In March 2020, as we approached the midway point in our strategic planning process, it would be a time that changed us all.

The COVID-19 Pandemic forced us to pause, look inward, see the disparities, weaknesses, and hidden strengths in the system that supports and cares for children and families, and to find a different approach to seeing and meeting the needs in the community in a more equitable way even if we were not ready. In as much that we were challenged the with the strain and massive impact on the system of care for our children, the forced time of pause was a change-maker in how we continued through and completed our 2021-2025 Strategic Plan.

As we close out our 2017-2021 plan that concludes 20 plus years of supporting children and families with strategies designed for another generation, we do so with an understanding that there is no future without recognition of the past so, we celebrate, cherish and acknowledge the work that has been done which laid the foundation upon which we build our future work.

Looking forward to the future, we do so with fresh eyes, perspective, and transformational commitment to relationships within our community. We understand that each region of our county is at different stages of the process. It is vital that we follow their lead, trust and believe that those residing in that region know best how to address the needs of their diverse population.

Our team looks forward to continuing our First 5 Santa Barbara vision: Children in Santa Barbara County enter Kindergarten ready to succeed and thrive. As we seek to achieve this vision, we will always advocate for and put the needs of children first. We stand committed and in partnership with our communities, fellow philanthropists, and policymakers to provide a more racially, economic, and socially equitable environment.

I would like to thank the Children and Families Commissioners, First 5 Team, and community partners and grantees for their participation in our Strategic Planning process. Together we make a difference in the lives of our children in Santa Barbara County.

WENDY SIMS-MOTEN, EXECUTIVE DIRECTOR

“Children are our future; we must take care of them with maximum effort.” Naomi Campbell
ACKNOWLEDGMENTS

The following people provided invaluable support, encouragement, leadership, and participation in helping to inform and assemble this publication.

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THE STRATEGIC & FISCAL PLAN PURPOSE

The requirement that the county Children and Families Commission, also known as First 5 Santa Barbara County (F5SBC), adopt an adequate and complete county strategic plan for the support and improvement of early childhood development within the county shall include:

1. A description of our goals and objectives,
2. A description of the programs, services, and projects proposed, and
3. A description of how such will be evaluated using appropriate reliable indicators.

In its simplest form, what strategic and implementation planning should accomplish is to provide a formal road-map for identifying local needs, placing needs in order of priority, looking at what strong infrastructures currently exist that can be built upon, and only then allocating resources to resolve barriers and enhance strengths deemed critical and crucial to the welfare of a community. Therefore, a clearly defined plan includes the following components:

1. Established realistic goals and strategies consistent with the vision and mission
2. A clear time frame and identified capacity of roles for implementation
3. Communication of those goals and objectives to the community constituents
4. A developed sense of ownership of the plan by the Commission and Staff
5. Ensure the most effective use is made of resources by focusing on research/evidence-based practices
6. Provide a base from which progress can be measured and establish a mechanism for informed change when needed
7. A clear focus of the implementation efforts that will produce greater efficiency and effectiveness
8. Defined involvement of the community in the adopted projects that includes long-term sustainability.

Additionally, we create a fiscal plan as a road map for our internal and external investments using our Prop 10 revenues. The fiscal plan is adjusted annually to reflect county allocations. This document is in two sections. Section I is our philosophy and adopted strategies. Section II is our fiscal framework.
OUR PHILOSOPHY FOR ACTION

KINDERGARTEN READINESS

Being ready for kindergarten affects future academic achievement and life success. Children develop fundamental skills and responses in early childhood that build strong foundations for reading, counting and social interactions. Studies show that as a child’s kindergarten readiness scores improve, third grade reading and math scores rise accordingly.

EARLY GRADE READING AND MATH PROFICIENCY

Literacy is critical to a child’s academic success, particularly early-grade reading. By third grade, children transition from learning to read to reading to learn, thus reading at grade level is one of the strongest predictors of later success in school. Significant data shows the link between disparities in literacy during the early grades and persistent achievement gaps.

Additional research suggests early math skills are an even better predictor of academic success than early reading skills. Early math skills foretell higher aptitude in high school math and higher rates of college enrollment. For both males and females, mathematical precocity early in life predicts later creative contributions and leadership in critical occupational roles.

SOCIAL AND EMOTIONAL COMPETENCY

Students enter school with different motivations for engaging in learning, behaving positively, and performing academically. Social and emotional learning (SEL) provides a foundation for safe and positive learning environments, and enhances students’ ability to succeed in school, careers, and life. Research shows that greater social and emotional competence can increase the likelihood of high school graduation, readiness for postsecondary education, career success, positive family and work relationships, better mental health, reduced criminal behavior, and engaged citizenship.

