



County of San Mateo

Inter-Departmental Correspondence

Department: COUNTY EXECUTIVE

File #: 24-360

Board Meeting Date: 5/21/2024

Special Notice / Hearing: None
Vote Required: Majority

To: Honorable Board of Supervisors

From: Michael P. Callagy, County Executive

Subject: Use of District-Discretionary **Measure K** Funds - Supervisorial Districts 2 and 3

RECOMMENDATION:

Measure K: Adopt a resolution authorizing a one-time grant of district-discretionary **Measure K** funds, not to exceed \$350,000, to First 5 San Mateo County to support the Baby Bonus Program pilot, and authorizing the County Executive, or designee, to execute the grant agreement.

BACKGROUND:

Measure K is the half-cent general sales tax initially approved by San Mateo County voters in November 2012 and extended in November 2016 for a total of thirty years.

The Board of Supervisors (Board) held study sessions on **Measure K** expenditures and approved funds for the fiscal year (FY) 2023-24 budget cycle, divided equally among the five supervisorial districts, for one-time district-discretionary needs and projects. Districts 2 and 3 have submitted a request to use their district-discretionary **Measure K** funds as shown below and described in the Project Summary section of this memorandum:

District/Project	Amount
Even split between District 2 (Supervisor Noelia Corzo) and District 3 (Supervisor Ray Mueller) - First 5 San Mateo County: Baby Bonus Program pilot.	\$350,000 Total

This item is generally consistent with the criteria for district-discretionary **Measure K** funds approved by the Board in December 2018. The criteria specify that a Board member sponsoring disbursement of **Measure K** funds, as well as such member's family or supervisorial staff, may not serve as an officer, director, or play a policy role for the selected organization(s). Supervisor Corzo currently serves as the First 5 commissioner representing the Board of Supervisors. However, First 5 San Mateo County is a County commission created by County Ordinance Code Chapter 2.24 pursuant to the California Children and Families First Act. Ordinance Code Section 2.24.030 establishes the

membership of the commission, to include one member of the Board of Supervisors.

PROJECT SUMMARY:

This is a request to authorize a grant to First 5 San Mateo County, and resulting grant agreement, in an amount not to exceed \$350,000, to support the Baby Bonus Program pilot. The County Executive's Office will administer and manage the proposed agreement.

Districts 2 and 3 indicate that this organization has not previously received **Measure K** district-discretionary funding.

First 5 San Mateo County was created in 1999 after California voters passed the Children and Families First Act (Proposition 10), legislation that added a 50-cent tax on all tobacco products to fund services to enhance early childhood development and school readiness through First 5 County Commissions in each of the 58 California counties. Through this mechanism, millions of dollars have been invested in best practices and supports for more than 53,000 children ages 0-5 years old and their families.

This district-discretionary grant will be used to support the Baby Bonus Program pilot in San Mateo County. Despite its significant wealth and prosperity, San Mateo County grapples with the persistent issue of child poverty. The cost of living is one of the highest in the nation, requiring a minimum household income of over \$500,000 to afford the purchase of a median priced home according to the California Association of Realtors, creating unique challenges for families to meet basic needs.

An estimated 133,000 deaths a year in the U.S. are attributable to poverty, and recent financial difficulties are one of the top 10 predictors of mortality. Households with lower incomes report poorer health, including mental health outcomes, where financial hardship can lead to higher rates of depression and stress, subsequently leading to poor birth and child outcomes. Children from households with fewer resources are three times as likely to have substantiated cases of abuse and seven times more likely to have substantiated cases of neglect than other children (Duncan and Magnuson, 2011). Parents in low-income communities face financial and social challenges that can make it difficult to adhere to evidence-based maternal and child health guidelines, such as following vaccination guidelines and pediatric follow-up visits (Lopez-Class et al. 2016; Bennett et al. 2013).

The Baby Bonus Program is a demonstration project that aims to impact the health and well-being of newborn children into infancy and mothers in San Mateo County, and to gather data on the impacts of guaranteed income on health outcomes. The program will provide a monthly unconditional payment of \$300 for three years to 400 parents that currently receive Medi-Cal benefits, live in San Mateo County, and have given birth during the 18-month program enrollment period. The \$300 monthly payment matches the per child payment families received from the expanded Child Tax Credit (\$3,600 per year), a program the federal government established to support families during the pandemic that ended in 2021.

