



2016-2020 Strategic Plan & Long-Term Financial Plan

March 25, 2015



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Introduction/Background

This strategic plan describes goals identified by First 5 Santa Cruz County (F5 SCC) for the 2016-2020 time period (FY 15/16 through FY 19/20), as well as specific strategies and budget allocations designed to advance those goals. The 2016-2020 plan builds on the previous 2012-2015 plan and reflects a 6-month strategic planning process.

Like other County-level First 5 organizations, F5 SCC was made possible by the passage of California's Proposition 10 in 1998, which established the California Children and Families Act. Through a 50-cents-per-pack tax on the sales of cigarettes and tobacco products, Proposition 10 generated revenue to fund education, health and child care programs that promote early childhood development, from the prenatal period to age 5.

Eighty percent of the revenues are allocated to County commissions, based on a funding formula that reflects the number of live births in each County. The independent County commissions established by Proposition 10 distribute funding to local community programs, while the California Children and Families Commission administers the program statewide and augments County-specific efforts with statewide mass media campaigns, education for parents and providers, and research and evaluation activities.

About First 5 Santa Cruz County (F5 SCC)

Commissioners and Staff

Current F5 SCC Commissioners and staff members are listed below:

Commissioners

Toni Campbell, Chair	Lisa Hindman Holbert
Christina Cuevas	Salem Magarian, MD, Secretary
Cecilia Espinola, Vice Chair	Bruce McPherson
Kathy Frandle	Giang Nguyen

Staff

David G. Brody, Executive Director
Stephanie Bluford, Program Associate
Vicki Boriack, Senior Program Officer
Barbara Dana, Assistant Finance and Contract Manager
Alicia Fernandez, Health Outreach Supervisor
Irene Freiberg, Master Literacy Coach
Holly Maclure, Research and Evaluation Analyst
Christine Sieburg, Program Coordinator of Santa Cruz Reading Corps
Karen Sullivan, Director of Finance and Administration
Xochitl Ybarra, Health Outreach Coordinator
Alicia Zenteno, Healthy Babies Outreach Coordinator

Vision, Mission, and Values

F5 SCC's **vision** is that all Santa Cruz County children enter school ready to achieve to their greatest potential. F5 SCC's **mission** is to help children succeed in school and in life. To accomplish this mission, F5 SCC invests in health, early learning and family support to promote optimal development of Santa Cruz County children.

The vision and mission reflect core values and overarching principles, including a commitment to:

- **Create strategic impact** by funding programs and activities that support the goals in the strategic plan, show evidence of effectiveness, and need Proposition 10 funding in order to meet those goals.
- **Leverage resources** by matching Proposition 10 funds with federal, state or private funds in cooperation with community-based organizations and public agencies; and by funding programs and activities that broaden the number and range of funding sources for children prenatal to age 5 and their families.
- **Move toward service integration** by funding programs and activities that reduce fragmentation of existing services, make services more accessible and comprehensive, and support shared decision-making and resource allocations among partners who rely on one another to succeed.
- **Build on strengths and build capacity** by funding programs and activities that identify and enhance existing community strengths and that influence meaningful changes in children's policy for the future.
- **Promote inclusion** by funding programs and activities that are responsive to, and reflective of, the needs of our diverse community and have been shaped by community participation and collaborative efforts.

