Executive Director  
February 14, 2023  
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Further, AB 2449 requires the Commission to “implement a procedure for receiving and swiftly resolving requests for reasonable accommodations for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 ...”<sup>26</sup> Many agencies include a procedure on agendas. If you would like suggested language to meet this requirement, our office can provide it.

If you would like more information regarding the issues discussed in this memo, please do not hesitate to contact Gary Bell at (916) 898-0049 or GBell@chwlaw.us.

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<sup>26</sup> Gov. Code, § 54953, subd. (f).



## DRAFT MINUTES

First 5 Yuba County Children and Families Commission  
Regular Meeting (Hybrid) Minutes, December 15, 2022

**CALL TO ORDER:** *Commissioner Gordon called the meeting to order at 3:30 PM.*

> **COMMISSIONERS PRESENT –**

*Commissioner Gordon  
Commissioner Sokoloski  
Commissioner Staples  
Commissioner Bradford  
Commissioner Arnold*

> **COMMISSIONERS EXCUSED –**

*Commissioner Thurman  
Commissioner Reveles*

**STAFF PRESENT –**

*Ericka Summers  
Robin Timoszyk  
Carmen Rodriguez  
Rita Baker  
Sarah Kotko*

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**PLEDGE OF ALLEGIANCE:** *The group passed as the meeting was conducted hybrid, and the pledge of allegiance was said with the flag present.*

**PUBLIC COMMENT:** *No public comments were received.*

\*Tony Gordon announced that this is his last meeting, and he is being reassigned. Two others will be assigned to this Commission in to represent the Director of HHS and Public Health.

1. **Consent/Action- Resolution Regarding Teleconferencing in Accordance with AB361**
2. **Consent/Action- Approval of Minutes for October 27, 2022**

Motion by Commissioner Arnold to approve the Consent Agenda.  
Second: Commissioner Sokoloski

Roll Call Vote:

Ayes: Commissioner Gordon, Sokoloski, Arnold, and Bradford

Nay/Abstain: None

*Motion carried.*

3. **Hearing Presentation from Applied Survey Research – Annual Evaluation Report**

External evaluator, Liat Sayfan, provided a 45 minutes presentation of the 2021/2022 Annual Evaluation Report.

4. **Discussion/Action: MG23-A-103 Casa de Esperanza Application**

\*Commissioner Gordon had all grants reviewed prior to discussion making because there is only \$12,000 left in the Mini-Grant funds, and all four applications asked for the maximum amount of \$4,000. Gordon stated that this would be a fair way to make sure they were funding the applications in the correct manner. Ericka showed and explained the current snapshot of the 2022-23 Mini-Grants, and she advised the Commission of an alternate funding amount to be able to fund all applications. The Commission agreed to let all applicants explain, and then they would decide how much they would fund each.

Michelle Downing was present to explain the project. One of the questions asked on this project was; where was other funding going to come from to be able to complete the project? She responded that they would solicit other organizations, such as the Rotary, Kiwanis, etc. Michelle reiterated that any funding would be helpful for their project.



Motion by Commissioner Arnold to fund Casa de Esperanza for \$3,000.  
Second: Commissioner Sokoloski

Roll Call Vote:

Ayes: Commissioner Gordon, Sokoloski, Staples, and Arnold

Nay/Abstain: None

Motion carried.

**5. Discussion/Action: MG23-A-104 Beale Family Support Center Boosters Club**

Kim Hogue and Gerardo were present to explain the project.

Motion by Commissioner Sokoloski to fund Beale Family Support Center Booster Club for \$3,000.

Second: Commissioner Arnold

Roll Call Vote:

Ayes: Commissioner Gordon, Sokoloski, Staples, and Arnold

Nay/Abstain: None

Motion carried.

**6. Discussion/Action: MG23-A-105 Yuba Sutter United Way**

Robert Harlan was present to explain the project.

Motion by Commissioner Arnold to fund Yuba Sutter Colusa United Way for \$3,000.

Second: Commissioner Staples.

Roll Call Vote:

Ayes: Commissioner Gordon, Sokoloski, Staples, and Arnold

Nay/Abstain: None

Motion carried.

**7. Discussion/Action: MG23-A-106 North Yuba Little League**

Kim Hutton was present via zoom to explain the project.

Motion by Commissioner Sokoloski to fund North Yuba Little League for \$3,000.

Second: Commissioner Staples

Roll Call Vote:

Ayes: Commissioner Gordon, Sokoloski, Staples, and Arnold

Nay/Abstain: None

Motion carried.

**8. Discussion/Action: Approval of the 2023 Commission Meeting Schedule**

Motion by Commissioner Arnold to approve the 2023 Commission Meeting Schedule.

Second: Commissioner Sokoloski

Roll Call Vote:

Ayes: Commissioner Gordon, Sokoloski, Staples, and Arnold

Nay/Abstain: None

Motion carried.

**9. Discussion/Action: Pursuant to County Ordinance- Article VI, Section 2, Appoint Chair and Vice Chair**



The Commissioners discussed options and nominated Commissioner Sokoloski if she would be the Chair for the 2023 year since she is the current Vice Chair, and she accepted the nomination. Additional discussion for the position of Vice Chair, Jim Arnold would only be present for half the year, and then at that time, the Vice Chair position will be re-evaluated. Jim accepted the nomination for Vice-Chair.

Motion by Commissioner Gordon to elect Commissioner Sokoloski as Chair and Commissioner Arnold as Vice Chair for 2023.

Second: Commissioner Staples

Roll Call Vote:

Ayes: Commissioner Gordon, Sokoloski, Staples, and Arnold

Nay/Abstain: None

Motion carried.

#### **10. Discussion: Prop 10 Revenues**

Executive Director provided a high-level overview of the effect of the recently approved Proposition 31 (flavor ban) on tobacco taxes and First 5 funds for the current and following years. The most recent funding projections were released in November. The budget was built around \$758,000 in funding, and the new projections show \$705,000 through June 2023. A reduction of \$55,000 this year or 8%. They typically decline by 2%. Prop 31 is effective December 21, 2022. Over the next year and a half, we will see a 25% decline in revenue before leveling out. To meet existing obligations, we will need to use more funds from the trust account than originally anticipated. ED requested feedback on creating a Budget Ad Hoc Committee and other cost-saving measures. Other suggestions included applying for outside grants, collaborating with other County Departments such as Health and Human Services and Probation, CAPC prevention funds, and funding staff over travel or materials. Overall, the Commission is in a good position to weather this reduction in funding. The Commission provided feedback that such a committee should be created. ED may look into the cost of a consultant to help with a long range financial plan. Will bring more information back to the Commission in February.

#### **11. Discussion: Executive Director Monthly Activity Report**

Executive Director Summers provided the commission with a brief administration, program, special committee updates, and outreach report since October.

**MEETING ADJOURNED AT 5:29 PM**

**The next Commission Meeting is scheduled for February 23, 2023.**



**AGENDA ITEM 3**  
**February 23, 2023**

<b>Subject</b>	<b>Public Hearing: Review of First 5 California Annual Report for FY 2021-2022</b>
<b>Supporting Document(s)</b>	2021-2022 First 5 California Annual Report available online at <a href="https://ccfc.ca.gov/pdf/commission/meetings/handouts/Commission-Handouts-2023-01-19/Item-4-Attachment-A-Draft-FY-2021-22-Annual-Report.pdf">https://ccfc.ca.gov/pdf/commission/meetings/handouts/Commission-Handouts-2023-01-19/Item-4-Attachment-A-Draft-FY-2021-22-Annual-Report.pdf</a>
<b>Overview</b>	Pursuant to Health and Safety Code Section 130140(d)(3). and the County of Yuba Ordinance Code [Chapter 4.45] The Commission shall conduct at least one public hearing on each annual report by the State Commission
<b>Recommendation</b>	<ol style="list-style-type: none"><li>1) Open Public Hearing.</li><li>2) Receive public comment.</li><li>3) Accept the Annual Report of First 5 California for Fiscal Year 2021-2022</li><li>4) Authorize the Executive Director to submit public comment, if any, to the State Commission.</li><li>5) Close Public Hearing</li></ol>
<b>Fiscal Impact</b>	The Health and Safety Code grants First 5 California the authority to withhold funding from any county commission failing to review and accept the State Annual Report.
<b>Action Requested</b>	No formal action



