



Agenda Item 12
May 4, 2016

DATE: April 26, 2016

TO: Children and Families Commission of Orange County

FROM: Christina Altmayer, Executive Director

SUBJECT: Executive Officer's Report

ACTION: Receive the Executive Officer's Report

A. Financial Highlights

The financial highlights as of March 31, 2016 are included as Attachment 1. A comprehensive update on the Commission's financial position was presented as Agenda Item 10.

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 April 2016 is included as Attachment 2.

C. State Preschool Allocation to Orange County

The Commission's early learning consultant has been coordinating with the Early Learning Specialists that are funded by the Commission at every elementary school district in the county, on sustainability strategies for early education programs. This year, the California Department of Education/Early Education and Support Division announced the availability of California State Preschool Program funds. Seven school districts applied for, and were granted a collective total of just over \$4 million to serve over 800 young children. Three of these school districts have never had a state preschool program. As a result of this new funding award, 20 of the 24 elementary school districts in Orange County will be California Department of Education contractors for early learning programs. The Commission will continue to coordinate with the school districts in preparation for implementation for the 2016/17 school year.

D. First 5 Association of California Meeting Report

The quarterly meeting of the First 5 Association was held on April 27 in Sacramento. The meeting included a working session on the statewide data and indicators project related to child outcome indicators. Steve Cohen, Senior Fellow with the Center for the Study of Social Policy (CSSP) presented and led the discussion to develop strategies to improve the policy and practice in the area of child development. I presented on the Commission's grant with CSSP to develop and test outcomes and metrics for measuring early childhood systems.

The meeting participants also discussed opportunities to develop a shared agenda for quality preschool programs. Local and state recommendations were presented followed by a roundtable discussion to prioritize recommendations for First 5 Commissions. The Orange County Commission is a member of the First 5 Association that connects commissions to other public

and nonprofit partners, including county departments, foundation, and child advocacy organizations to ensure collaboration and a common statewide agenda to ensure the best future for children.

E. 2016 Essentials for Young Lives Diaper Drive

The 9th annual Essentials for Young Lives Diaper Drive began on April 26 with a Community Partnership lunch at the Casa Teresa Emergency Maternity Shelter in Orange. On April 29, members of the Building Industry Association will participate in an event at Angel Stadium to build structures out of diaper boxes, which will then be donated to the cause. Collection bins will be distributed throughout the county and at the State Capitol to collect diapers the week before Mother's Day. A press event will be held at the State Capitol on May 2. In the first eight years of the campaign, items collected have grown from 30,000 to over 1.8 million items in 2015. On average, a family needs 3,000 diapers a year for one child and adding in other costs, such as wipes and care items, makes this an annual cost of over \$1,000. Items collected during the 2016 drive will be distributed to non-profit providers who operate housing and shelters built in partnership with HomeAid Orange County to serve homeless families and pregnant mothers.

ATTACHMENTS:

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



Financial Highlights As of March 31, 2016

Comparison of Budget vs. Actual Fiscal Year 2015-16 Unaudited Period Ending 3/31/16

	FY 2015-16 Amended Budget	FY 2015-16 Actual Expenses	
Financing Sources			
Tobacco Tax Revenue	\$24,970,738	\$15,403,819	61.7%
Interest Earnings	150,000	236,599	157.7%
Other Revenue	<u>3,120,462</u>	<u>532,354</u>	17.1%
Revenue Total	\$28,241,200	\$16,172,772	
Expenses			
Healthy Children	\$14,060,141	\$5,621,971	40.0%
Strong Families	2,115,165	1,112,650	52.6%
Early Learning	7,171,524	2,754,569	38.4%
Capacity Building*	<u>2,847,288</u>	<u>1,206,588</u>	42.4%
Program Services	\$26,194,118	\$10,695,778	
Admin. Functions**	<u>2,491,556</u>	<u>1,494,078</u>	
Total Operating Exp.	\$28,685,674	\$12,189,856	

*Includes Evaluation costs of \$462,410

**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 \$1,494,078 and encumbrances of \$223,135 were 5.7% 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 March 31, 2016 including multi-year contracts through FY 2016-17

Healthy Children	\$18,932,425
Strong Families	\$981,622
Early Learning	\$11,140,270
Capacity Building	\$1,422,641
Admin. Functions	\$223,135

Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue through February 2016 as reported by First 5 California is \$17,142,409. Prop 10 revenues for July through February are .40% below the same period in the prior year. Revenue has been received through January 2016.