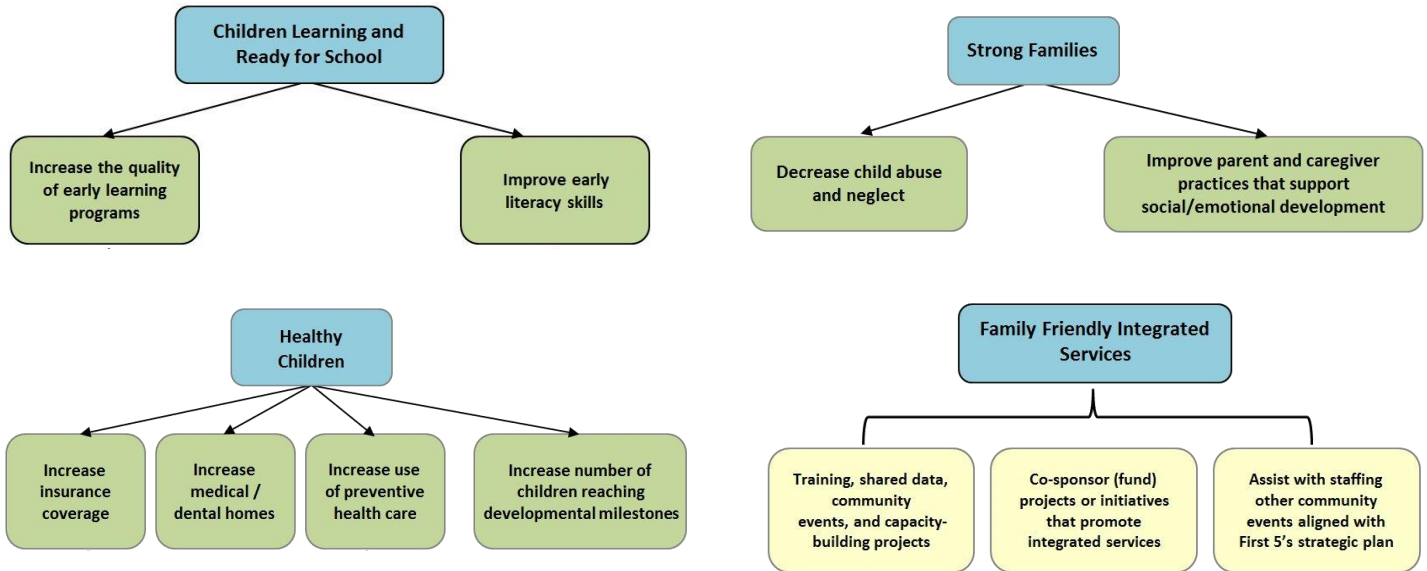
Strategic Framework

After F5 SCC was formed in 1998, the Commissioners and staff spent an initial 6-year period gathering community input, building an organizational infrastructure, and making targeted investments aligned with an initial strategic plan.

The first integrated financial and strategic plan was developed and adopted in 2005, setting F5 SCC on a 10-year course that is coming to a close in 2015. Then, as now, F5 SCC demonstrated a commitment to investments in the three focus areas highlighted in the mission statement: healthy children, children learning and ready for school, and strong families. In addition, a fourth focus area emphasizes the integration and coordination of services so that they are friendly and accessible to families.

Together, these goals (and their associated intended results) constitute a strategic framework that has consistently guided F5 SCC's investments and partnerships, and will continue to do so in the next 5-year period.

Figure 1: First 5 Santa Cruz County Strategic Framework



Strategic Planning Process

Guiding Questions

The strategic planning process that led to this report was framed by three basic questions:

- **Where are we now?**

Like other First 5 Commissions, F5 SCC Commissioners, staff, and partners contemplated these questions against a backdrop of declining Proposition 10 revenues and strategic reserves, despite continuing needs and demands for the investments F5 SCC has made in local early childhood programs and initiatives. In short: the funding may be decreasing, but the need has not.

- **Who and what do we want to be in the future?**

Despite the declining revenues, F5 SCC seeks to keep attention on the focus areas of health, education, and family support, while also seizing opportunities to improve the systems that serve children and families in Santa Cruz County. **A strong theme from both the key informant interviews and community forums that informed the strategic planning process was that F5 SCC should continue to invest in its current focus areas to the extent possible, both because much remains to be done and because a track record of cumulative results from these prior investments should not be lost.**

Even though the scope and level of investment is likely to decrease (for individual programs, and across the board), F5 SCC and its partners continue to see a future role for the organization in keeping the issues important to young children and families at the forefront, and maintaining what has already been built and achieved. In addition, new initiatives may need similar catalyst or seed funding (as F5 SCC has provided in the past). As more comprehensive, coordinated initiatives across focus areas begin to draw more interest from partners (e.g., the Live Oak Cradle to Career initiative and becoming a Help Me Grow affiliate), F5 SCC will continue to play a role by contributing staff expertise and other resources to forming, maintaining, and evaluating these efforts.

