



## Budget Narrative for Fiscal Year 2025/26

### Summary

The Commission proposes a 2025/26 budget based upon projected revenues of \$2.6 million, and transfers from the fund balance of \$399k to be expended fully as follows:

- \$885,996 for operating expenditures,
- \$2,035,141 for program expenditures,
- \$0 for initiative expenditures, and
- \$88,383 for evaluation expenditures.

The fund balance is projected to end the current fiscal year, and begin FY 25/26, at \$6.09 million. This takes into account a carryover of approximately \$297k of unspent FY 24/25 funds from the Children and Youth Behavioral Health Initiative (CYBHI) Round 1 grant that will be fully expended in FY 25/26.

### First 5 Butte County Budget Overview (FY 2025-26)

	2024-25	2024-25	2025-26
	Adopted Budget	Revised Budget	Proposed Budget
<b>Revenues and Use of Fund Balance</b>	<b>2,863,710</b>	<b>2,845,548</b>	<b>3,009,520</b>
<b>Expenditures</b>			
Operating Expenditures	735,911	769,959	885,996
Program Expenditures	2,036,286	2,010,738	2,035,141
Initiative Expenditures	2,800	2,800	-
Evaluation Expenditures	88,713	62,051	88,383
<b>Total expenditures</b>	<b>2,863,710</b>	<b>2,845,548</b>	<b>3,009,520</b>
Excess of revenues over expenditures	-	-	-
Emergency Response and Recovery Fund	-	-	-
<b>Beginning fund balance</b>	<b>5,752,269</b>	<b>6,493,158</b>	<b>6,092,278</b>
plus excess of revenues over expenditures	-	-	-
less approved transfer from fund balance for CYBHI	(303,051)	(295,484)	(296,532)
less approved investments from fund balance for FRCs	(191,336)	(105,396)	(102,879)
less emergency funds expended	-	-	-
<b>Net change in fund balance</b>	<b>(494,387)</b>	<b>(400,880)</b>	<b>(399,411)</b>
<b>Ending fund balance</b>	<b>5,257,882</b>	<b>6,092,278</b>	<b>5,692,867</b>

**Revenues**

The FY 25/26 budget projects tobacco tax revenues of \$990k. These projections assume a decrease in tobacco tax revenue based upon the passage of Proposition 31, as well as a general decline in tobacco use. First 5 CA Home Visiting Coordination grant funding will end on June 30, 2025. The Commission will receive the remaining \$75k in Round 1 grant funding from CYBHI to provide the Positive Parenting Program (Triple P) with the First 5 Family Centers and other community partners. In addition, as previously noted, \$297k in unspent CYBHI Round 1 Triple P grant funds from FY 24/25 will be carried over into the new fiscal year. The Commission will receive \$19.6k in Round 2 CYBHI funding from the Butte County Office of Education to continue assisting with their data collection and evaluation. The Commission will receive grant funding of \$78.5k from Partnership Health Plan to expand the Commission’s capacity to bill Medi-Cal for Help Me Grow care coordination. In addition, the Commission will receive \$36k in funding from Butte County Public Health through their Path Cited grant. The Commission will receive its second disbursement of \$500k from the Butte Strong Fund to fund the Family Center Initiative, as well as \$650k in continued Child Welfare funding from the Department of Employment and Social Services (DESS) to co-fund Butte Baby Steps to provide the Child Welfare Protocol through Healthy Families America™. In addition, DESS will provide \$200k in funding to the Commission to oversee the Child Abuse Prevention Council (CAPC). The Commission has committed its excess fund balance to fund First 5 Family Centers. Interest income is projected to total \$61k, though this figure may vary depending upon interest rates.

