



Agenda Item 10
April 6, 2016

DATE: March 30, 2016

TO: Children and Families Commission of Orange County

FROM: Christina Altmayer, Executive Director

SUBJECT: Executive Officer's Report

ACTION: Receive Executive Officer's Report

A. Financial Highlights

The financial highlights as of February 29, 2016 are included as Attachment 1.

B. Monthly Strategic Communications Report

Curt Pringle & Associates provides strategic communications services in the areas of legislative advocacy, community partnership, and public awareness. The Strategic Communications Activities Report for March 2016 is included as Attachment 2.

C. 2016 DisAbility Summit

The Thompson Policy Institute on Disability and Autism at Chapman University is planning the 2016 DisAbility Summit for May 3, 2016 at the Musco Center for the Arts on the University's campus. Don Cardinal, co-founding director of the Institute, invited the Commission to be a community partner for the event that aligns with the Commission's priorities for children's health. The Commission was also asked to be part of a select group of decision makers and legislators to sign a letter that will be included in the Institute's annual report. The Thompson Policy Institute on Disability and Autism is a new think tank that gathers data and develops its own independent research to study topics surrounding the issues of disability and autism. The Institute produces research that results in policy recommendations to decision-makers at the local, state and national levels. The Summit will include a presentation on the state of disability in Orange County and a recent research report on autism in the workplace, and a discussion on next steps to benefit children, adults and families in this area.

ATTACHMENTS:

1. Financial Highlights
2. Strategic Communications Report for March 2016



Financial Highlights

As of February 29, 2016

Comparison of Budget vs. Actual Fiscal Year 2015-16 Unaudited Period Ending 2/29/16

	<u>FY 2015-16 Amended Budget</u>	<u>FY 2015-16 Actual Expenses</u>	
Financing Sources			
Tobacco Tax Revenue	\$24,970,738	\$12,957,092	51.9%
Interest Earnings	150,000	204,678	136.5%
Other Revenue	<u>3,120,462</u>	<u>143,332</u>	4.6%
Revenue Total	\$28,241,200	\$13,305,102	
Expenses			
Healthy Children	\$14,060,141	\$3,794,179	27.0%
Strong Families	2,115,165	920,601	43.5%
Early Learning	7,171,524	1,642,618	22.9%
Capacity Building*	<u>2,847,288</u>	<u>984,913</u>	34.6%
Program Services	\$26,194,118	\$7,342,311	
Admin. Functions**	<u>2,491,556</u>	<u>1,295,674</u>	
Total Operating Exp.	\$28,685,674	\$8,637,985	

*Includes Evaluation costs of \$405,976

**Administrative costs and functions are defined by State Commission guidelines (Fiscal Memo No. 05-01, dated April 14, 2006) pursuant to Chapter 284, Statutes of 2005 (AB 109). Actual Administrative expenses of \$1,295,674 and encumbrances of \$275,924 were 5.2% of the Fiscal Year 2015-16 Amended Budget of \$30,214,829 including Catalytic Round 2 expenses. Final administrative expenses are projected to be 7.9% at year end.

Total Encumbrances as of February 29, 2016 including multi-year contracts through FY 2016-17

Healthy Children	\$20,273,416
Strong Families	\$1,168,677
Early Learning	\$12,199,346
Capacity Building	\$1,613,719
Admin. Functions	\$275,924

Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue through December 2015 as reported by First 5 California is \$15,381,380. Prop 10 revenues for July through January are .60% above the same period in the prior year. Revenue has been received through December 2015.

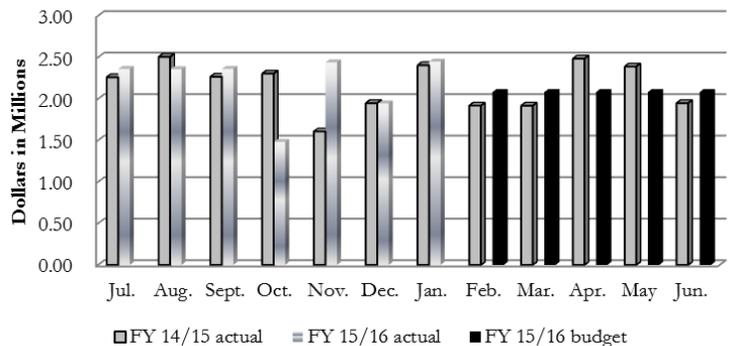
Interest earnings for July 2015 through February 2016 are \$204,678.

Catalytic Funding Update

\$16,016,184 in Catalytic Funding was expensed during the period FY 2012-13 through FY 2014-15. Expenses booked in the current year total \$966,590 as of February 29, 2016.

As of February 29, 2016, \$18,245,997 was encumbered for Round 1 and Round 2 programs. Over \$13.2 million is encumbered for Children's Dental and \$2.7 million for Developmental Services.