**AGENDA ITEM 4**  
**February 23, 2023**

<b>Subject</b>	<b>Public Hearing: Annual Review of the County Strategic Plan</b>
<b>Supporting Document(s)</b>	First 5 Yuba Strategic Plan 2021 – 2026 available online <a href="#">here</a>
<b>Overview</b>	The Commission is asked to conduct a public hearing to receive testimony from the public at large before adopting the revised strategic plan pursuant to Health and Safety Code §130140 30140 (a)(1)(C)(iii).
<b>Discussion</b>	<p>In February 2021, the Commission approved a Strategic Plan for July 2021 – June 2026. It has been reviewed annually, as required by mandates, and revised as appropriate. There have been no revisions to date.</p> <p>Staff recommends no changes to the existing First 5 Yuba Strategic Plan.</p>
<b>Recommendation</b>	<ol style="list-style-type: none"><li>1) Open Public Hearing.</li><li>2) Receive public comment.</li><li>3) Close Public Hearing</li></ol>
<b>Fiscal Impact</b>	None
<b>Action Requested</b>	No formal action



**AGENDA ITEM 5**  
**February 23, 2023**

<b>Subject</b>	FY 2021-2022 Mid-Year Budget Revisions
<b>Supporting Document(s)</b>	A. Staff Narrative B. 2022/2023 Year to Date Financials (through Period 6) C. 2022/2023 Draft Mid-Year Budget 1. Communication Plan Budget Amendments
<b>Overview</b>	On June 23, 2022, pursuant to Health and Safety Code provisions and the County of Yuba Ordinance Code 4.45, the Commission adopted a budget prior to the start of the fiscal year. Annually First 5 reviews budgets to ensure alignment with operations and adjusts accordingly.
<b>Discussion</b>	Refer to staff narrative
<b>Action Requested</b>	Motion to approve the mid-year revisions to the Annual Budget for FY 2022-2023 authorizing the Executive Director to perform all operational and administrative duties necessary to carry out all budget functions as in alignment with internal and external contracts and in alignment with the strategic plan.





## **Prop 10 Budget Narrative December 2022-2023**

This narrative is intended to brief the Commission on newly projected Prop 10 revenues in accordance with Health and Safety Code provisions and the County of Yuba Ordinance Code 4.45.

### **OVERVIEW**

Over the past few years tobacco tax revenues have been declining. More significant is the to highlight Proposition 31 will have a consistent effect on declining revenues calling for more

In express the urgency of this steep and lasting revenue decline

New projections from the Department of Finance (DOF) are traditionally released in May prior to the next FY. Projections to build our 2022-2023 Budget used projections from May of 2021 since the May Revise was not published. The newest projections from the DFO were release Nov 1<sup>st</sup> 2022 using the Governor's May 2022 Revise Budget.

The new updated projections take into account voter approval of Proposition 31 on the November 2022 ballot. Proposition 31 upheld SB 793 – a legislative measure signed by Governor Newsom on August 28, 2020, that bans the sale of flavored tobacco products and tobacco product flavor enhancers, with exceptions for hookah tobacco, loose leaf tobacco, and premium cigars. The updated projections also reflect the lower-than-expected cigarette tax distributions that have persisted since May, as well as updated estimates from CDTFA regarding backfills to and from the Proposition 10 fund.

The updated estimates are also significantly below the May revenue projections due to much lower-than-expected monthly cigarette distributions in recent months, as well as lower net backfills based on the updated CDTFA estimates made October. Year-over year cigarette distributions during the period were down by more than 10 percent during the May-through-October period, continuing a declining trend that has been in place since mid-2021. Updated CDTFA estimates of net revenues from backfills were down about \$10 million from the May estimates.

### **REVENUES:**

- Prop 10 Revenue Projections: FY 2021-22: **\$758,625**
- NEW: Prop 10 Revenue Projections Flavor Ban: FY 2021-22: **\$705,000**
- Current Revenues to date– July - Sept **\$242,**

### **EXPENDITURES- Projected**

Projected Prop 10 annual program expenditures for the upcoming FY is estimated to be **\$573,805**. The funding is allocated in the following goal areas:

1. Child Health & Development: \$167,825
2. Resilient Families: \$282,937



3. Quality Early Learning: \$58,043
4. Strong Systems: \$65,000

**Additional Grant Revenues: \$336,205**

- CDPH- Tobacco \$251,421
- FFCA- Home Visiting: \$40,434
- FFCA IMPACT- \$44,350

**Key takeaways:**

Proposition 10 revenues in 2022-23 are projected to be down over 8 percent from 21-22 projections, compared to a 1.9 percent decline forecasted in May. A couple of reasons for this big change:

- Prop. 31 effects will start on 1/1/23 with the removal of products from the market. That means an additional \$16-25M in revenue decline for the current FY22-23. The full year effect of Prop. 31 will begin FY23-24 with an additional \$34-51M in revenue decline.
- The cumulative impact of 1) declining cigarette distributions and 2) Proposition 31 over the next 18 months will be between \$71-88M or 19.6 – 24.6 percent.
- Prop. 31 will reduce revenue by \$257-390M (10-15 percent) over the next eight years.
- In May there were signs that monthly cigarette distributions were stabilizing after plunging in late 2021 and early 2022 (perhaps due partly to inventory drawdowns), but that just didn't prove to be the case. Since May, distributions (and tax revenues) are down by over 10 percent year over year.
- The California Department of Tax and Fee Administration (CDTFA) has adjusted down the 2021-22 net backfill number by \$10 million than assumed in May, and that reduction carries through each year of the forecast.
- Starting in FY24-25 the forecasted revenues begin to stabilize, but still have annual declines of 1.5 – 5.4 percent.

**Executive Director Comments**

Proposition 31 was without a doubt the right public health choice, but with the unintended consequence of hitting our revenue. Projections have not yet been calculated down to a County by County projection with our consultant but Yuba intends to use Nov 1<sup>st</sup> analysis form DOF. Official data has not been released on updated local birthrates but would likely be a small or incremental difference- especially in a small county such as Yuba.

**Every county** will need to pull from trust reserves many have already have been but need to do a deeper dive these forth coming years. The revenue “cliff” over the next 18 months cannot be understated. Prop. 31, coupled with plunging cigarette sales, will set a new floor of tobacco tax revenue.

In the next 6 months the commission will need to consider all contributing factors to this steep decline and explore ways to conserve resources but also consider how to continue to equitably serve children 0-5 and their families. As we continue to forecast the statewide and local implications feedback and insight from the commission will be imperative. My ask is that this is an ongoing two way discussion.



Next Steps & considerations:

- Continue to attend Executive Director Association meetings to get revenue and forecasting updates and relay to the full commission.
- Consider steps to strategically map out the impact on First 5 Yuba
  - Consultant
  - Ad Hoc Budget workgroup
- Finalize Mid Year Budget for review and approval Feb