EQUITY AND ACCESS

Today’s schools are increasingly multicultural and multilingual with students from diverse social and economic backgrounds. Children need the opportunities to engage in early childhood experiences that increase their vocabulary, critical thinking, and build upon their strengths. COVID-19 has amplified inequities and mental health needs, with disproportionate effects on marginalized people and communities. All humans deserve to thrive—socially, emotionally, cognitively, physically, economically, and spiritually. Research shows that children of color still tend to achieve lower test scores than their white counterparts in both language arts and math yet with early intervention, these disparities can disappear.
OUR GUIDING PRINCIPLES

With this philosophy of action in mind, the Commission has adopted the guiding principles below as we plan for internal work and external funding:

<table>
<thead>
<tr>
<th><strong>INCLUSIVE GOVERNANCE AND PARTICIPATION THROUGH FAMILY ENGAGEMENT</strong></th>
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<tbody>
<tr>
<td>We recognize that children develop within the context of their families and their communities, and as such, we aim to secure meaningful participation and input from those that represent the diverse backgrounds throughout their region. This goes beyond a one-size-fits-all approach and honors a specific region’s unique need.</td>
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<table>
<thead>
<tr>
<th><strong>EQUITY AND ACCESS</strong></th>
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<tbody>
<tr>
<td>We want all children and families, with respect to their diverse backgrounds, to have access to high quality, culturally competent programming and services so that they can reach their full potential. It is thereby our intent to structure services and opportunities accordingly to meet the individual needs of our most vulnerable children.</td>
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<tr>
<th><strong>INTEGRATED SERVICES AND COLLABORATION</strong></th>
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<tr>
<td>We know that we cannot accomplish our vision alone. Partnering with others to develop or strengthen a system of support across the age span of prenatal through Kindergarten ensures a continuity of care between and amongst systems. Therefore, we will seek to cross-collaborate with other county departments and anchor agencies that contribute to the safety net of services to children and families.</td>
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<tr>
<th><strong>DATA-DRIVEN DECISION MAKING</strong></th>
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<tr>
<td>We see data as a critical tool for identifying disparities that exist within all communities and using results to make sound investment choices. Our role at First 5 is to ensure accountability of public funds, publish results for community review, and use results for systems improvement.</td>
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<tr>
<th><strong>SYSTEM-LEVEL INVESTMENTS</strong></th>
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<tr>
<td>We seek to contribute to systems that are established and will extend beyond the tenure of First 5. Therefore, we will invest in anchor agencies that provide services for those identified in greatest need and those at risk for poor academic and long-term life outcomes. Such systems will benefit from supplemental contributions of our investments rather than solely rely upon it.</td>
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Therefore, our philosophy transfers into action:

- **INVEST IN COMMUNITIES AND SUPPLEMENT SYSTEMS TO MAXIMIZE IMPACT**
- **IDENTIFY AND LEVERAGE EXISTING ASSETS**
- **ADVANCE EQUITY AND ACCESS**
- **DEVELOP A CULTURE OF CONTINUOUS IMPROVEMENT USING RESEARCH AND DATA**
- **ENGAGE THE COMMUNITY**
IMPLEMENTATION & PRACTICE

“Above all we need, particularly for children, is the reassuring presence of a visible community, an intimate group that enfolds us with understanding and love, and that becomes an object of our spontaneous loyalty, as a criterion and point of reference for the rest of the human race.” — Lewis Mumford: Historian and Architect

ANCHOR AGENCIES: SYSTEMS-LEVEL PARTNERSHIPS

Our strategic intent is: **By 2030, 70% of Children in Santa Barbara County will be Kindergarten Ready.**

As First 5 Santa Barbara County develops partnerships, we seek out anchor agencies that share our mission for children and families to increase the collective efforts of community partnerships rather than focus on funding siloed direct services.

Since the beginning of First 5, partnership has been central to our approach. We will continue to focus on building enduring systems that have the greatest impact on the greatest number of children.

To achieve our goals, we propose to:

» Invest in anchor agencies that provide services for those identified in greatest need and those at risk for poor academic and long-term life outcomes. Those risk factors are children living in poverty, children who are multi-lingual learners, children identified with special needs, and children and families living in high priority regions of the county.

» Support coordinated and integrated services at the community level rather than county-wide and identify community “hubs” that help families navigate complex systems.

» Partner with others to develop or strengthen a system of support across the age span of prenatal through Kindergarten ensuring a continuity of care between and amongst systems.