- **How do we get from here to there?**

As described in greater detail below, the planning process led to a financial scenario in which F5 SCC would reduce its overall funding markedly over a 3-year period: 23% in the first year, another 15% in the second, and 13% in the third. At that point, a reduced but balanced budget would be reached, with no further significant reductions anticipated after that point. This would require F5 SCC programs to receive reduced funding to some degree, and some current programs to receive no further funding. However, this strategy would preserve F5 SCC's focus areas and investments to date, while continuing to place the organization in a position to contribute, with its partners, to broader community initiatives designed to further improve the lives of the County's youngest and most disadvantaged residents.

Data Sources and Process

The main data sources for the 2016-2020 strategic plan included key informant interviews with Commissioners, staff, grantees, and other partners; community forums of those who have had contact with programs and services funded by F5 SCC; and two sets of discussions among F5 SCC Commissioners to discuss preliminary findings and financial projections. Findings from the stakeholder interviews and community forums were captured in summary reports.

In addition to the interviews, forums, and internal discussions, the plan is informed by an extensive annual evaluation report¹ as well as detailed staff reviews of each F5 SCC program. Each program review examined the historical levels and context for F5 SCC's investments, including the program's reach (i.e., approximate number served), impact, use of evidence-based practices, dose, fidelity in implementation, and involvement of other key partners. The reviews also assessed whether the program fills a gap or unmet need; offers additional revenue opportunities (besides continued F5 SCC funding), aligns with other initiatives, has potential for greater integration with other F5 SCC programs or initiatives, has potential for systems and policy change, and the level of effort or resources required.

The programs that were reviewed in detail are summarized in the table below.

Table 1: First 5 Santa Cruz County — Currently Funded Programs and Services, 2015
Goal: Healthy Children
Health care outreach and enrollment — Certified Application Assistors help families enroll in health insurance plans such as Medi-Cal, Healthy Kids, and Covered California.
Baby Gateway — a Certified Application Assistor meets with mothers of newborns in the hospital to provide Kits for new Parents, enroll eligible babies in Medi-Cal, and help mothers find a pediatrician before leaving the hospital.
Stanford Neurodevelopmental Foster Care Clinic — a team of psychologists, therapists and a case manager provide developmental and behavioral assessments and support services for children ages birth-5 who are in foster care.
Goal: Strong Families
Families Together — home visiting program for families referred by Family and Children's Services; individualized services focus on improving safety, family relationships and child development.
Positive Parenting Program (Triple P) — parent education and support for any family in Santa Cruz County with children up to 16 years of age through seminars, workshops, groups and brief or in-depth one-on-one sessions.
Side by Side — counseling, education and support for families with children ages 0-5 and consultation and support for early educators in state-funded childcare and preschools; services focus on addressing behavioral challenges and improving children's social/emotional skills.
Goal: Children Learning and Ready for School
SEEDS of Early Literacy — training and coaching for early educators to help children develop early literacy skills and the social/emotional skills they need to be ready for kindergarten.

¹ A copy of the 2014 evaluation report is available at <http://www.first5scc.org/community-impact>

Santa Cruz Reading Corps — AmeriCorps volunteers at Pajaro Valley Unified School District and Live Oak School District use SEEDS strategies to help children develop early literacy skills as they prepare to enter kindergarten.