**FIRST 5 YUBA COUNTY  
FIRST 5 DRAFT MID-YEAR BUDGET  
FY 2022/2023**

		General (prop10)	CTCP	IMPACT	HV-FFCA	Total Combine Budget
110-5500-361-6200	Revenue - Prop. 10 (Includes 56)	758,625.00				\$ 758,625.00
110-5500-361-6200	Revenue- Grant Awards (CDPH, FFCA)	500.00	251,421.00		43,733.20	\$ 295,654.20
110-5500-363-7400	Revenue - Other (Non- Gov't Grants)	12,000.00		44,350.00		\$ 56,350.00
110-5500-351-3000	Interest Income & SMIF	3,000.00				\$ 3,000.00
110-5500-351-3000	Carry Over	237,023.00				\$ 237,023.00
<b>TOTAL REVENUE</b>		<b>1,011,148.00</b>	<b>251,421.00</b>	<b>44,350.00</b>	<b>43,733.20</b>	<b>\$ 1,350,652.20</b>
110-5500-451-0101	Salaries - Regular	198,156.00	96,662.00	36,863.00	23,096.00	\$ 354,777.00
110-5500-451-0119	EE Referral Program	500.00				\$ 500.00
110-5500-451-0201	Benefits - Co Share PERS UAL	39,049.56	23,292.72		6,165.72	\$ 68,508.00
110-5500-451-0202	Benefits - Co Share PERS Normal	13,125.00	7,830.00	0.00	2,073.00	\$ 23,028.00
110-5500-451-0204	Group Health Insurance	32,524.00	19,200.00	0.00	4,747.00	\$ 56,471.00
110-5500-451-0205	Medicare	3,329.00	1,715.00	0.00	0.00	\$ 5,044.00
110-5500-451-0206	Workers Comp Insurance	2,751.00	0.00	0.00	0.00	\$ 2,751.00
110-5500-451-0207	Life Insurance	282.00	146.00	0.00	0.00	\$ 428.00
110-5500-451-0208	Unemployment Insurance	232.00	119.00	0.00	0.00	\$ 351.00
110-5500-451-0209	Retiree Healthcare Insurance	1,816.00	0.00	0.00	0.00	\$ 1,816.00
<b>Total Salaries &amp; Benefits</b>		<b>291,764.56</b>	<b>148,964.72</b>	<b>36,863.00</b>	<b>36,081.72</b>	<b>\$ 513,674.00</b>
110-5500-451-1200	Communications	1,739.00	561.00			\$ 2,300.00
110-5500-451-1500	Insurance	5,000.00				\$ 5,000.00
110-5500-451-1700	Network Fees	35,554.00	1,469.00			\$ 37,023.00
110-5500-451-2000	Memberships	4,500.00	375.00			\$ 4,875.00
110-5500-451-2200	Office Expense	2,500.00	4,068.00	440.00	63.70	\$ 7,072.00
110-5500-451-2300	Professional Services - Administration	15,000.00				\$ 15,000.00
110-5500-451-2400	Publications	500.00				\$ 500.00
110-5500-451-2500	Rents & Leases - Equipment	1,663.00			30.40	\$ 1,694.00
110-5500-451-2600	Rents & Leases - Building	15,400.00	9,775.00			\$ 25,175.00
110-5500-451-2700	Minor Equipment	4,000.00	2,338.00			\$ 6,338.00
110-5500-451-2900	Travel	3,500.00	1,663.00	725.00	168.00	\$ 6,056.00
110-5500-451-4000	Responsive Discretionary Emergency- Hold Harmless	10,000.00				\$ 10,000.00
110-5500-451-5301	County Administrative A-87 Charges	53,778.00				\$ 53,778.00
<b>Total Operating Expenses</b>		<b>153,134.00</b>	<b>20,249.00</b>	<b>1,165.00</b>	<b>262.10</b>	<b>\$ 174,811.00</b>
110-5500-451-2300	Professional Services -Child Health & Development	166,589.44				\$ 166,590.00
110-5500-451-2300	Professional Services - Resilient Families	290,371.90				\$ 290,372.00
110-5500-451-2300	Professional Services - Quality Early Learning	46,000.00				\$ 46,000.00
110-5500-451-2300	Professional Services - GRANT Program Supports	10,500.00	18,447.00	1,000.00	5,889.38	\$ 35,837.00
110-5500-451-2300	Mini Grant Program	30,000.00				\$ 30,000.00
110-5500-451-2300	Community Outreach, Education & Advocacy	17,000.00				\$ 17,000.00
<b>Total Program Strategic Priority Area Expenses</b>		<b>560,461.34</b>	<b>18,447.00</b>	<b>1,000.00</b>	<b>5,889.38</b>	<b>\$ 585,799.00</b>
110-5500-451-2300	External Evaluators	25,000.00	33,024.00		1,500.00	\$ 59,524.00
110-5500-451-2300	Data System Management- Online Portal	22,000.00				\$ 22,000.00
<b>Professional Services - Evaluation</b>		<b>47,000.00</b>	<b>33,024.00</b>	<b>0.00</b>	<b>1,500.00</b>	<b>\$ 81,524.00</b>
<b>TOTAL EXPENDITURES</b>		<b>1,052,359.90</b>	<b>220,684.72</b>	<b>39,028.00</b>	<b>43,733.20</b>	<b>\$ 1,355,808.00</b>
Net Increase/(Decrease)		(41,211.90)	30,736.28	5,322.00	0.00	\$ (5,155.80)



## Actual versus Budget YTD

Balanced through 12/31/2022

Account Number	Account Title	Budget Amt	YTD Actual	Remaining	% Remaining
	Revenue	\$ 758,625.00	\$ 242,755.51	\$ 515,869.49	68%
	Misc Revenue	\$ 573,228.00	\$ 11,042.49	\$ 562,185.51	2%
	Interest	\$ 3,000.00	\$ 513.46	\$ 2,486.54	17%
	<b>TOTAL REVENUE</b>	<b>\$ 1,334,853.00</b>	<b>\$ 254,311.46</b>	<b>\$ 1,080,541.54</b>	<b>19%</b>
01-01	Staff Salaries	\$ 350,857.00	\$ 173,804.00	\$ 177,053.00	50%
01-19	EE Referral Program	\$ -	\$ 500.00	\$ (500.00)	0%
02-01	Co Share PERS UAL	\$ 68,508.00	\$ 34,254.00	\$ 34,254.00	50%
02-02	Co Share PERS	\$ 23,028.00	\$ 11,373.41	\$ 11,654.59	51%
02-04	Group Health Insurance	\$ 56,471.00	\$ 26,621.14	\$ 29,849.86	53%
02-05	Medicare	\$ 5,044.00	\$ 2,501.17	\$ 2,542.83	50%
02-06	Workers Comp Insurance	\$ 2,751.00	\$ 687.75	\$ 2,063.25	75%
02-07	Life Insurance	\$ 428.00	\$ 213.60	\$ 214.40	50%
02-08	Unemployment Insurance	\$ 351.00	\$ 174.32	\$ 176.68	50%
02-09	Retiree Healthcare Insurance	\$ 1,816.00	\$ 906.47	\$ 909.53	50%
12-00	Communications	\$ 2,300.00	\$ 760.24	\$ 1,539.76	67%
15-00	Insurance	\$ 5,000.00	\$ 4,798.00	\$ 202.00	4%
17-00	Maintance Equipment	\$ 37,023.00	\$ 18,605.25	\$ 18,417.75	50%
20-00	Memberships	\$ 4,875.00	\$ 4,000.00	\$ 875.00	18%
22-00	Office Expense	\$ 4,908.00	\$ 3,318.67	\$ 1,589.33	32%
23-00	Professional Services A/E/P	\$ 692,116.00	\$ 169,201.78	\$ 522,914.22	76%
	Subcategory - Administration	\$ 15,000.00	\$ 8,492.00	\$ 6,508.00	43%
	Subcategory - Evaluation	\$ 80,024.00	\$ 21,525.00	\$ 58,499.00	73%
	Subcategory - Program	\$ 597,092.00	\$ 142,822.53	\$ 454,269.47	76%
24-00	Publications	\$ 500.00	\$ -	\$ 500.00	100%
25-00	Rent & Lease/Equipment	\$ 1,663.00	\$ 633.73	\$ 1,029.27	62%
26-00	Rent & Lease/Building	\$ 33,075.00	\$ 15,420.02	\$ 17,654.98	53%
27-00	Minor Equipment	\$ 5,000.00	\$ 3,816.06	\$ 1,183.94	24%
28-00	Special Department Expenses	\$ -	\$ -	\$ -	100%
29-00	Travel	\$ 5,888.00	\$ 449.26	\$ 5,438.74	92%
40-00	Support & Care of Persons	\$ 10,000.00	\$ -	\$ 10,000.00	100%
53-01	County Administration	\$ 53,778.00	\$ 13,444.50	\$ 40,333.50	75%
	<b>TOTAL EXPEDITURES</b>	<b>\$ 1,365,380.00</b>	<b>\$ 489,385.87</b>	<b>\$ 879,896.63</b>	<b>64%</b>



## COMMUNICATION PLAN BUDGET FY 2022-2023

Line Item	Budgeted	Adjustment	Feb 2023 Amendment	YTD	Notes
<b>New Parents Kits</b>	\$ -				
<b>Community Education &amp; Outreach Special Projects Stipend-</b> (Stipends not to exceed \$500 per project/event)	\$ 500	\$ 1,500	\$ 2,000	\$ 230.00	Finger printing, inceased by 1,500 for ALA grant
<b>Community Education, Outreach &amp; Awareness</b> booth/facility fees, promotional materials for outreach (books, children's engagement & activity materials, crayons etc.), banners, incentive items, food etc.	\$ 3,000		\$ 3,000	\$ 1,242.66	
<b>Community Sponsorships</b> - Community sponsorship grants, and event sponsorship packages (i.e., Bok Kai, YS Fair)	\$ 10,000	\$ (7,500)	\$ 2,500	\$ 2,150.00	
<b>Website &amp; Social Media</b> - Increase readability, cultural appropriateness and reflect current program and policy changes.	\$ 500	\$ 7,500	\$ 8,000	\$ 7,572.00	Sapphire charge for website.Comission approved contract extenion to 22-23. Unspent funds
<b>Print Media &amp; Advertising-</b> Local Radio (Eng. & Span), Digital radio (Pandora, Spotify), Out of Home Marketing (i.e., Billboards, Bus shelters), Educational Print materials (brochures, push cards)	\$ 1,000	\$ 500	\$ 1,500	\$ 1,139.83	Sapphire charge for website.no roll over needed based on current allocations. \$1,500 for ALA grant
<b>TOTAL</b>	<b>\$ 15,000</b>	<b>\$ 2,000</b>	<b>\$ 17,000</b>	<b>\$ 12,334.49</b>	