	<b>2024-25</b>	<b>2025-26</b>
	<b>Revised Budget (Adopted)</b>	<b>Proposed Budget</b>
<b>ESTIMATED BEGINNING FUND BALANCE, JULY 1</b>	<b>6,493,158</b>	<b>6,092,278</b>
<b>A. Revenues and use of Fund Balance</b>		
tobacco tax revenue (Prop 10 and 56 and CECET)	1,050,000	990,000
Home Visiting Coordination	137,859	
interest income	57,523	60,923
restricted public and private contributions	-	-
CYBHI Grant Round 1 (FRCs)	269,670	65,217
CYBHI Indirect (First 5)	30,330	9,783
BCOE CYBHI Grant Round 2	48,941	17,081
BCOE CYBHI Indirect	-	2,562
Butte Strong Grant (FRCs)	463,500	500,000
DESS Contribution to BBS	271,300	650,000
DESS - Child Abuse Prevention Council	-	200,000
Partnership Health Plan IPP Grant	76,500	70,371
Partnership Health Plan Indirect	-	8,129
BCPH Path Cited Grant	39,045	36,044
transferred from Fund Balance - CYBHI Round 1 carryover	248,139	257,757
transferred from Fund Balance - CYBHI Round 1 carryover indirect	47,345	38,775
transferred from Fund Balance - Strong Families (FRCs)	105,396	102,879
<b>TOTAL REVENUES AND USE OF FUND BALANCE</b>	<b>2,845,548</b>	<b>3,009,520</b>
<b>FUNDS AVAILABLE FOR APPROPRIATION</b>	<b>8,937,826</b>	<b>8,702,387</b>

**Operating Expenditures**

Operating expenditures are expected to total \$886k in FY 25/26, including \$769k in personnel costs. Personnel costs include projected merit increases, Cost of Living Adjustments (COLAs) and longevity pay negotiated by Butte County’s unions, and two re-classifications of Commission staff. County services increased due to a prior history of incorrect calculations, and are anticipated to continue to increase due to COLAs and longevity pay for County staff.

<b>B. Operating Expenditures</b>		
Personnel	671,965	769,262
Billed by DESS	16,840	25,000
Share of County services	13,758	25,752
Other	67,396	65,982
<b>Total Operating Expenditures</b>	<b>769,959</b>	<b>885,996</b>

**Program Expenditures**

The Commission has budgeted just over \$2 million for program expenditures in FY 25/26. This budget reflects expenditures across the four priority areas identified in the 2021-26 Strategic Plan. Within the Strong Families Initiative, the Commission has budgeted nearly \$1.97 million to fund First 5 Family Centers. These costs will be partially offset by funding from the CYBHI grant, the Butte Strong Fund, and the Child Welfare Protocol and CAPC funding from DESS. The remaining program expenditures will fund Help Me Grow care coordination, High Quality Learning programming (Early Literacy supports and a contract with the Chico Area Recreation District), and systems-level partner support, including capacity building, technical assistance, and Race, Equity, Diversity and Inclusion work.

<b>C. Program Expenditures</b>		
Health and Development	21,500	26,500
Strong Families	1,920,728	1,966,876
High Quality Learning	13,510	9,530
Sustainability and Systems Change	55,000	32,235
<b>Total Program Expenditures</b>	<b>2,010,738</b>	<b>2,035,141</b>

**First 5 California Initiative Expenditures**

Home Visiting Coordination (HVC) funding will end as of June 30, 2025, and no additional initiative funding is anticipated from First 5 California.

<b>D. Initiative Expenditures</b>		
Home Visiting Travel	2,800	
<b>Total Initiative Expenditures</b>	<b>2,800</b>	<b>-</b>

**Evaluation Expenditures**

The Commission is proposing a budget of \$88k to pay for evaluation services, including data collection, technical assistance for grantees, expansion of database functionality, and database licensing. These costs will be partially offset by grant funding.

<b>E. Evaluation Expenditures</b>		
evaluation services	-	25,000
Social Solutions/Bonterra	30,522	33,383
Sidekick Solutions	31,529	30,000
<b>Total Evaluation Expenditures</b>	<b>62,051</b>	<b>88,383</b>

**Fund Balance**

The fund balance is expected to total \$5.69 million at the end of FY 25/26, with future declines anticipated as tobacco tax revenue continues to decrease at the projected rate, Operations costs increase more significantly than previously anticipated, and as the Commission continues to dedicate funding toward strengthening the system of First 5 Family Centers.