Because children and their families have unique needs and reflect the cultural norms of where they live, regional work will be more effective than county-wide as it will be tailored to the demographics that will be served. Such anchor systems include school districts, health providers, county departments, and a select number of non-profit organizations that serve the regions and/or the subgroups that we will be targeting.
CROSS-SECTOR COLLABORATION

Santa Barbara County has embarked on the Renew ‘22 transformation initiative to address organizational challenges and make decisions that will transform the County for success well into the future. The focus is to embody transformative behaviors such as collaborative problem solving among employees to re-design how we work and re-balance our resources. Collaborative problem solving will help provide better solutions to difficult problems by pooling knowledge, skills, and efforts. Santa Barbara County already works collaboratively when facing natural disasters or emergencies; therefore, it is important to empower this practice in our everyday work and proactively address issues as they arise.

A variety of County agencies offer prevention and early intervention services, but families face barriers to access due to lack of knowledge, transportation, or cost. Additionally, many services have specific eligibility conditions, requiring multiple agencies to serve one family. The Behavioral Wellness, Child Support Services, First 5, Public Health, and Social Services Departments comprise the Health and Human Services Functional Group for the County of Santa Barbara. County staff, in partnership with over 350 contractors, provides a safety net of services to assist many of the most vulnerable County residents. The functional group works collaboratively to prevent disease and promote health, prevent abuse, provide for accessible physical and behavioral health care, address poverty, and advance the overall well-being of the community.

Part of our ongoing work will be to strengthen our partnerships with sister departments and supplement their already important work in the community. Key departments we will work with are:

- **Public Health** includes Health Clinics, WIC, Maternal and Child Health, Children’s Medical Services, Child Health and Disability Prevention, Comprehensive Perinatal Services, Health Education and Promotion, and many other community programs.

- **Department of Social Services** includes Cal-WORKS, Child Support, Child Welfare, Cal-FRESH, Workforce Resource Centers, Medi-CAL and Covered CA enrollment, Foster placement and many other safety-net programs.

- **Behavioral Wellness** includes County Mental Health Triage Services, Behavioral Health Services for Children, Suicide Awareness and Prevention, and many more mental health supports.

TARGETED PARTNERSHIPS

If 20 years has taught us anything, it is that we can continuously improve and seek out new partnerships to enhance our effectiveness. Within this new strategic plan, we will seek partnerships that align with our interests, which include:

- Family Literacy
- Family and School Connection
- School-Community Connection
- Children’s Overall Growth, Health, and Development
- Access to High-Quality Early Learning Opportunities for the Underserved
- Early Language Development
- Inclusive and Culturally Proficient Classrooms and Workforce
- Identification of and Early Intervention for Those with Unique Needs
STRATEGIC INTENT AND PRIORITIES

The most important factor of a successful strategic plan is that it follows a strategic intent that guides the vision and mission of the stakeholders and addresses a stated problem and a solution.

PROBLEM: According to the latest county-wide data, approximately 39% of children entering Kindergarten are ready to access the curriculum and fully participate.

If our stated problem is that not enough children in Santa Barbara County are entering Kindergarten ready for the rigors of school, and that our aspirational solution is to increase the percentage of children entering Kindergarten “Ready to Go” and meeting reading and math proficiency by the time they reach third grade, then our proposed strategic vision, mission, and strategic intent are as follows:

VISION: Children in Santa Barbara County enter Kindergarten ready to succeed and thrive.

MISSION: Mobilize and integrate our communities to prepare our children to thrive in kindergarten and life.

STRATEGIC INTENT: By 2030 70% of children in Santa Barbara County will be ‘Kindergarten Ready’.

Our strategies then aim to address needs that are essential to children’s achievement while also respecting our limited financial resources. In doing so, we realize that our internal scope of work will change to raise our efforts in engaging, measuring, and communicating, while wisely investing in anchor systems and strategic partnerships that supplement existing efforts and simultaneously respond to emerging community needs. Thus, First 5 staff will apply these strategies:

With the shift to these new and broader strategies, our behaviors will move from contract management of direct service work, to systems level impact. We will also refer to our Strategic Planning and Data Briefing Book to guide our thought process and implementation decisions.
ENGAGE: COLLABORATE, FACILITATE, PARTICIPATE. ACT AS “EARLY RESPONDER” TO THE EMERGING TRENDS OR YOUNG CHILDREN IN SANTA BARBARA COUNTY AND CONVENE PARTNERS FOR EFFICIENCY AND SCALE.

As part of Renew 22 and the redesigned strategic vision of First 5 Santa Barbara County, we aim to increase our collaborative problem solving, strategic thinking, and alignment of our vision with other county departments in an effort to streamline, promote the lens of children and families as an essential piece of any planning, and to work towards one county, one future. Doing so will leverage the “power of the County” to reach every corner of our population.