**AGENDA ITEM 6**  
**February 23, 2023**

<b>Subject</b>	Budget and Suitability Planning
<b>Supporting Document(s)</b>	a. Staff Narrative – Provided at Meeting
<b>Overview</b>	<p>In November Proposition 31 pass by majority vote of registered voters which upheld SB 793 – a legislative measure signed by Governor Newsom on August 28, 2020, that bans the sale of flavored tobacco products and tobacco product flavor enhancers.</p> <p>While it is acknowledged Proposition 31 was right public health choice for young children and their families, there are unintended consequences to the Commission. Prop. 31 effects will start on 1/1/23 with the removal of products from the market. That means an additional \$16-25M in revenue decline for the current FY22-23. The full year effect of Prop. 31 will begin FY23-24 with an additional \$34-51M in revenue decline.</p> <p>Commissions will see the highest impacts over the next 18 months related to both 1) declining cigarette distributions and 2) Proposition 31 over the next 18 months will be between \$71-88M or 19.6 – 24.6 percent.</p> <p>Prop. 31 will reduce revenues by \$257-390M (10-15 percent) over the next eight years.</p>
<b>Discussion</b>	<p>At the December 16, 2023 regular Commission Meeting the Commission instructed the Executive director to establish an Ad Hoc Committee to look at future of Prop 10 revenues and strategize on sustainability efforts for the remainder of the Strategic plan time frame.</p> <p>Commissioners will receive an update report on the establishment, planning efforts and action items of this group.</p>
<b>Action Requested</b>	No action requested



## **Agenda Item 6**

### **Prop 10 Budget & Sustainability**

This narrative is intended to brief the Commission on updated surrounding the Prop 10 revenues in accordance with Health and Safety Code provisions and the County of Yuba Ordinance Code 4.45. In addition provide summary of discussions and actions for sustainability planning for First 5 Yuba over the next few years.

#### **OVERVIEW**

Over the past decade tobacco tax revenues have been declining. In addition, the recent passing of proposition 31 (ban on flavors) will have a consistent and irreversible effect on declining state and local tobacco tax revenues. While proposition 31 was without a doubt the right public health choice, the unintended consequence has resulted in fast decline in revenues.

New projections from the Department of Finance (DOF) take into account voter approval of Proposition 31 on the November 2022 ballot. Proposition 31 upheld SB 793 – a legislative measure signed by Governor Newsom on August 28, 2020, that bans the sale of flavored tobacco products and tobacco product flavor enhancers, with exceptions for hookah tobacco, loose leaf tobacco, and premium cigars. The updated projections also reflect the lower-than-expected cigarette tax distributions that have persisted since May, as well as updated estimates from The California Department of Tax and Fee Administration (CDTFA) regarding backfills to and from the Proposition 10 fund.

Proposition 10 revenues in 2022-23 are projected to be down over 8 percent from 21-22 projections, compared to a 1.9 percent decline forecasted in May. A couple of key takeaways to summarize reasons for this big change:

- Proposition 31 went into effect 12/21/22 with the removal of products from the market. That means an additional \$16-25M in revenue decline for the current FY22-23. The full year effect of Prop. 31 will begin FY23-24 with an additional \$34-51M in revenue decline.
- The cumulative impact of 1) declining cigarette distributions and 2) Proposition 31 over the next 18 months will be between \$71-88M or 19.6 – 24.6 percent.
- Prop. 31 will reduce revenues by \$257-390M (10-15 percent) over the next eight years.
- In May there were signs that monthly cigarette distributions were stabilizing after plunging in late 2021 and early 2022 (perhaps due partly to inventory drawdowns), but that just didn't prove to be the case. Since May, distributions (and tax revenues) are down by over 10 percent year over year.
- The California Department of Tax and Fee Administration (CDTFA) has adjusted down the 2021-22 net backfill number by \$10 million, and that reduction carries through each year of the forecast.
- Starting in FY24-25 the forecasted revenues begin to stabilize, but still have annual declines of 1.5 – 5.4 percent.



## DISCUSSION:

In the urgency of this steep and lasting revenue decline the Commission asked the Executive Director to:

1. Establish an Ad Hoc Budget Committee
2. Review Current Mid Year budget and determine possible areas for reserve this fiscal year.
3. Consult with an outside agency regarding long term sustainability planning

### The following is an update on items 1-3:

1. Establish an Ad Hoc Budget Committee
  - a. Established Jan 2023 ( Executive Members, Advisory Members and Staff)
  - b. Scheduled meetings monthly for the next 6 months
  - c. Summary of discussion items::

#### ***Sustainability Discussion –***

##### ***Administrative Costs –***

- *Committee suggested reviewing the A-87 charges and negotiating out any items not used to try to reduce that cost; also, should review the Network fee. If it includes a phone expense, we may be able to negotiate a lower rate because the phone is included in the current office lease.*
- *Professional services include legal counsel and external auditor. May be able to save funds in this line item moving forward as we tend to overestimate annual legal fees.*

##### ***Program Costs –***

- *Committee asked if there was the flexibility to reduce the External Evaluation line item.*
- *There is, and we may be able to reduce expenses in this area if we are strategic with what we ask partners to collect and how to collect.*
- *It is essential to understand what the County's costs are and how they are allotted to the department.*
- *May need to consider cutting programs at some point in time.*
  - *Are there programs that should be sustainable on their own by now?*
  - *Should we prioritize the Strategic Partners (Large grants) over the Mini-Grants?*
- *Look for immediate and longer-term strategies*
- *Consider reducing sponsorships moving forward and look at other ways to be visible in the community.*
- *Reduce the amount available for Mini-Grants moving forward*

2. Review Current Mid Year budget and determine possible areas for reserve this fiscal year.
  - a. Areas to conserve:
    - i. Sponsorships ~ \$7,000
    - ii. Rent ~\$3,000 (moved to Salaries)
    - iii. Communications (considering reductions for Zoom accounts, WiFi, etc.)
      1. Total Savings ~\$1,000 - \$1,500
      2. Working with County Admin to determine details of network fees
3. Consult with an outside agency regarding long term sustainability planning



- a. Reached out to Association and other surrounding First 5's to see if anyone had used a local consultant
- b. Put out local inquiries
- c. No responses as of yet

#### **Next Steps & Considerations:**

- Unspent Funds by Contractors – Policy Section 303
  - Unspent Funds by Contractors
- Budget Planning 23/24
  - Continue meeting with Ad Hoc
  - Will have variable 23/24 Budget options for the Commission by April.
- Long Range Financial Plan
  - Consultant- still working on obtaining a local consultant
- Continue to attend Executive Director Association meetings to get revenue and forecasting updates and relay to the full commission.

#### **Executive Director Comments**

Every county will need to pull from trust reserves many have already have been but need to do a deeper dive these forth coming years. The revenue “cliff” over the next 18 months cannot be understated. Prop. 31, coupled with plunging cigarette sales, will set a new floor of tobacco tax revenue.

Over the next 6 months the Commission will need to consider all contributing factors to this steep decline and explore ways to conserve resources but also consider how to continue to equitably serve children 0-5 and their families. As we continue to forecast the statewide and local implications feedback and insight from the commission will be imperative.

First 5 staff are committed to working with the Ad Hoc Committee and the Commission to provide reasonable options to prepare for the 23/24 budget year. Staff will provide periodic updates the Executive Committee through the end of the Fiscal Year.