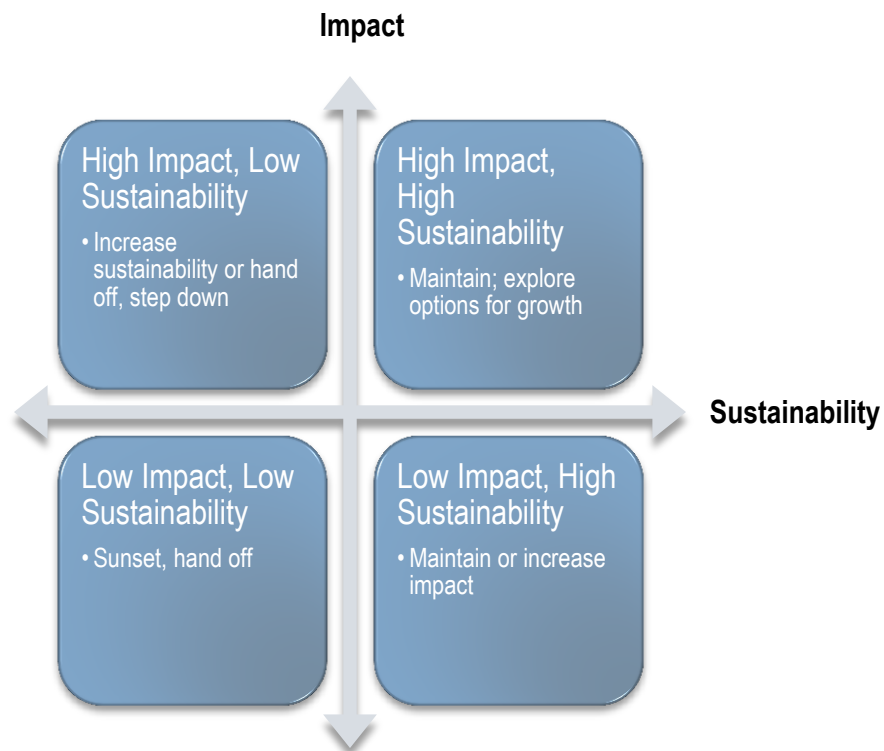
Raising a Reader — a rotating book bag program for families, available through child care and early education providers.

Summer Pre-K Academy — a 4-week program for children who have little or no preschool experience, to help prepare them for kindergarten, offered through Migrant Education at 5 schools in the Pajaro Valley Unified School District.

Transition to Kindergarten Workshops — inform parents and caregivers about kindergarten registration requirements and how to support their children through the transition from preschool to kindergarten.

The detailed program reviews and analysis led to the placement of each program on a matrix map. The map, shown below, is essentially a 2x2 grid in which each quadrant reflects a continuum of low to high sustainability and low to high impact. Programs that appear to yield high impact and also are relatively sustainable would fall into the upper right quadrant, suggesting that they should be maintained close to current levels and options for growth explored.

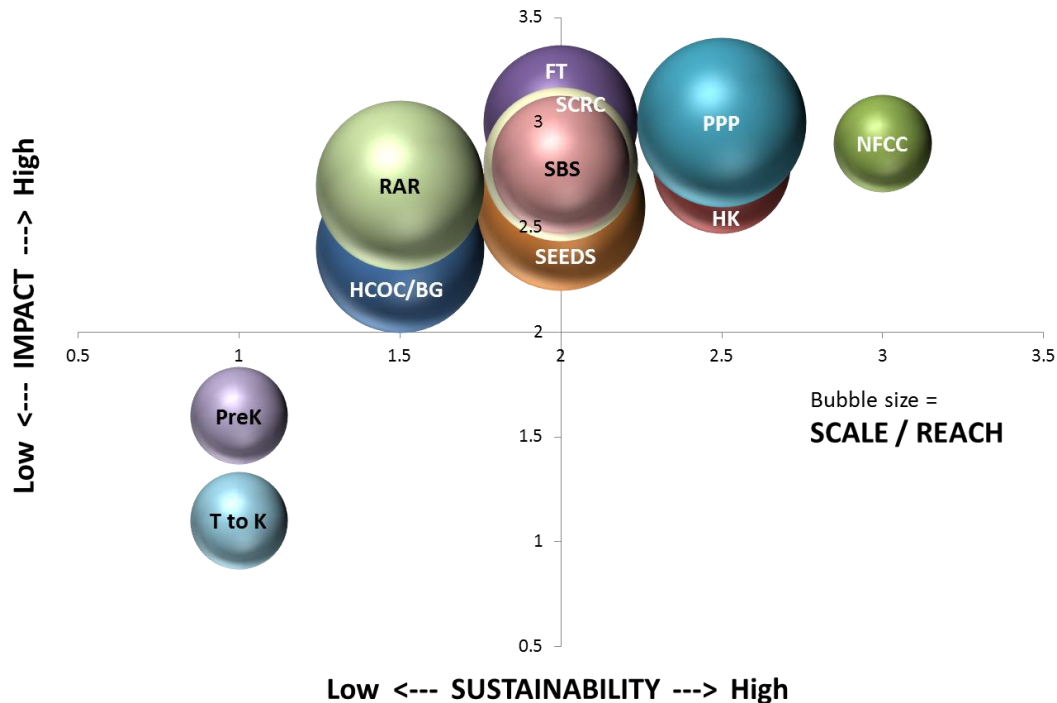
Figure 2: Impact & Sustainability Matrix