It is the intention of First 5 staff to attend meetings, prepare public comment, and work with Commission and Council chairs to consider the potential partnerships between us. With that purpose, First 5 Staff will be actively present in the following groups:

- ARTS COMMISSION (Promote VAPA as a strategy towards resiliency in young children)
- BEHAVIORAL WELLNESS COMMISSION (Ensure early mental health is identified in the 0-5 years)
- BRIDGES TO RESILIENCE COMMITTEE (Adverse Childhood Experiences)
- CEASE (Tobacco Cessation)
- CHILD ABUSE PREVENTION COUNCIL AND PREVENTION TASK FORCE (Safe families)
- CHILD CARE PLANNING COUNCIL (Ensure high-quality, childcare spaces are available)
- COMMISSION FOR WOMEN (Advocate for working mothers & promote family friendly systems)
- COMMUNIFY (aka Community Action Commission) (Collaborate on Family issues)
- EARLY CHILDHOOD AND FAMILY WELLNESS COALITION OF SBC (Network of ECE and FS Leaders)
- FIRST 5 ASSOCIATION OF CALIFORNIA (State wide advocacy, bill tracking, and collective impact)
- HUMAN SERVICES COMMISSION (Align resources, effort, & results around funded partners)
- KIDS NETWORK POLICY COUNCIL (Align resources, effort, & results around collective impact)
- LEGISLATIVE PLATFORM COMMITTEE (Advocate for legislation related to children & families)
- LIBRARY ADVISORY COMMITTEE (Collaborate on child and family literacy)
- PARK COMMISSION (Advocate for child & family spaces that promote healthy lifestyles)
- SANTA BARBARA COUNTY HEALTH CENTER BOARD (Promote inclusion; birth-5 health education)
**COMMUNICATE:** PROVIDE MESSAGING AND EDUCATION OPPORTUNITIES TO FAMILIES, EDUCATORS, AND THE GREATER COMMUNITY THAT SUPPORT SCHOOL READINESS AND IMPACT POLICY DEVELOPMENT.

As part of our Performance Measures for the County of Santa Barbara, we aim to re-design our Communication and Evaluation frameworks to promote child wellbeing in coordinated efforts with other county departments, community partners, and state efforts that align with F5SBC’s vision and mission. This includes messaging to various groups that include policy makers and community influencer’s, the early childhood and family support workforce, families, and our funded partners. To accomplish this, we will implement the following process:

**GENERAL OUTREACH**
- Social Media
- Website

**TARGETED OUTREACH**
- Community Leaders
- Elected Officials
- Direct Service Providers
- Parents
- Philanthropy

**COLLATERAL CAMPAIGNS**
- Health and Safety
- Brain Development
- Language & Literacy
- Kindergarten Readiness

**COMMUNITY PRESENCE**
- Co-Sponsorships
- Events & Fairs
- Networks and Committees
**MEASURE:** PROVIDE INFORMATION ON CHILDREN BIRTH THROUGH AGE FIVE FOR SANTA BARBARA COUNTY THAT FURTHERS THE STRENGTHENING OF SYSTEMS AFFECTING THE EARLY YEARS.

Evaluation is a key requirement of our Proposition 10 mandate. It calls for Commissioners and staff to determine the effectiveness of investments across all strategies, as well as geographically across the county. To this end, we support an evaluation framework that focuses on key goals, achieved outcomes, and how our efforts move us towards our overarching vision. Moreover, our evaluation framework is guided by a Results-Based Accountability (RBA) philosophy that answers the following questions:

» How much did we do?
» How well did we do it?
» Is anyone better off?

Second, our evaluation efforts will center on measuring outcomes and indicators across each focus area: Improved Family Functioning, Improved Child Development, Improved Child Health, and Improved Systems of Care. Additional efforts to measure the long-term impact of our investments will include an increased partnership with University of California Santa Barbara (UCSB) to develop longitudinal studies with anchor organizations, collection and analysis of regional data for local decision-making, as well as continued monitoring of contract compliance.

The importance of using both quantitative data and qualitative inspiration in our decision-making requires a balance between the warm glow of story telling and the hard numbers that evaluate our efforts. In our aim to support every child in Santa Barbara County to reach their full potential, we need to engage the regional communities to identify their own goals, develop a culture of continuous improvement, leverage existing assets, and form partnerships that are aligned with our own outcomes to maximize impact.