FIRST 5 CALIFORNIA COUNTY TAX REVENUE PROJECTIONS FOR 2022-23 THROUGH 2026-27 without Flavor Ban  
UTILIZING DOF MAY REVISE 2022 TOBACCO TAX PROJECTIONS AND  
DOF BIRTH PROJECTIONS FOR CALIFORNIA STATE AND COUNTIES 1990-2040  
UPDATED November 1, 2022

	COUNTY	2019 Births <sup>1</sup>	2019 Birthrate	2022-23 TAX REVENUE PROJECTION	2020 Births <sup>1</sup>	2020 Birthrate	2023-24 TAX REVENUE PROJECTION	2021 Births <sup>1</sup>	2021 Birthrate	2024-25 TAX REVENUE PROJECTION	2022 Births <sup>1</sup>	2022 Birthrate	2025-26 TAX REVENUE PROJECTION	2023 Births <sup>1</sup>	2023 Birthrate	2026-27 TAX REVENUE PROJECTION
1	Alameda	18,197	4.075%	\$11,855,416	18,082	4.029%	\$11,294,243	17,678	4.046%	\$10,800,266	17,492	4.000%	\$10,378,583	17,302	3.974%	\$10,029,561
2	Alpine	17	0.004%	\$11,076	6	0.001%	\$3,748	12	0.003%	\$7,331	4	0.001%	\$2,373	7	0.002%	\$4,058
3	Amador	314	0.070%	\$204,572	321	0.072%	\$200,501	336	0.077%	\$205,277	301	0.069%	\$178,593	330	0.076%	\$191,293
4	Butte	2,149	0.481%	\$1,400,082	2,083	0.464%	\$1,301,068	1,914	0.438%	\$1,169,347	1,958	0.448%	\$1,161,746	1,989	0.457%	\$1,152,976
5	Calaveras	401	0.090%	\$261,253	392	0.087%	\$244,848	396	0.091%	\$241,934	415	0.095%	\$246,233	411	0.094%	\$238,247
6	Colusa	249	0.056%	\$162,224	253	0.056%	\$158,027	256	0.059%	\$156,402	273	0.062%	\$161,980	246	0.057%	\$142,600
7	Contra Costa	11,811	2.645%	\$7,694,912	11,999	2.674%	\$7,494,725	11,898	2.723%	\$7,269,010	12,011	2.747%	\$7,126,524	12,118	2.784%	\$7,024,518
8	Del Norte	281	0.063%	\$183,073	235	0.052%	\$146,784	239	0.055%	\$146,016	250	0.057%	\$148,333	249	0.057%	\$144,339
9	El Dorado	1,531	0.343%	\$997,452	1,577	0.351%	\$985,014	1,748	0.400%	\$1,067,930	1,718	0.393%	\$1,019,346	1,769	0.406%	\$1,025,448
10	Fresno	14,051	3.147%	\$9,154,281	14,367	3.202%	\$8,973,808	14,115	3.231%	\$8,623,473	14,098	3.224%	\$8,364,811	14,157	3.252%	\$8,206,478
11	Glenn	398	0.089%	\$259,299	398	0.089%	\$248,596	367	0.084%	\$224,216	391	0.089%	\$231,993	413	0.095%	\$239,406
12	Humboldt	1,406	0.315%	\$916,014	1,371	0.306%	\$856,344	1,277	0.292%	\$780,175	1,287	0.294%	\$763,620	1,208	0.277%	\$700,249
13	Imperial	2,618	0.586%	\$1,705,637	2,553	0.569%	\$1,594,636	2,509	0.574%	\$1,532,858	2,497	0.571%	\$1,481,553	2,513	0.577%	\$1,456,727
14	Inyo	191	0.043%	\$124,437	177	0.039%	\$110,556	176	0.040%	\$107,526	168	0.038%	\$99,680	179	0.041%	\$103,762
15	Kern	12,772	2.860%	\$8,321,008	13,068	2.912%	\$8,162,436	12,809	2.932%	\$7,825,580	12,819	2.931%	\$7,605,938	12,818	2.944%	\$7,430,292
16	Kings	2,101	0.470%	\$1,368,810	2,206	0.492%	\$1,377,895	2,149	0.492%	\$1,312,918	2,166	0.495%	\$1,285,160	2,119	0.487%	\$1,228,334
17	Lake	732	0.164%	\$476,901	729	0.162%	\$455,343	701	0.160%	\$428,272	682	0.156%	\$404,653	717	0.165%	\$415,628
18	Lassen	284	0.064%	\$185,027	245	0.055%	\$153,030	241	0.055%	\$147,237	261	0.060%	\$154,860	241	0.055%	\$139,702
19	Los Angeles	106,987	23.959%	\$69,702,446	106,450	23.721%	\$66,490,001	102,129	23.377%	\$62,395,089	101,442	23.197%	\$60,188,901	100,114	22.997%	\$58,033,721
20	Madera	2,066	0.463%	\$1,346,007	2,117	0.472%	\$1,322,305	2,032	0.465%	\$1,241,438	1,968	0.450%	\$1,167,680	1,942	0.446%	\$1,125,732
21	Marin	2,083	0.466%	\$1,357,083	2,059	0.459%	\$1,286,077	1,945	0.445%	\$1,188,286	1,975	0.452%	\$1,171,833	1,901	0.437%	\$1,101,965
22	Mariposa	132	0.030%	\$85,999	156	0.035%	\$97,440	135	0.031%	\$82,477	150	0.034%	\$89,000	146	0.034%	\$84,633
23	Mendocino	926	0.207%	\$603,293	950	0.212%	\$593,382	845	0.193%	\$516,248	929	0.212%	\$551,206	876	0.201%	\$507,797
24	Merced	3,851	0.862%	\$2,508,941	4,029	0.898%	\$2,516,564	4,017	0.919%	\$2,454,162	4,160	0.951%	\$2,468,266	4,213	0.968%	\$2,442,177
25	Modoc	89	0.020%	\$57,984	29	0.006%	\$18,114	39	0.009%	\$23,827	47	0.011%	\$27,887	60	0.014%	\$34,781
26	Mono	128	0.029%	\$83,392	99	0.022%	\$61,837	101	0.023%	\$61,705	111	0.025%	\$65,860	108	0.025%	\$62,605
27	Monterey	5,882	1.317%	\$3,832,146	5,777	1.287%	\$3,608,386	5,555	1.272%	\$3,393,793	5,551	1.269%	\$3,293,592	5,428	1.247%	\$3,146,483
28	Napa	1,294	0.290%	\$843,046	1,278	0.285%	\$798,255	1,251	0.286%	\$764,291	1,300	0.297%	\$771,333	1,272	0.292%	\$737,348
29	Nevada	812	0.182%	\$529,021	828	0.185%	\$517,179	783	0.179%	\$478,369	883	0.202%	\$523,913	842	0.193%	\$488,088
30	Orange	34,909	7.818%	\$22,743,349	35,201	7.844%	\$21,986,985	34,169	7.821%	\$20,875,342	34,514	7.892%	\$20,478,300	34,660	7.962%	\$20,091,583
31	Placer	3,660	0.820%	\$2,384,504	3,759	0.838%	\$2,347,918	3,717	0.851%	\$2,270,878	3,932	0.899%	\$2,332,986	4,072	0.935%	\$2,360,442
32	Plumas	162	0.036%	\$105,544	149	0.033%	\$93,067	153	0.035%	\$93,474	159	0.036%	\$94,340	157	0.036%	\$91,009
33	Riverside	28,255	6.327%	\$18,408,242	28,908	6.442%	\$18,056,298	28,562	6.538%	\$17,449,780	29,093	6.653%	\$17,261,841	28,969	6.655%	\$16,792,645
34	Sacramento	18,988	4.252%	\$12,370,756	19,130	4.263%	\$11,948,837	18,755	4.293%	\$11,458,253	18,717	4.280%	\$11,105,416	18,566	4.265%	\$10,762,272
35	San Benito	791	0.177%	\$515,340	802	0.179%	\$500,939	818	0.187%	\$499,752	789	0.180%	\$468,140	837	0.192%	\$485,189
36	San Bernardino	28,688	6.424%	\$18,690,344	29,035	6.470%	\$18,135,624	28,594	6.545%	\$17,469,330	28,770	6.579%	\$17,070,195	28,772	6.609%	\$16,678,449
37	San Diego	38,645	8.654%	\$25,177,368	38,936	8.676%	\$24,319,912	37,782	8.648%	\$23,082,682	37,531	8.582%	\$22,268,386	37,124	8.528%	\$21,519,906
38	San Francisco	8,396	1.880%	\$5,470,027	8,346	1.860%	\$5,213,016	8,286	1.897%	\$5,062,281	8,099	1.852%	\$4,805,405	8,020	1.842%	\$4,649,005
39	San Joaquin	10,076	2.256%	\$6,564,553	10,184	2.269%	\$6,361,054	10,272	2.351%	\$6,275,616	10,287	2.352%	\$6,103,618	10,631	2.442%	\$6,162,540
40	San Luis Obispo	2,464	0.552%	\$1,605,306	2,522	0.562%	\$1,575,273	2,422	0.554%	\$1,479,706	2,541	0.581%	\$1,507,660	2,517	0.578%	\$1,459,045
41	San Mateo	8,253	1.848%	\$5,376,862	8,157	1.818%	\$5,094,964	7,717	1.766%	\$4,714,654	7,487	1.712%	\$4,442,285	7,154	1.643%	\$4,147,005
42	Santa Barbara	5,512	1.234%	\$3,591,089	5,456	1.216%	\$3,407,886	5,440	1.245%	\$3,323,535	5,501	1.258%	\$3,263,926	5,662	1.301%	\$3,282,128
43	Santa Clara	21,100	4.725%	\$13,746,732	20,971	4.673%	\$13,098,749	20,150	4.612%	\$12,310,519	20,022	4.579%	\$11,879,716	19,668	4.518%	\$11,401,075
44	Santa Cruz	2,395	0.536%	\$1,560,352	2,425	0.540%	\$1,514,685	2,389	0.547%	\$1,459,545	2,462	0.563%	\$1,460,786	2,386	0.548%	\$1,383,108
45	Shasta	1,876	0.420%	\$1,222,221	1,876	0.418%	\$1,171,773	1,942	0.445%	\$1,186,453	1,917	0.438%	\$1,137,420	1,883	0.433%	\$1,091,531
46	Sierra	24	0.005%	\$15,636	20	0.004%	\$12,492	20	0.005%	\$12,219	25	0.006%	\$14,833	20	0.005%	\$11,594
47	Siskiyou	434	0.097%	\$282,753	332	0.074%	\$207,371	361	0.083%	\$220,551	369	0.084%	\$218,940	408	0.094%	\$236,508
48	Solano	5,053	1.132%	\$3,292,049	5,119	1.141%	\$3,197,391	4,938	1.130%	\$3,016,841	4,886	1.117%	\$2,899,026	4,928	1.132%	\$2,856,645
49	Sonoma	4,377	0.980%	\$2,851,633	4,333	0.966%	\$2,706,446	4,270	0.977%	\$2,608,730	4,155	0.950%	\$2,465,299	4,164	0.957%	\$2,413,772
50	Stanislaus	7,295	1.634%	\$4,752,721	7,469	1.664%	\$4,665,231	7,268	1.664%	\$4,440,340	7,271	1.663%	\$4,314,125	7,322	1.682%	\$4,244,390
51	Sutter	1,255	0.281%	\$817,637	1,249	0.278%	\$780,141	1,218	0.279%	\$744,130	1,320	0.302%	\$783,200	1,343	0.309%	\$778,505
52	Tehama	788	0.176%	\$513,385	803	0.179%	\$501,564	802	0.184%	\$489,977	808	0.185%	\$479,413	819	0.188%	\$474,755
53	Trinity	94	0.021%	\$61,241	108	0.024%	\$67,458	97	0.022%	\$59,262	97	0.022%	\$57,553	127	0.029%	\$73,619
54	Tulare	6,763	1.515%	\$4,406,121	6,944	1.547%	\$4,337,309	6,811	1.559%	\$4,161,139	6,937	1.586%	\$4,115,952	6,927	1.591%	\$4,015,418
55	Tuolumne	466	0.104%	\$303,601	464	0.103%	\$289,820	479	0.110%	\$292,642	436	0.100%	\$258,693	468	0.108%	\$271,289
56	Ventura	8,829	1.977%	\$5,752,128	8,819	1.965%	\$5,508,458	8,379	1.918%	\$5,119,099	8,430	1.928%	\$5,001,798	8,426	1.936%	\$4,884,353
57	Yolo	2,080	0.466%	\$1,355,128	2,203	0.491%	\$1,376,021	2,203	0.504%	\$1,345,909	2,272	0.520%	\$1,348,053	2,324	0.534%	\$1,347,168
58	Yuba	1,167	0.261%	\$760,305	1,200	0.267%	\$749,535	1,212	0.277%	\$740,464	1,170	0.268%	\$694,200	1,286	0.295%	\$745,464
	TOTALS	446,548	100%	\$290,927,758	448,754	100%	\$280,297,358	436,879	100%	\$266,908,558	437,304	100.000%	\$259,466,958	435,328	100.000%	\$252,349,358
	<sup>1</sup> DOF projected births by county.															
	FROM REVENUE BREAKDOWN			\$290,927,758			\$280,297,358			\$266,908,558			\$259,466,958			\$252,349,358