Results of Analysis and Recommendations

A summary of the program reviews is represented visually in Figure 3 below, with current F5 SCC programs represented as bubbles whose size reflects the program's scale and reach. The relative placement of programs on the matrix map represents staff's assessment of the programs' sustainability and impact.

Figure 3: First 5-Funded Program Matrix Map



Based on this assessment, which is informed by the entire strategic planning process described above, the strategic plan recommendation for 2016-2020 is to maintain as much as possible the programming represented in the “high-impact” half of the matrix. Those programs include:

- The Baby Gateway component of Health Care Outreach Coalition (BG)²
- Raising a Reader (RAR)
- SEEDS of Early Literacy (SEEDS)
- Side by Side (SBS)
- Santa Cruz Reading Corps (SCRC)
- Families Together (FT)
- Healthy Kids (HK)
- Triple P (PPP)
- Stanford Neurodevelopmental Foster Care Clinic (NFCC)

² Because Baby Gateway and Health Care Outreach Coalition budgets and scopes of work are integrated, the program review was also integrated, but when the programs were separated, Baby Gateway moved toward the upper-right quadrant of the matrix while HCOC descended further to the lower-left.

Although these programs would be funded at lower levels than in the past, the reductions would be accompanied by searches for expanded or new funding sources for these programs — especially for those whose potential impact is high, but whose current sustainability is low (i.e., those fully or partially in the upper right quadrant).

At the same time, this would require reducing or eliminating funding to programs that land in the low-impact, low-sustainability quadrant of the matrix.

- Health Care Outreach Coalition (HCOC) independent of Baby Gateway
- Summer Pre-K Academy (PreK)
- Transition to Kindergarten Workshops (T to K)

In addition, the Starlight Children’s Center Infant/Toddler program, which provides center-based early childhood development and home visitation services to children ages 0-3, was slated for discontinuation early in the program review process, due to the time-limited nature of the original funding commitment and the unsustainable cost of the program given F5 SCC’s financial challenges.

F5 SCC will also continue to invest in systems change and service integration efforts that will drive improved systems of care in Santa Cruz County and that do not require significant and ongoing capital outlays. These include:

- Investing in fund development and identification of new and/or joint funding opportunities to support high-impact programs;
- Playing a leadership role on the Healthy Kids Steering Committee and pro-actively seeking long-term sustainability options for the program;
- Continuing to play an active role in the Live Oak Cradle to Career Place-based Initiative;
- Becoming a national Help Me Grow affiliate and supporting local planning efforts to implement a coordinated system of care for children at risk of developmental and behavioral issues in Santa Cruz County;
- Pursuing a vision screening pilot in local California State Preschool programs (leveraging current Reading Corps/AmeriCorps and F5 SCC health outreach staff);
- Continuing active participation in the Go For Health! Collaborative that focuses on pediatric diabetes prevention and other nutrition and healthy lifestyle policies; and
- Continuing to serve as the lead agency for Santa Cruz County’s Campaign for Grade-level Reading.