Beginning with our 2021 Strategic Plan, First 5 SBC proposes to be the backbone agency for all data related to birth through age 5 for the county. A backbone agency is important to gather and hold the data in a centralized location, analyze the results, and ensure that the findings are disseminated. With this strategy, data is used to drive strategic planning efforts, used to increase funding and advocacy for early childhood education, improve the capacity of those serving young children and families, and bring together diverse constituencies that contribute to the whole child. We will monitor population-based data to provide context for evaluation data collected by funded partners and also monitor the conditions that may place certain groups of children at higher risk of not fully realizing their potential.
REQUIRED FOCUS AREAS AND GOALS

As required by First 5 California, each county is required to report on efforts under the four focus areas shown. Local Commissions may determine their own goals in each of these areas and build indicators and funding allocations accordingly. The First 5 Santa Barbara Children and Families Commission have proposed the following goals by recommendation of the Evaluation Committee:

RESULT AREA 1: IMPROVED FAMILY FUNCTIONING: Children are members of safe, stable, and nurturing families.

OUTCOME: FAMILIES UNDERSTAND THEIR CHILD’S DEVELOPMENT AND PROMOTE SCHOOL READINESS SKILLS IN THE HOME.

INDICATORS:

» Percentage of families that provide language and literacy opportunities for young children in their home as a strategy towards school success.

» Percentage of families that understand how to support child development and apply it to their parenting practices.

OUTCOME: FAMILIES HAVE AN IDENTIFIED AND ESTABLISHED NETWORK OF SUPPORT IN THEIR COMMUNITY.

INDICATORS:

» Percentage of families that have knowledge of how to access services.

» Percentage of families that take advantage of social connections within the community in which they live.
RESULT AREA 2: IMPROVED CHILD DEVELOPMENT: Children enter school socially-emotionally and cognitively ready to fully participate and access Kindergarten curriculum.

OUTCOME: CHILDREN MEET SCHOOL READY KNOWLEDGE AND SOCIAL-EMOTIONAL INDICATORS APPROPRIATE TO THEIR DEVELOPMENTAL STAGE AND ENTER SCHOOL READY TO LEARN.

INDICATORS:
» Percentage of children meeting school ready knowledge.
» Percentage of children meeting social-emotional readiness.

OUTCOME: TEACHERS/ PROVIDERS: ECE/TK/K TEACHERS AND EARLY INTERVENTION PROVIDERS MEET STANDARDS OF HIGH QUALITY AND GUIDE LEARNING TOWARDS SCHOOL READINESS SKILLS.

INDICATORS:
» Percentage of ECE/TK/K teachers and Early Intervention providers are trauma-informed and responsive.
» Percentage of ECE/TK/K teachers and Early Intervention providers are culturally competent, trained in equity and access, and demonstrate this in their practice.
» Percentage of classrooms and centers that have the infrastructure needed to be successful including qualified staff, age appropriate class sizes, and age appropriate adult to child ratios as evidenced through the QRIS system.
RESULT AREA 3: IMPROVED CHILD HEALTH: Children enter school with their developmental, health, and safety needs met.

**OUTCOME:** CHILDREN ENTER SCHOOL HEALTHY, WITH ANY PHYSICAL OR DEVELOPMENTAL CHALLENGES IDENTIFIED AND ADDRESSED.

**INDICATORS:**
- Percentage of children age birth to age 5 who receive a minimum of five developmental screenings prior to entering TK/K.
- Percentage of children identified as needing follow-up are referred to a navigation specialist for additional assessment and family support.
- Percentage of children that qualify for an IFSP (0-3), IEP (3+) or IPP (3+) who are accessing services.

**OUTCOME:** CHILDREN ENTER SCHOOL HEALTHY, WITH ANY SOCIA-EMOTIONAL AND BEHAVIORAL CHALLENGES IDENTIFIED AND ADDRESSED.

**INDICATORS:**
- Percentage of children who have been screened for social-emotional problems (using a research informed tool) by overall 0-5 population.
- Percentage of parents or primary caregivers who receive prenatal and/or early childhood screening for parental or caregiver depression.
- Percentage of children that are identified for a mental health and/or behavioral need and are referred.
- Percentage of ECE/TK/K professionals with strong knowledge of community resources and services for children and families (e.g., welfare, WIC, mental health, substance abuse treatment).
RESULT AREA 4: IMPROVED SYSTEMS OF CARE: The community in which children live provides a system of accessible and relevant supports that support child development, health, and family functioning.

OUTCOME: SCHOOLS HAVE THE CAPACITY AND APPROPRIATE EARLY EDUCATION SUPPORTS IN PLACE FOR YOUNG CHILDREN AND FAMILIES UPON ENTERING TK/K.