FIRST 5 CALIFORNIA COUNTY TAX REVENUE PROJECTIONS FOR 2022-23 THROUGH 2026-27with Flavor Ban  
UTILIZING DOF MAY REVISE 2022 TOBACCO TAX PROJECTIONS AND  
DOF BIRTH PROJECTIONS FOR CALIFORNIA STATE AND COUNTIES 1990-2040  
UPDATED November 1, 2022

	COUNTY	2019 Births <sup>1</sup>	2019 Birthrate	2022-23 TAX REVENUE PROJECTION	2020 Births <sup>1</sup>	2020 Birthrate	2023-24 TAX REVENUE PROJECTION	2021 Births <sup>1</sup>	2021 Birthrate	2024-25 TAX REVENUE PROJECTION	2022 Births <sup>1</sup>	2022 Birthrate	2025-26 TAX REVENUE PROJECTION	2023 Births <sup>1</sup>	2023 Birthrate	2026-27 TAX REVENUE PROJECTION
1	Alameda	18,197	4.075%	\$10,998,811	18,082	4.029%	\$9,706,797	17,678	4.046%	\$9,242,035	17,492	4.000%	\$8,871,845	17,302	3.974%	\$8,564,283
2	Alpine	17	0.004%	\$10,275	6	0.001%	\$3,221	12	0.003%	\$6,274	4	0.001%	\$2,029	7	0.002%	\$3,465
3	Amador	314	0.070%	\$189,791	321	0.072%	\$172,320	336	0.077%	\$175,660	301	0.069%	\$152,666	330	0.076%	\$163,346
4	Butte	2,149	0.481%	\$1,298,920	2,083	0.464%	\$1,118,198	1,914	0.438%	\$1,000,637	1,958	0.448%	\$993,087	1,989	0.457%	\$984,531
5	Calaveras	401	0.090%	\$242,376	392	0.087%	\$210,434	396	0.091%	\$207,028	415	0.095%	\$210,486	411	0.094%	\$203,440
6	Colusa	249	0.056%	\$150,503	253	0.056%	\$135,816	256	0.059%	\$133,836	273	0.062%	\$138,464	246	0.057%	\$121,767
7	Contra Costa	11,811	2.645%	\$7,138,921	11,999	2.674%	\$6,441,315	11,898	2.723%	\$6,220,259	12,011	2.747%	\$6,091,912	12,118	2.784%	\$5,998,265
8	Del Norte	281	0.063%	\$169,845	235	0.052%	\$126,153	239	0.055%	\$124,949	250	0.057%	\$126,799	249	0.057%	\$123,252
9	El Dorado	1,531	0.343%	\$925,382	1,577	0.351%	\$846,567	1,748	0.400%	\$913,852	1,718	0.393%	\$871,360	1,769	0.406%	\$875,634
10	Fresno	14,051	3.147%	\$8,492,844	14,367	3.202%	\$7,712,507	14,115	3.231%	\$7,379,303	14,098	3.224%	\$7,150,427	14,157	3.252%	\$7,007,546
11	Glenn	398	0.089%	\$240,563	398	0.089%	\$213,655	367	0.084%	\$191,867	391	0.089%	\$198,313	413	0.095%	\$204,430
12	Humboldt	1,406	0.315%	\$849,828	1,371	0.306%	\$735,982	1,277	0.292%	\$667,614	1,287	0.294%	\$652,759	1,208	0.277%	\$597,946
13	Imperial	2,618	0.586%	\$1,582,397	2,553	0.569%	\$1,370,504	2,509	0.574%	\$1,311,702	2,497	0.571%	\$1,266,465	2,513	0.577%	\$1,243,905
14	Inyo	191	0.043%	\$115,446	177	0.039%	\$95,017	176	0.040%	\$92,013	168	0.038%	\$85,209	179	0.041%	\$88,603
15	Kern	12,772	2.860%	\$7,719,779	13,068	2.912%	\$7,015,176	12,809	2.932%	\$6,696,528	12,819	2.931%	\$6,501,726	12,818	2.944%	\$6,344,757
16	Kings	2,101	0.470%	\$1,269,907	2,206	0.492%	\$1,184,227	2,149	0.492%	\$1,123,494	2,166	0.495%	\$1,098,583	2,119	0.487%	\$1,048,880
17	Lake	732	0.164%	\$442,443	729	0.162%	\$391,342	701	0.160%	\$366,482	682	0.156%	\$345,907	717	0.165%	\$354,906
18	Lassen	284	0.064%	\$171,658	245	0.055%	\$131,521	241	0.055%	\$125,994	261	0.060%	\$132,378	241	0.055%	\$119,292
19	Los Angeles	106,987	23.959%	\$64,666,141	106,450	23.721%	\$57,144,592	102,129	23.377%	\$53,392,905	101,442	23.197%	\$51,450,819	100,114	22.997%	\$49,555,234
20	Madera	2,066	0.463%	\$1,248,752	2,117	0.472%	\$1,136,450	2,032	0.465%	\$1,062,327	1,968	0.450%	\$998,159	1,942	0.446%	\$961,267
21	Marin	2,083	0.466%	\$1,259,027	2,059	0.459%	\$1,105,314	1,945	0.445%	\$1,016,843	1,975	0.452%	\$1,001,709	1,901	0.437%	\$940,972
22	Mariposa	132	0.030%	\$79,785	156	0.035%	\$83,744	135	0.031%	\$70,578	150	0.034%	\$76,079	146	0.034%	\$72,268
23	Mendocino	926	0.207%	\$559,702	950	0.212%	\$509,980	845	0.193%	\$441,765	929	0.212%	\$471,184	876	0.201%	\$433,610
24	Merced	3,851	0.862%	\$2,327,660	4,029	0.898%	\$2,162,852	4,017	0.919%	\$2,109,082	4,160	0.951%	\$2,109,929	4,213	0.968%	\$2,085,385
25	Modoc	89	0.020%	\$53,794	29	0.006%	\$15,568	39	0.009%	\$20,389	47	0.011%	\$23,838	60	0.014%	\$29,699
26	Mono	128	0.029%	\$77,367	99	0.022%	\$53,145	101	0.023%	\$52,803	111	0.025%	\$56,299	108	0.025%	\$53,459
27	Monterey	5,882	1.317%	\$3,555,257	5,777	1.287%	\$3,101,215	5,555	1.272%	\$2,904,147	5,551	1.269%	\$2,815,436	5,428	1.247%	\$2,686,795
28	Napa	1,294	0.290%	\$782,132	1,278	0.285%	\$686,057	1,251	0.286%	\$654,021	1,300	0.297%	\$659,353	1,272	0.292%	\$629,625
29	Nevada	812	0.182%	\$440,797	828	0.185%	\$444,488	783	0.179%	\$409,351	883	0.202%	\$447,853	842	0.193%	\$416,780
30	Orange	34,909	7.818%	\$21,100,043	35,201	7.844%	\$18,896,635	34,169	7.821%	\$17,863,508	34,514	7.892%	\$17,505,309	34,660	7.962%	\$17,156,286
31	Placer	3,660	0.820%	\$2,212,213	3,759	0.838%	\$2,017,910	3,717	0.851%	\$1,943,243	3,932	0.899%	\$1,994,289	4,072	0.935%	\$2,015,591
32	Plumas	162	0.036%	\$97,918	149	0.033%	\$79,986	153	0.035%	\$79,988	159	0.036%	\$80,644	157	0.036%	\$77,713
33	Riverside	28,255	6.327%	\$17,078,167	28,908	6.442%	\$15,518,421	28,562	6.538%	\$14,932,175	29,093	6.653%	\$14,755,808	28,969	6.655%	\$14,339,309