Conclusion

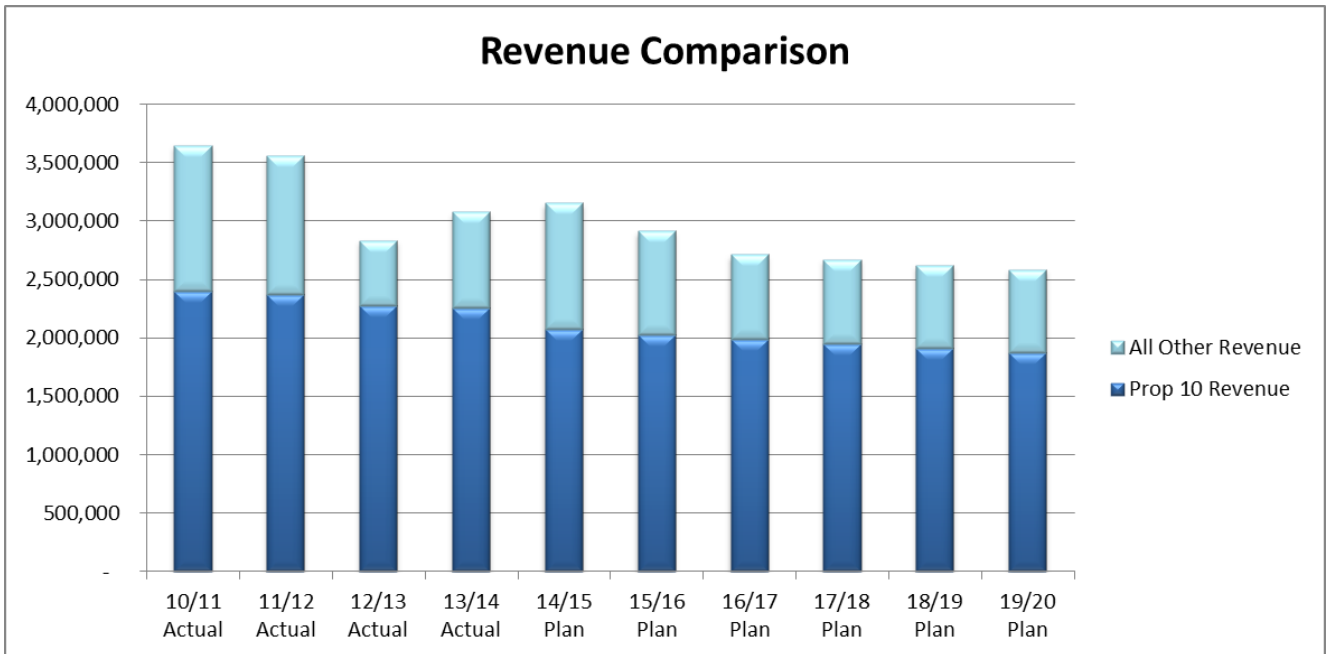
At the end of the 2016-2020 planning period, F5 SCC will have been in place for over two decades. During that time, thousands of Santa Cruz County children and families will have benefitted from specific programs and services funded and otherwise supported by Proposition 10’s revenue stream. The outcomes for children and families are crucial and lasting, but an even stronger legacy will be the strengthened partnerships, improved systems, and collective accountability for results and impact that have been core F5 SCC goals from its inception.

Long-Term Financial Plan

The Long-Term Financial Plan (LTFP) is an integral part of the Commission’s Strategic Plan. The purpose of the LTFP is to illustrate the likely financial outcomes of the courses of action described in the Commission’s Strategic Plan.