The proposed program will differ from other basic income programs and from programs that condition cash payments on the use of certain services because the program intentionally aligns social services and health care services in conjunction with basic income, integrates an evaluation process to provide continuous analysis and action based on findings, and evaluates the added value of basic income over the value of existing aligned services on their own.

The agencies involved in implementation of the Baby Bonus Program pilot are: First 5 San Mateo County, Health Plan of San Mateo, Jackie Speier Foundation, San Mateo County Health, San Mateo County Human Services Agency, and Stanford University. The collaboration between numerous

partner agencies leverages the continuous collection of data on social determinants of health, social services, and health outcomes, lessening participant burden and decreasing the cost of evaluation.

First 5 San Mateo County anticipates receiving revenue for the program from the following sources:

Anticipated Revenue:

Jackie Speier Foundation	\$350,000.00
County Health	\$672,000.00
Stanford University	\$25,000.00
San Mateo County	\$350,000.00
Silicon Valley Community Foundation	\$50,000.00
Health Plan of San Mateo	\$3,400,000.00
TOTAL	\$4,847,000.00

Districts 2 and 3 have informed the grantee organization that this grant is one-time only, and that the grantee organization will need to find other sources of funding going forward. In addition to the revenue listed above, First 5 San Mateo County intends to collaborate with the Jackie Speier Foundation to continue fundraising to fund the family payments, and Stanford University is submitting grant applications to fund evaluation and programmatic costs.

The grantee organization will use the **Measure K** grant to provide general support for the pilot program. The anticipated program budget is for a five-year pilot period that includes an 18-month enrollment period for families of newborns, three years of guaranteed basic income for those families, program ramp-down and evaluation, as follows:

Budget:

Item	Notes	Anticipated Budget for 400 Families
Program Planner	Salary and personnel costs for community health planner, 1 FTE over 4 years: \$168,000 with benefits annually. Funded by SMC Health.	\$672,000.00
Monthly cash payment	\$300/month for 400 participants over 36 months.	\$4,320,000.00
Administrative fee for payment processor	Assumed at 10% of payment total (high end estimate).	\$432,000.00
Community workers/outreach	Estimated based on initial enrollment process, 6,666 hours at \$30/hour. Will increase for ongoing care coordination. Updated estimate pending.	\$200,000.00
Evaluation	Stanford-led randomized control trial, based on LPCH.	\$1,000,000.00

Communications	Communications plan and implementation Includes social media, blogs, infographics, impact stories. Costs for an average of 4 hours a week up to \$200 an hour and funding for materials.	\$150,000.00
Incentives for control group	600 control participants surveyed 6 times (every six months over 36 months) at \$20 stipend per survey.	\$72,000.00
Contingency Implementation Strategies	Budgeted line-item amount that may be needed for project implementation. (i.e., learnings from the Design Phase, aligning systems (wrap around coordinated work), non-funded stakeholder engagement, etc.)	\$200,000.00
Indirect expenses	15 % for indirect expenses. Indirect costs: Personnel + Operations) - (stipends + incentives + consultants)	\$130,800.00
Total		\$7,176,800.00

The project or services funded by this district-discretionary grant will be implemented or provided between January 1, 2025 and July 1, 2028 and is estimated to be completed July 1, 2028.

Total Measure K Request: Not to Exceed \$350,000

The release of funds will be contingent on the execution of an agreement providing for the County’s confirmation of the expenditure of funds for the purposes stated herein. The County will disburse the funds to the following organization for the purposes described above:

Kitty Lopez, Executive Director

First 5 San Mateo County

1700 South El Camino Real, Suite 405

San Mateo, CA 94402

klopez@smcgov.org <<mailto:klopez@smcgov.org>>

650-372-9500

PERFORMANCE MEASURES:

Description	Target
Unconditional cash payment of \$300 monthly disbursed to low-income parents of newborn babies in San Mateo County for 3 years.	Complete

The County Attorney’s Office has reviewed and approved the agreement and resolution as to form.

FISCAL IMPACT:

There are sufficient **Measure K** funds for this specific FY 2023-24 **Measure K** request. These funds are budgeted in the Non-Departmental Services FY 2023-24 Adopted Budget.