34	Sacramento	18,988	4.252%	\$11,476,915	19,130	4.263%	\$10,269,385	18,755	4.293%	\$9,805,089	18,717	4.280%	\$9,493,158	18,566	4.265%	\$9,189,948
35	San Benito	791	0.177%	\$478,104	802	0.179%	\$430,530	818	0.187%	\$427,649	789	0.180%	\$400,176	837	0.192%	\$414,305
36	San Bernardino	28,688	6.424%	\$17,339,885	29,035	6.470%	\$15,586,597	28,594	6.545%	\$14,948,905	28,770	6.579%	\$14,591,984	28,772	6.609%	\$14,241,796
37	San Diego	38,645	8.654%	\$23,358,193	38,936	8.676%	\$20,901,661	37,782	8.648%	\$19,752,379	37,531	8.582%	\$19,035,515	37,124	8.528%	\$18,375,936
38	San Francisco	8,396	1.880%	\$5,074,793	8,346	1.860%	\$4,480,308	8,286	1.897%	\$4,331,910	8,099	1.852%	\$4,107,768	8,020	1.842%	\$3,969,804
39	San Joaquin	10,076	2.256%	\$6,090,236	10,184	2.269%	\$5,466,985	10,272	2.351%	\$5,370,188	10,287	2.352%	\$5,217,509	10,631	2.442%	\$5,262,218
40	San Luis Obispo	2,464	0.552%	\$1,489,315	2,522	0.562%	\$1,353,862	2,422	0.554%	\$1,266,218	2,541	0.581%	\$1,288,781	2,517	0.578%	\$1,245,885
41	San Mateo	8,253	1.848%	\$4,988,360	8,157	1.818%	\$4,378,849	7,717	1.766%	\$4,034,437	7,487	1.712%	\$3,797,365	7,154	1.643%	\$3,541,145
42	Santa Barbara	5,512	1.234%	\$3,331,618	5,456	1.216%	\$2,928,895	5,440	1.245%	\$2,844,025	5,501	1.258%	\$2,790,077	5,662	1.301%	\$2,802,622
43	Santa Clara	21,100	4.725%	\$12,753,471	20,971	4.673%	\$11,257,673	20,150	4.612%	\$10,534,393	20,022	4.579%	\$10,155,047	19,668	4.518%	\$9,735,425
44	Santa Cruz	2,395	0.536%	\$1,447,610	2,425	0.540%	\$1,301,791	2,389	0.547%	\$1,248,966	2,462	0.563%	\$1,248,713	2,386	0.548%	\$1,181,041
45	Shasta	1,876	0.420%	\$1,133,910	1,876	0.418%	\$1,007,076	1,942	0.445%	\$1,015,275	1,917	0.438%	\$972,292	1,883	0.433%	\$932,062
46	Sierra	24	0.005%	\$14,506	20	0.004%	\$10,736	20	0.005%	\$10,456	25	0.006%	\$12,680	20	0.005%	\$9,900
47	Siskiyou	434	0.097%	\$262,323	332	0.074%	\$178,225	361	0.083%	\$188,730	369	0.084%	\$187,155	408	0.094%	\$201,955
48	Solano	5,053	1.132%	\$3,054,184	5,119	1.141%	\$2,747,987	4,938	1.130%	\$2,581,580	4,886	1.117%	\$2,478,152	4,928	1.132%	\$2,439,301
49	Sonoma	4,377	0.980%	\$2,645,590	4,333	0.966%	\$2,326,045	4,270	0.977%	\$2,232,350	4,155	0.950%	\$2,107,393	4,164	0.957%	\$2,061,130
50	Stanislaus	7,295	1.634%	\$4,409,316	7,469	1.664%	\$4,009,516	7,268	1.664%	\$3,799,701	7,271	1.663%	\$3,687,811	7,322	1.682%	\$3,624,303
51	Sutter	1,255	0.281%	\$758,560	1,249	0.278%	\$670,489	1,218	0.279%	\$636,769	1,320	0.302%	\$669,497	1,343	0.309%	\$664,769
52	Tehama	788	0.176%	\$476,291	803	0.179%	\$431,067	802	0.184%	\$409,813	808	0.185%	\$409,813	819	0.188%	\$405,395
53	Trinity	94	0.021%	\$56,816	108	0.024%	\$57,977	97	0.022%	\$50,711	97	0.022%	\$49,198	127	0.029%	\$62,863
54	Tulare	6,763	1.515%	\$4,087,759	6,944	1.547%	\$3,727,685	6,811	1.559%	\$3,560,782	6,937	1.586%	\$3,518,408	6,927	1.591%	\$3,428,782
55	Tuolumne	466	0.104%	\$281,664	464	0.103%	\$249,085	479	0.110%	\$250,421	436	0.100%	\$221,137	468	0.108%	\$231,654
56	Ventura	8,829	1.977%	\$5,336,511	8,819	1.965%	\$4,734,224	8,379	1.918%	\$4,380,530	8,430	1.928%	\$4,275,649	8,426	1.936%	\$4,170,769
57	Yolo	2,080	0.466%	\$1,257,214	2,203	0.491%	\$1,182,617	2,203	0.504%	\$1,151,725	2,272	0.520%	\$1,152,346	2,324	0.534%	\$1,150,352
58	Yuba	1,167	0.261%	\$705,370	1,200	0.267%	\$644,185	1,212	0.277%	\$633,632	1,170	0.268%	\$593,417	1,286	0.295%	\$636,555
	TOTALS	446,548	100%	\$269,906,958	448,754	100%	\$240,900,558	436,879	100%	\$228,399,758	437,304	100.000%	\$221,798,158	435,328	100.000%	\$215,482,158
	<sup>1</sup> DOF projected births by county.															
	FROM REVENUE BREAKDOWN			\$269,906,958			\$240,900,558			\$228,399,758			\$221,798,158			\$215,482,158





Date: December 6, 2022

To: The First 5 Association of California

From: Brad Williams  
Senior Partner, Capitol Matrix Consulting

Subject: Tobacco Tax Revenue Projections – California Children and Families  
First Trust Fund

This memo presents my updated revenue projections for the California Children and Families First Trust Fund (“Proposition 10 revenues”). The updated projections take into account voter approval of Proposition 31 on the November 2022 ballot. Proposition 31 upheld SB 793 – a legislative measure signed by Governor Newsom on August 28, 2020, that bans the sale of flavored tobacco products and tobacco product flavor enhancers, with exceptions for hookah tobacco, loose leaf tobacco, and premium cigars. The updated projections also reflect the lower-than-expected cigarette tax distributions that have persisted since May, as well as updated estimates from CDTFA regarding backfills to and from the Proposition 10 fund. I re-estimated and recalibrated my statistical model to reflect lower cigarette distributions, but I otherwise used methodologies and assumptions for this projection that are similar to those described in my May memo.