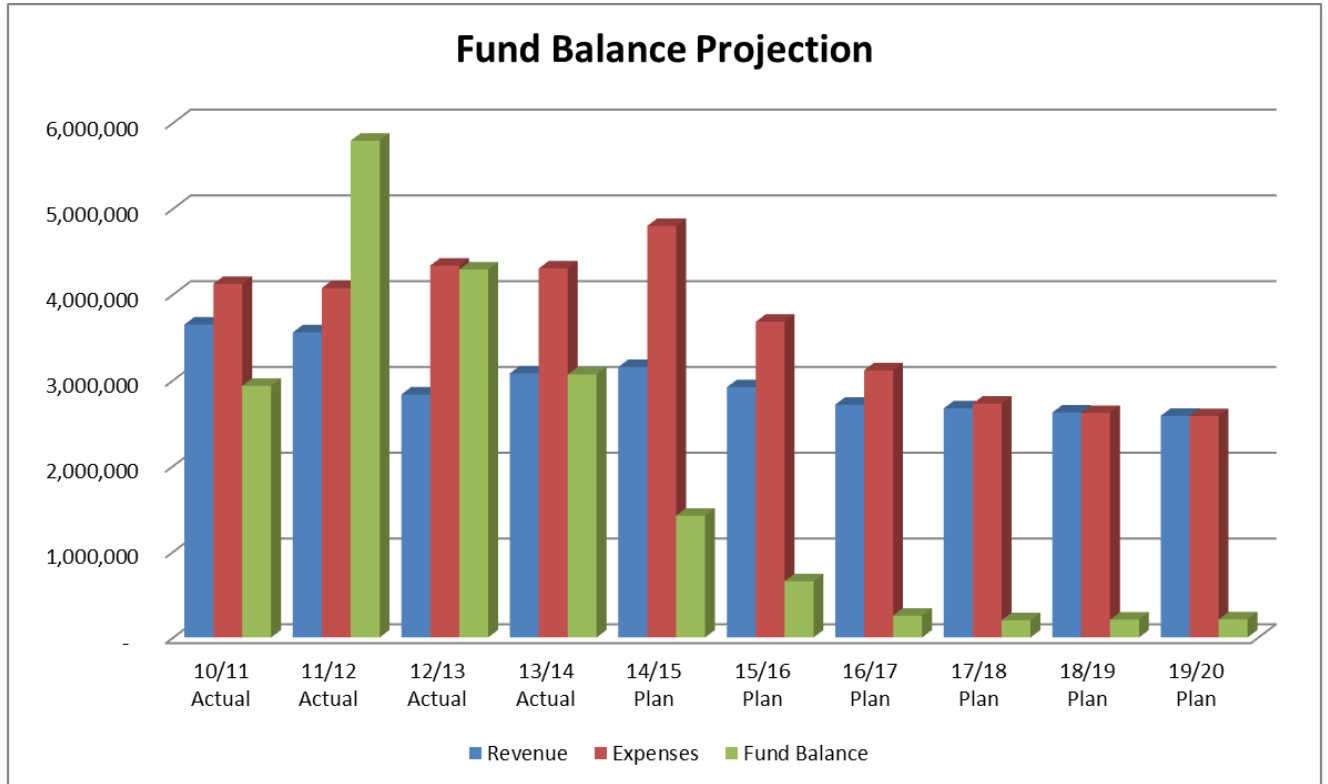
Revenue Projections

- The majority of Commission revenue will continue to come from the Proposition 10 allocation over the next 5 years.
- Proposition 10 revenue will decline by 2% annually, consistent with historical trends.
- The LTFP projects modest third-party revenue assumptions consistent with historical trends (approximately 28% of total revenue).
- Race to the Top Early Learning Challenge Grant funding will end in fiscal year 2015/2016.
- Anticipated revenue of approximately \$150,000 annually for 5 years from First 5 California for early learning quality improvement efforts is incorporated into the LTFP.



Program Investments and Fund Balance

- F5 SCC program investments have increased every year except for one between FY 10/11 and FY 14/15.
- This growth in program investment has been supported primarily by expenditure of F5 SCC's strategic reserve or fund balance.
- Anticipated exhaustion of the fund balance less minimum reserve requirements necessitates immediate and significant reductions in program expenditure over the next 5 years.



Annual Program Investments by Goal Area

The table below summarizes historical and projected revenue as well annual program investments by goal area, based on the Strategic Plan recommendations.