INDICATORS:
» Percentage of schools/districts in SB County that act as community “hubs” for families with children birth-21 and provide resources that address the needs of the whole child and family.
» Percentage of Schools/Districts that have a plan of action in place to facilitate the smooth transition from early childhood opportunities to TK/K that includes a protocol of shared data between ECE and schools upon transition.
» Percentage of Schools/Districts that offer vertical articulation opportunities between ECE and Early Ed Teachers.

OUTCOME: EARLY LEARNING OPPORTUNITIES FOR CHILDREN BIRTH THROUGH KINDERGARTEN ARE HIGH-QUALITY.

INDICATORS:
» Percentage of ECE/TK/K teachers and Early Intervention providers meet standards of high quality and guide learning towards school readiness skills as outlined in the CA Early Childhood Educator Competencies.
» Family, Friend, and Neighbor (FFN) providers have access to information and toolkits that support school readiness skills for the children in their care.
» Children have access to community resources that will enhance their language acquisition and school readiness knowledge.

OUTCOME: HEALTH PROVIDERS PARTNER WITH COMMUNITY-BASED ORGANIZATIONS FOR EFFICIENCY IN NAVIGATION OF SUPPORT SERVICES.

INDICATORS:
» Universally adopted MOU and referral process with agreed upon follow-up procedures.
» There is a system of collaboration and assessment process, which contributes to continuous system improvement.
**INVEST**: OFFER GRANTS TO BUILD SYSTEM CAPACITY, SUPPORT INNOVATION, ADDRESS EMERGENT NEEDS, AND CONTRIBUTE TO EXISTING SYSTEMS THAT ADDRESS THE NEEDS OF CHILDREN, FAMILIES, AND THE EARLY CHILDHOOD SECTOR.

First 5 Santa Barbara County will create Request for Applications (RFA) or Request for Proposals (RFP) to secure partnerships that address the Community and Anchor Investment focus areas. Length of grants and contracts will be contingent upon the scope of work and in relation to the outcomes and indicators desired. Grantees will be required to provide data and evaluation to First 5 Santa Barbara County as agreed upon in the terms of the grant agreement.

<table>
<thead>
<tr>
<th>INTERNAL CAPACITY</th>
<th>2021 – 2022 COMMUNITY AT LARGE INVESTMENTS</th>
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<tbody>
<tr>
<td>NTE $1,615,000</td>
<td>NTE $550,000</td>
</tr>
<tr>
<td>» Staff Salaries and Benefits</td>
<td>» Emergency Response/Express Grants – up to $300,000 per year</td>
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<tr>
<td>» Operational Costs</td>
<td>» Innovation and Capacity Building Grants – up to $15,000 per year (3)</td>
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<tr>
<td>» Communication Budget</td>
<td>» Planning Grants – up to $225,000 per year (3)</td>
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<tr>
<td></td>
<td>» Co-Sponsorships – up to $10,000 per year (10)</td>
</tr>
</tbody>
</table>

| 2021 – 2022 ANCHOR AGENCY INVESTMENTS | |
|--------------------------------------| |
| NTE $1,450,000                       | |
| » Family Functioning – up to $200,000 per year | |
| » Child Development – up to $200,000 per year | |
| » Child Health – up to $200,000 per year | |
| » Systems – NTE $600,000             | |
| » Evaluation – $250,000              | |

Fiscal years 2022 – 2025, NTE amounts will be adjusted at the Commission’s discretion.
Our strategic plan prioritizes our investments to ensure that all children are raised in supportive, nurturing families, have access to high-quality early education experiences, and receive early screening and identified intervention services needed to thrive.

A handful of direct services will still be funded through community investment grants, but only those that address our four strategic focus areas: Improved Family Functioning, Improved Child Development, Improved Child Health, and Improved Systems of Care. Based on these focus areas, Requests for Funding Applications will be awarded to anchor agency partnerships that support our Measurement goals, outcomes, and indicators.

INTRODUCTION TO FISCAL FRAMEWORK

This four-year forecast is presented to the Commission in advance of budget development to provide a context for balancing both our short-term objectives along with our long-term goals. In developing the forecast, we looked at fiscal contributors that have the potential to impact demands on our budget beginning with the 2021 Strategic Plan and subsequent funding allocations such as anticipated revenue from Proposition 10, projections on Proposition 56 backfill, interest earned, and fund reserve.