## Revenue Outlook

**Figure 1** (next page) presents the updated estimates for 2021-22 through 2029-30. The estimates include: (1) revenues directly received by the fund; (2) the net of backfill-related transfers into and out of the fund;<sup>1</sup> and (3) the total revenues after the backfills. The top panel shows the main estimate. The second panel shows the estimate assuming the same underlying consumption trends but a much larger impact from the flavor ban consistent with the Department of Finance (DOF) May Revision forecast. The third and fourth panels show my May 2022 forecast and DOF May Revision estimates.

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<sup>1</sup> For the Children and Families First Trust Fund, this consists of backfill receipts from the Proposition 56 Fund (\$85 million in 2021-22) and backfill payments to the Proposition 99 Fund (\$7.2 million in 2021-22) and the Breast Cancer Fund (\$2.2 million in 2021-22).



**Figure 1**  
**Forecasts of Revenues to the California Children and Families First Trust Fund**  
**(\$ Millions)**

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
<b>CMC December – Main Forecast**</b>									
Revenues	\$305	\$271	\$250	\$245	\$241	\$237	\$233	\$229	\$225
Net Backfills*	\$75	\$69	\$60	\$56	\$55	\$54	\$53	\$52	\$51
Total	\$381	\$340	\$310	\$301	\$296	\$291	\$286	\$281	\$276
<b>CMC December – Conservative Forecast***</b>									
Revenues	\$305	\$262	\$235	\$230	\$226	\$222	\$218	\$215	\$211
Net Backfills*	\$75	\$69	\$58	\$53	\$51	\$50	\$50	\$49	\$48
Total	\$381	\$331	\$293	\$282	\$277	\$273	\$278	\$263	\$259
<b>CMC May Forecast**</b>									
Revenues	\$310	\$293	\$273	\$267	\$262	\$257	\$252	\$247	\$243
Net Backfills*	\$85	\$78	\$73	\$69	\$67	\$66	\$64	\$63	\$62
Total	\$395	\$371	\$346	\$335	\$329	\$322	\$316	\$310	\$305
<b>DOF May Revision Forecast***</b>									
Revenues	\$312	\$277	\$246	\$239	\$233	\$227	NA	NA	NA
Net Backfills*	\$85	\$79	\$70	\$62	\$60	\$59	NA	NA	NA
Total	\$395	\$356	\$316	\$301	\$293	\$286	NA	NA	NA

\* Includes the backfill payment from Proposition 56 and backfill payments to Proposition 99 and Breast Cancer funds.

\*\* Assumes that flavor ban will reduce cigarette consumption by 7.5% per year.

\*\*\* Assumes flavor ban will reduce cigarette consumption by 15% per year (DOF assumption).

Under the main forecast, (CMC December – Main Forecast) Proposition 10 revenues (including backfills) fall from \$396 million in 2021-22 to \$310 million by 2023-24 when the flavor ban is fully effective, and further to \$276 million by 2029-30. This projection assumes that the underlying decline in cigarette consumption, absent the flavor ban, averages about 3.8 percent per year between 2021-22 and 2029-30 (larger declines in early years and smaller declines in later years), and that the flavor ban will reduce cigarette consumption by about 7.5 percent from this trend starting in 2023-24 (first full-year effect – half year effect is in 2022-23).<sup>2</sup>

If it is assumed that the flavor ban reduces cigarette consumption by 15 percent (a larger amount that is consistent with the DOF May Revision assumption), then Proposition 10 revenues will decline to \$293 million by 2023-24 and further to \$259 million by 2029-30. (This is shown in the second panel labeled “CMC December – Conservative Forecast”).

<sup>2</sup>The rationale for the flavor ban impact estimate is provided in my May 18, 2022 memo. Generally, the estimate is based on a study conducted in 2020 by a team of Canadian and U.S. researchers, which looked at the impact of menthol cigarette bans in seven Canadian provinces between 2016 and 2018.



Both the baseline and conservative estimates assume that, without the ban, Other Tobacco Product (OTP) sales would increase an average of 3.3 percent per year. The ban is estimated to reduce sales from this trend by about 30 percent. This consists of a 50 percent decline in sales of vaping products, and a 20 percent decline of sales of other OTPs such as cigars and chewing tobacco. (These assumptions are identical to those in my May 2022 estimates). Figure 2 summarizes the key assumptions behind the main and conservative forecasts.

**Figure 2**  
**Key Assumptions Underlying Main and Conservative Forecasts**  
**(2021-22 through 2029-30)**

Assumption	Main Estimate	Conservative Estimate
Average annual percent change absent ban on flavored tobacco products		
- Per-adult consumption of cigarettes (packs consumed)	-3.8%	Same
- Consumption of other tobacco products (dollar amount)	3.3%	Same
Percent of cigarette smokers using menthol	25%*	30%**
Average full-year impact of flavor ban on:		
- Smoking rate of pre-ban menthol smokers (comparison to baseline)	-30%*	-50%**
- Sales of vaping products (comparison to baseline)	-50%	Same
- Sales of other OTP (comparison to baseline)	-20%	Same

\* The combination of these assumptions yields a 7.5 percent decline in total cigarette sales due to the flavor ban.

\*\* The combination of these assumptions yields a 15% decline in total cigarette sales due to the flavor ban.

## Estimated Impacts of Proposition 31

As indicated in Figure 3, I assume that Proposition 31 will reduce revenues between \$16 million and \$25 million per year in 2022-23 (half year effect) and between \$34 million and \$51 million in 2023-24 (full year effect), and similar amounts thereafter.

**Figure 3**  
**Estimated Impacts of Proposition 31 Flavor Ban**  
**(Millions of Dollars)**

	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30
CMC December – Main Estimate	\$0	-\$16	-\$34	-\$35	-\$35	-\$35	-\$34	-\$34	-\$34
CMC December – Conservative Estimate	\$0	-\$25	-\$51	-\$53	-\$53	-\$53	-\$52	-\$52	-\$51



## Comparison to Previous Estimates

The updated estimate is significantly below my May revenue projections (“CMC May Forecast” in Figure 1), due to much lower-than-expected monthly cigarette distributions in recent months, as well as lower net backfills based on the updated CDTFA estimates made October. Year-over-year cigarette distributions during the period were down by more than 10 percent during the May-through-October period, continuing a declining trend that has been in place since mid-2021. Updated CDTFA estimates of net revenues from backfills were down about \$10 million from the May estimates.

My updated total estimate is slightly higher than the Department of Finance May Revision projections (“DOF May Revision Forecast” in Figure 1) for the current and budget year, reflecting a lower pre-ban sales trend for cigarettes as well as lower net revenues from backfills (reflecting the updated CDTFA estimates). These factors are partly offset by my assumption that the flavor ban will have a smaller impact on cigarette sales than assumed by DOF.

Please let me know if you have any questions regarding these estimates.



**AGENDA ITEM 7**  
**February 23, 2023**

<b>Subject</b>	<b>Executive Director Activity Report: Jan - Dec</b>
<b>Supporting Document(s)</b>	ED Report Provided at meeting
<b>Overview</b>	The Commission will receive information on committees, First 5 CA and Association updates, operational/program activities, and the Executive Director special report.
<b>Discussion</b>	Further discussion upon inquiry
<b>Recommendation</b>	None
<b>Fiscal Impact</b>	None
<b>Action Requested</b>	None