Actual Results vs. Budget	10/11 Actual	11/12 Actual	12/13 Actual	13/14 Actual	14/15 Plan	15/16 Plan	16/17 Plan	17/18 Plan	18/19 Plan	19/20 Plan
REVENUE										
Prop 10 & Interest	2,400,827	2,366,762	2,272,195	2,255,540	2,070,768	2,029,353	1,988,766	1,948,990	1,910,010	1,871,810
All Other Revenue	1,246,291	1,190,219	560,005	822,732	1,082,201	886,891	725,559	722,359	712,359	712,359
TOTAL	3,647,118	3,556,981	2,832,200	3,078,272	3,152,969	2,916,244	2,714,325	2,671,349	2,622,369	2,584,169
EXPENSES										
Administration	255,975	258,086	218,702	310,769	316,349	284,714	256,242	230,618	207,556	197,179
Program Support	235,436	344,755	388,107	270,659	346,566	311,909	280,719	252,647	252,647	252,647
Evaluation	202,380	81,060	157,662	155,283	154,669	114,022	110,902	71,810	73,247	74,712
Service Integration	59,162	71,588	162,609	48,584	77,858	116,000	106,000	83,500	76,750	70,675
Healthy Children	870,015	837,121	903,123	877,658	717,400	401,637	304,211	217,090	217,090	217,090
Children Learning/Ready for School	1,366,259	1,327,196	1,141,926	1,318,989	1,739,489	1,133,483	857,823	778,040	755,912	751,821
Strong Families	1,131,951	1,152,696	1,363,322	1,319,606	1,445,256	1,318,540	1,199,334	1,092,048	1,032,242	1,016,972
TOTAL	4,121,178	4,072,502	4,335,451	4,301,548	4,797,587	3,680,305	3,115,231	2,725,753	2,615,444	2,581,096
Surplus/Loss	(474,060)	(515,521)	(1,503,251)	(1,223,276)	(1,644,618)	(764,061)	(400,906)	(54,404)	6,925	3,073
Ending Fund Balance	2,932,919	5,790,964	4,287,713	3,064,437	1,419,819	655,758	254,852	200,448	207,373	210,446

Investment Strategies

Administration/Program Support/Evaluation

Specific Strategies:

1. Administration includes reductions each year not to exceed the 10% of revenue cap and to be in line with support needed as revenue and expenses decrease.
2. Program support decreases each year based on estimated amount of support needed.
3. Evaluation decreases significantly due to the reduction of evaluation expectations, and utilization of outside services, as funded programs decrease in size.

Service Integration

Specific Strategies:

1. Investment in capacity building primarily includes support for fund raising and systems improvement efforts described in the Strategic Plan.
2. Continue support for community-wide planning efforts, data systems and resource and referral structures — with decline in funding over 5 years.

Healthy Children

Specific Strategies:

1. Continue Healthy Kids premium support sufficient to serve all eligible children age 0-5.
2. Continue Healthy Kids Steering Committee leadership role and support community-wide efforts to achieve long-term program sustainability.
3. Health outreach and enrollment through F5 SCC Health Outreach team; focus on Healthy Kids Enrollment Entity function, Baby Gateway program, and health screening (e.g., vision screening).
4. Continuation of neurodevelopmental clinic for young children entering child welfare services in partnership with Lucille Packard Children's Hospital Stanford, Children's Mental Health and Family and Children Services — with decline in funding over 5 years.

Children Learning and Ready for School

Specific Strategies:

1. Expand Reading Corps program to additional subsidized preschool, public school, and family child care sites as additional funds are raised to support this; implement cost sharing strategies and continue to seek third-party funding sources. First 5 funding will continue to decline – thus expansion depends on outside sources.
2. Maintain SEEDS training for TK teachers, new subsidized Pre-K classroom teachers and migrant family child care providers. Explore new avenues for continuing SEEDS education.
3. Continue support for Raising A Reader Program. Seek joint fundraising opportunities as First 5 funding declines over 5 year period.
4. Continue support for Quality Early Learning Initiative through end of RTT-ELC grant funding in FY 15/16 and new First 5 California quality improvement funding beginning FY 15/16.

Strong Families

Specific Strategies:

1. Continue home visiting program for families referred to child welfare services but not meeting the threshold of abuse and neglect including mental health supports — with decline in funding over 5 years. Pursue other federal, state and local sources as needed.
2. Continue Triple P programs: evidenced based public health approach to parent education and support. Continue looking at other funding sources as funding declines over 5 years.
3. Maintain Side by Side program oversight and coordination of care with Children’s Mental Health. Explore opportunities to programmatically integrate Triple P services.