A similar report is presented each year as a one-year budget and discussed in further detail with the Commission’s Fiscal Committee as well as the County CEO office before being approved by the Commission. The budget is then accepted as appropriations by the County Board of Supervisors. The fiscal plan is designed to be used as a tool for aligning the financial resources with the strategic and implementation plans, which are road maps for how the Commission dollars are invested in support of children prenatal through age five in Santa Barbara County. The fiscal plan is also used to monitor and predict revenue and expenditure trends and general investment assumptions towards our focus areas. On an annual basis, the fiscal plan is updated with actual financial data and assumptions and reviewed for continued accuracy.

Fiscal Year 2020-2021 concludes our current funding commitments to our partners. As we examine a new direction through the 2021 Strategic Plan, we are beginning the transition during this final year by being transparent, supportive to our historic partners, and allowing time for crucial conversations to occur.
FISCAL APPROACH

As in previous strategic plans, First 5 will continue to look for ways to invest in public agencies and community organizations so that our dollars become part of larger systems and funded partners become less reliant solely on First 5 allocations in order to sustain activities and results. We seek to invest in “anchor” agencies where we can supplement and build upon efforts that have an established, reliable funding stream. We will also continue through our “engage” strategy, to encourage other public and private funders to align their investments with ours and in support of the prenatal through age five sectors. This includes actively participating in state and regional discussions to demonstrate the value and impact of First 5 investments and to encourage additional revenue opportunities.

FINANCIAL OBJECTIVES & PRINCIPLES

The Financial Plan establishes projected revenues and expenses on a year-to-year bases and covers Fiscal Years 2021-2022 to 2024-2025. Additionally, it provides the Commission and Staff the guidance for creating and implementing the annual budget as well as assigns allocations towards strategies adopted in the Strategic Plan. The financial objectives are to:

1. Ensure sustained and predictable levels of funding for projects and contracts over a four-year period.

2. Provide a documented review of, and updates to, changes in and managing of resources

3. Keep administrative costs at or below 15% of expenditures

4. Maintain a reserve fund balance adequate to support approved expenditures while simultaneously ensuring the future sustainability of First 5 SBC.

5. Describe the approach used to offset the future decrease in tax revenues.

The Financial Plan is used to support short and long-term funding and policy decisions and applies the following principles:

» The adopted Fiscal Framework in no way obligates the Commission to specific funding for programs or projects. The approval of specific grants, contracts, and budgets can only occur through the action of the Commission at public meetings. The Commission may amend the framework at any time as new information affecting revenues and expenses becomes available.

» The Plan will be used as a starting point to develop future annual budgets and adjust assumptions to reflect changing conditions and trends.

» The Commission may amend the plan at anytime as new information affecting revenue/expenses become available. The Plan is reviewed as necessary each year as part of the annual Strategic Plan review process.
FOUR-YEAR FUNDING OUTLOOK FOR FY 2021 – 2022 TO FY 2024 – 2025

There were several assumptions utilized in the development of this 4-year fiscal framework. Changes in any one of these assumptions may have a direct or indirect impact on fiscal considerations and what can be accomplished in the 2021 Strategic Plan. Due to COVID-19 and the dramatic budgetary impacts at the State level, it is unknown whether California will fall deeper into a recession. While the California state budget anticipated a $6 billion surplus in January 2020, May revision numbers indicated a $54 billion deficit if federal emergency funds do not materialize and that amount will only increase due the most recent natural disasters occurring throughout the state. Therefore, our forecast is built conservatively to allow for the potential impacts if revenue growth slows more significantly than anticipated.

Regardless of the depth of the recession, we will continue to pursue efficiencies and improvements in the way we do business. Doing so will help position us to mitigate or avoid the difficult funding choices that are necessary as our revenues continue to decline. The scenarios presented to the Commission are based on best estimates of expenditure and revenue growth and decline rates available at this time. As the FY 2021-2022 budget development approaches, estimates will be refined, and will continue to be refined until budget adoption to ensure available funds are appropriated responsibly and according to Commission priorities.
FORECAST: REVENUE ASSUMPTIONS

This four-year forecast and fiscal framework is intended to serve as the backdrop to the FY 2021-2022 budget development process as well as a guide for the 2021 Strategic Plan. The numbers presented are preliminary and will change throughout the coming months leading up to budget development, however they provide a starting point as we look forward towards our next Strategic Plan.

The Children and Families Commission annual revenue forecast is driven by the following assumptions:

» Continued projected 3-5% annual decline in total tobacco tax sale revenue.
» Allocation of Prop 56.
» Santa Barbara County’s share based on birthrate.
» Conservative estimate of interest earnings
» Strategic draw on Fund Balance.