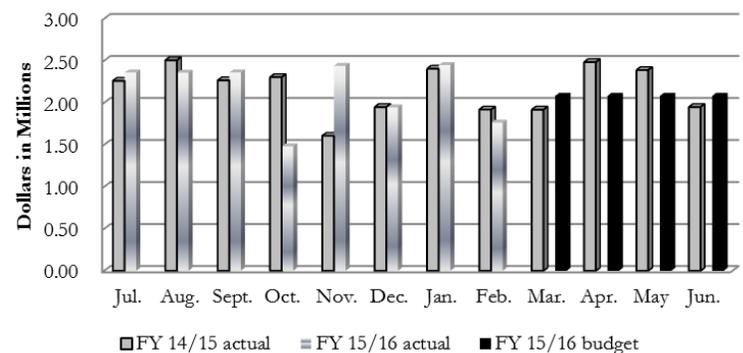
Interest earnings for July 2015 through March 2016 are \$236,599.

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 \$1,291,691 as of March 31, 2016.

As of March 31, 2016, \$18,010,896 was encumbered for Round 1 and Round 2 programs. Over \$13.2 million is encumbered for Children's Dental and \$2.6 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: April 18, 2016

Subject: April 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 April, 2016.

Legislative Advocacy

State Legislation Update

Three Commission related bills are still pending. While they have been approved by the Legislature, they have yet been sent to the Governor for his consideration. It's expected that the tobacco industry may attempt to overturn one or more of the bills via a signature gathering (referendum) and ultimately place the issue(s) before California voters. The delay in these bills being sent to the Governor is likely related to the expected referendum effort. It is not clear if ABX2-11 would be a targeted.

Retailer Licensing Bill (response to escalating BOE Administrative Fees)

- ABX2-11 will increase tobacco retailer, wholesaler and distributor license fees in order to offset the current shortfall in the licensing and enforcement program, which is impacting the Commission's administrative costs.

Note: AB 2770 has been introduced which is identical to special session bill ABX2-11. Should the Governor sign ABX2-11, AB 2770 would not be needed.

Tobacco Related Bills:

- 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.

First 5 Association of California Advocacy Day

Curt Pringle and Associates organization a breakfast meeting at which Chair Maria Minon and Christina Altmayer provided a briefing related to the Commission's efforts. In attendance were Senator John Moorlach and Assembly Members Bill Brough, Young Kim, and Matthew Harper.

Meetings were also held with Assembly Member Don Wagner and a representative from Senator Bob Huff's office.

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 (UPDATE: Withdrawn / Failed to Qualify)**
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 Awareness

Local Government Briefings

Briefings are held with one city and one school district in each of the five County Supervisorial District in 2016. Only 3 briefings are left to be completed: City of Laguna Niguel, Irvine USD, and Placentia-Yorba Linda USD.

2016 Essentials Donation Drive – The Drive has Begun!

- April 26 - Community Partnership Luncheon will be held at Casa Teresa in Orange. Reporter Vikki Vargas, KNBC-Channel 4, will serve as MC.
- April 29 - Project Diaper House will be held at Angel Stadium.
- April 29 – Collection bins will be distribute in the State Capitol
- May 2 – Essentials Press Conference will be held in the State Capitol
- May 6 – Collections bins will collected from the State Capitol and donations items distributed to shelters in Sacramento.

Learners Today, Leaders Tomorrow

The event will be held on May 6th at the Hotel Irvine. CP&A worked to secure the participation of The Walt Disney Company.