Fiscal Year 2014-15 & 2015-16 Tobacco Monthly Revenues



Forecasted Fiscal Year 2015-16 Ending Fund Balance

From Commission Long Term Financial Plan

Beginning Fund Balance, July 1, 2015	\$55,042,219
Forecasted Revenue	31,907,597
Budgeted Program Expenses	(26,194,118)
Budgeted Administrative Expenses	(2,491,556)
Catalytic Projects	<u>(39,633,816)</u>
Projected June 30, 2015 Fund Balance	\$18,630,326*

*Based on Commission action through December 2015.

Projected fund balance does not include Catalytic funding or an IGT transfer before June 30, 2016. For financial planning purposes, Catalytic funding has been designated by Commission action and removed from available fund balance.



To: Kelly Pijl, Communications and Policy Director
Children and Families Commission of Orange County

From: Todd Priest, Vice President
Curt Pringle & Associates

Date: March 18, 2016

Subject: March 2016 Strategic Communications Summary Report

The following is a summary of activities that were provided by Curt Pringle & Associates to the Children and Families Commission of Orange County for the month of March, 2016.

Legislative Advocacy

State Legislation Update

Both the State Assembly and Senate have passed tobacco related bills. At the time of this report, the bills had not yet been sent to the Governor for his consideration.

- ABX2-11 will increase tobacco retailer, wholesaler and disturber license fees in order to offset the current shortfall in the licensing and enforcement program, which is impacting the Commission's administrative costs.
- SBX2-5 will broaden the definition of "tobacco product" to include e-cigarettes and require e-cigarette cartridges to be child-resistant.
- SBX2-7 will increase the minimum legal age to purchase or consume tobacco from 18 to 21.

It has been reported by the *Sacramento Bee* that an attempt to over-turn these bills via signature gathering efforts (referendum) is being considered by the tobacco industry. It is not clear if ABX2-11 would be a target, or if the effort would be focused solely on the age change and e-cigarette legislation. Separate signatures would need to be gathered for each bill.

Board of Equalization

On March 1st the State Auditor released its audit report concerning the BOE's administrative fees related to the tobacco enforcement and licensing programs. The report found that each year the enforcement program was unfunded by \$8 million. Monies for both Prop 10 and Prop 99 were being used to cover the shortfall. The report also indicated that over time the BOE had accumulated more than \$9 million in license fees that had not been spent to off-set the program costs. They report outlined several alternatives for Legislative consideration. ABX2-11(see above) was an alternative that was recommended in the report.

First 5 Association of California Advocacy Day

The Association's advocacy day will take place on April 5th at the State Capitol. Curt Pringle & Associates is planning a morning briefing with Orange County's legislative delegation. The briefing will be held at the Citizen Hotel in Sacramento. For Legislators who are unable to attend the breakfast briefing, we are scheduling separate office visits.

Statewide Initiatives

- **Tobacco Taxes** - signatures required: 585,407 by June 13, 2016 (25% of the signatures reached by 2/12/16)
Recently two initiatives that would have added an additional \$2 tax on each pack of cigarettes failed to qualify. A new well-funded initiative has been cleared for circulation, which mirrors the previous submittals. The initiative does include a back-fill provision for Prop 10.
- **Property Tax to Reduce Property** - signatures required: 585,407 by March 21, 2016 (25% of the signatures reached as of 1/13/16)
Increase taxes on properties valued over \$3 million. The property tax increase would range between .08% to 1%. Revenue from the new property tax would be used to fund early childhood education and childcare efforts, among other programs. Local planning groups, with First 5 Commission participation, would be established.
- **Childhood Sexual Abuse** - signatures required: 365,880 by May 9, 2016
Eliminates statute of limitations for civil actions based on childhood sexual abuse committed on or after the effective date of the measure.

Public AwarenessLocal Government Briefings

Briefings will be held with one city and one school district in each of the five County Supervisorial District in 2016.

- Briefings were held with the Superintendent of the Ocean View SD in Huntington Beach, and the Superintendent of the Santa Ana Unified School District.

2016 Essentials Donation Drive

- Host Steering Committee meetings and prepare meeting materials
- Coordinated with Time Warner Cable and Cox Cable
- Continued fundraising efforts
- Outreach to local legislative offices, County of Orange, AAA and others to host internal donation drives
- Preparing Capitol Office Notification letter for distribution early April
- Preparing Community Partner Luncheon invitation
- Beginning to secure speakers and define talking points for the Community Partner Luncheon

Learners Today, Leaders Tomorrow

The event will be held on May 6th at the Hotel Irvine. CP&A is working to secure the morning keynote speaker, as well as Sheriff Hutchens who we have invited to participate during the afternoon luncheon.