PROPOSITION 10 TAX REVENUE

Changes in the amount of revenue generated by Prop 10 tobacco sale tax is somewhat unpredictable and based on a variety of social, economic, and political factors. The revenue is also impacted by the amount the Board of Equalization reserves for administrative costs in any given year and the Proposition 99 allocation as required by statute.

PROPOSITION 56 BACKFILL REVENUE

An additional $2 per pack tax on cigarettes was enacted in 2016 through Prop 56 which affected the number of sales. In trailer language, a backfill clause aims to protect First 5 revenue at its historic rate of decline. The fund allocation varies year to year as it is based on actual revenues from the prior year.

BIRTH RATE

First 5 funding is allocated to each county based on the local birthrate as a percentage of statewide rates.

EARNED INTEREST

Annual interest earnings are conservatively estimated and provided by the County of Santa Barbara Auditor Office.

RELEASE OF FUND BALANCE

It is the intent of the Commission to maintain a minimal fund balance to protect against potential diminished or interrupted Prop 10 revenues and other emergent needs. The fund balance, in the event of significant loss of revenue, will provide for one year of core operating expenses. The remaining fund balance can be used to provide gap funding, as determined, for our current strategic plan priorities. The Commission maintains by policy that the fund balance should not decrease less than $1.5 million.

EXTERNAL GRANTS

First 5 has historically applied for and been granted additional grants from First 5 California or through philanthropic partners to enhance our current work or support short-term design of new systems. It is anticipated that these opportunities will continue, however they will not be part of budget development until they are received and appropriated.
FORECAST: EXPENDITURE ASSUMPTIONS (INTERNAL CAPACITY)

**SALARY COSTS**

As county employees, First 5 staff have non-safety represented employees as well as management employees. Through negotiations, there has been a typical average annual increase of 3% across all employee groups and includes salary increases, step and merit increases, and other negotiated allowances. Employee costs are assumed to remain at 7 FTE’s for this budget period.

**PENSION INCREASES**

Retirement costs are anticipated to increase over the fiscal years. Employer and employee cost-sharing contributions are negotiated over a three-year period.

**HEALTH INSURANCE**

In the past, the County experienced significant year-over-year increases in premium costs since 2018. Employer and employee cost-sharing contributions are also negotiated once the premium costs are announced by the providers.

**OPERATIONS**

Operational costs include rents, leases, county allocation costs, technology, materials, etc.

**CONCLUSION**

This four-year Financial Plan has been developed to be an integral part of the Commission’s funding process and reflects First 5 SBC’s continued efforts to prioritize services for children and families, continue public-private partnerships, develop revenue generating strategies and ongoing analysis of internal costs. The Commission recognizes the unique opportunity offered by Proposition 10 and is dedicated to ongoing careful planning and program investment.
2021 – 2025 PROPOSED INVESTMENT AREAS BY STRATEGIES & PERCENTAGE OF REVENUE

<table>
<thead>
<tr>
<th>ENGAGE/MEASURE/COMMUNICATE</th>
<th>INVEST</th>
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<tr>
<td><strong>Aim:</strong> 50% or less</td>
<td><strong>Aim:</strong> 50% or higher</td>
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<tr>
<td><strong>Engage</strong> – First 5 Staff Salary and Benefits</td>
<td><strong>Community Investments</strong></td>
</tr>
<tr>
<td><strong>Engage</strong> – Operations</td>
<td>Innovation and Capacity Building</td>
</tr>
<tr>
<td><strong>Measure</strong> – Evaluation Contracts</td>
<td><strong>Anchor Agencies</strong></td>
</tr>
<tr>
<td><strong>Communication and Outreach</strong> – Co-Sponsorships, High-Level Event, Collaterals, Media Platforms, Newsletters, Graphic Designer</td>
<td><strong>Planning Grants</strong></td>
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COMMISSION ADOPTED FISCAL FRAMEWORK FOR FISCAL YEARS 2021-2022 THROUGH 2024-2025

<table>
<thead>
<tr>
<th></th>
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<td>51%</td>
<td>51%</td>
<td>47%</td>
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LOOKING FORWARD

First 5 will continue to focus on what is essential to serve our communities while simultaneously maintaining a financially sustainable organization.

This will mean doing the most important things well, and acknowledging that our organization can do anything; just not everything. This strategic and fiscal plan describes the opportunities that exist through First 5 Santa Barbara County in partnership with a committed group of community leaders. Together, we will effectively address the needs of children and families so that we can accomplish our vision, mission, and strategic intent.

First 5 stands ready to engage you and others to support the County of Santa Barbara’s youngest children and their families. Please visit our website at www.First5sbc.org to learn more and to get involved. Or call us today at 805-884-8085.