

**Agenda Item No. 12
May 7, 2014 Meeting****DATE:** April 25, 2014**TO:** Children and Families Commission of Orange County**FROM:** Christina Altmayer, Executive Director**SUBJECT:** Executive Officer's Report

The following is the Executive Officer's Report for May 7, 2014:

a. Financial Highlights Report

The report on the Commission's financial highlights as of March 31, 2014 is included as Attachment 1a. Budget transfers detailed in Attachment 1b are provided for informational purposes as formal action is not required per Commission policy. The presented list of administrative budget transfers creates no increase in total program or administrative budgeted expenses.

b. Board of Equalization Update

A summary of data recently provided by the Board of Equalization is included as Attachment 2. The Proposition 10 share of the tax and licensing program has steadily increased. At the lowest point in Fiscal Year 2001/02, the Proposition 10 cost share portion of the tax program was 11.2 percent. The allocated share reached approximately 52 percent in FY 2011/12, and is projected to be approximately 50 percent for FY 2013/14. Since FY 1998/99, program costs have increased 700 percent from approximately \$4 million to \$32 million. Costs allocated to Proposition 10 over the same period increased 2,860 percent from \$568,000 to \$15.8 million. Commission staff, in partnership with the First 5 Association and First 5 LA, continue to explore legislative remedies to these increasing fees. Assemblyman Tom Daly's office has been working with First 5 Association staff to investigate the increasing BOE fees. The Assemblyman serves as the Chair of the Chair, Budget Subcommittee No. 4 on State Administration. I will have further updates at the May Commission meeting.

c. Measles Outbreak Update

At the April Commission meeting, Dr. David Núñez, Medical Director of the Orange County Health Care Agency – Family Health Division, provided an update on recent measles outbreak in Orange County. During the presentation, Commissioners had questions about topics such as personal belief exemptions and eligibility for MMR immunizations. The Health Care Agency responded to these questions and provided the Commission with a written response (Attachment 3). Since the meeting, School Readiness Nurses have continued to work with families to promote complete immunization of young children. In addition, the Al Jazeera America news organization contacted the Commission to film the School Nurses providing immunization information to families at the Learning Link site in Anaheim. The filming took place in April.

d. Annual June Planning Conference

The Commission's planning meeting is held annually in lieu of the regular June meeting. This year the planning meeting is scheduled for June 4 at the new Center for Autism & Neurodevelopmental Disorders in Santa Ana. The meeting agenda includes a discussion on sustainability and an assessment of strategies for the Commission's major investments; an evaluation of the STEM (Science, Technology, Engineering, and Mathematics) investments and early math and language literacy; and philanthropic funding trends, specifically "pay for success" and social impact bonds. Doctors Greg Duncan and Doug Clements from the University of California, Irvine and the University of Denver, respectively, will present the research supporting the importance of early math and literacy. Jessica LaBarbera from the Nonprofit Finance Fund will discuss changes in philanthropy and an outlook on future funding. Lisa Burke will facilitate the meeting.

e. 2014 Community Indicators Report

The 2014 Orange County Community Indicators report was released last month. The report is annually prepared through a partnership of the Children and Families Commission of Orange County, CalOptima, and the Orange County United Way. Commissioner Hugh Hewitt moderated a panel discussion at the Orange County Forum on April 24 that included the publisher of the Orange County Register, the President of the California State University, Fullerton, and the President of the La Jolla Institute.

Researched, written and distributed since 2000, the Community Indicators Report tracks key countywide trends that allow community members, policymakers and business leaders to evaluate the critical factors which contribute to sustaining a healthy economy, environment and population. The following are highlights from the 2014 report.

- The county is receiving strong marks in business, employment and technology. Both regional and local world trade have recovered from the recession and remain strong, and employment grew in eight out of 10 key industry clusters. Also, Orange County saw the highest one-year growth in high-tech output in at least eight years.
- While many economic indicators are trending positively, the county continues to face a range of challenging issues including declining real household income, and rising poverty. Families in one-third of Orange County neighborhoods are considered financially unstable.
- Countywide, high school dropout rates improved for the second consecutive year. However, ethnic disparities remain with Latino students dropping out at a disproportionately higher rate.
- Community health and wellbeing indicators range in results. At the same time Orange County's prenatal care rate is improving, and the immunization rate fell below the state and national averages. Further, death rates from common diseases are falling, but more residents are living with chronic disease.

New this year, the *Community Indicators Report Highlights* (Attachment 4) replaced the Special Features section, providing a visual summary of key takeaways in an info-graphic format. The section title pages have also been streamlined to provide an at-a-glance assessment of Orange County's performance on individual indicators within each section. The complete 2014 Community Indicators report is available online at http://www.occhildrenandfamilies.com/images/pdf/OCCIR_2014_Report.pdf.

f. Santa Ana YMCA Update

At the September Commission meeting, staff reported on the review of the first two years of operation of the Santa Ana YMCA. The report summarized that while the YMCA was meeting the service payback requirements, three priorities were identified to improve compliance:

1. Improve data reporting to more specifically report and document the services to the 0-5 population.
2. Continue to address ongoing sustainability issues, particularly as the program reserve funds are drawn down to support facility operations.
3. Develop strategies to implement the permanent, expanded full scope of services for the facility.

Since September, staff has met several times with YMCA management to address these issues. Recently, the YMCA submitted multiple financial reports which will support analysis of the sustainability issues. However, the Commission has recently learned that YMCA will not be exploring development of a permanent facility at the site and will not meet the outcome reporting requirements. Staff is reviewing the information provided by the YMCA and is working with Commission Counsel to review the contractual requirements and develop options for the Commission's consideration at the July meeting. A full report and recommendations will be provided at that time.

g. Social Innovation Fund Grant Application

The Social Innovation Fund matching grant application was submitted on April 21, 2014 to the Corporation for National and Community Service focusing on the Greater West Anaheim community, including the cities of Anaheim, Garden Grove and Stanton. At the April meeting, the Commission approved allocating a minimum of \$1 million to be used as matching funds for the application that focuses on healthy child development, youth education and employment, and family financial stability. The proposal included a match commitment of \$1.5 million from the Commission. The application was jointly developed with the Orange County United Way and the Orange County Community Foundation. If successful, the funding would provide over \$1 million annually in match funds to the local funders. The Commission's focus area would be Healthy Child Development, specifically addressing improved access to developmental screenings and linkages to services, obesity prevention, early math and language literacy, and healthy parent-child relationships. This was the first time that the Commission has partnered at this level with local foundations to bring significant federal resources to Orange County.

h. Commissioner Ethics Training Requirements

Assembly Bill No. 1234, effective January 1, 2006, mandates two hours of ethics training for local agency officials every two years. This requirement applies to our Commissioners, Pediatric Health Services Committee members, and all Commission staff and consultants who file an annual Statement of Economic Interests (Form 700). There are three options for satisfying this requirement:

1. Commission Counsel can provide an in-person training (approximately 1.5 hours).
2. The California Fair Political Practices Commission (FPPC) offers free online training that satisfies the AB 1234 ethics training for local officials. This interactive training course can be accessed on their web site: <http://localethics.fppc.ca.gov/login.aspx>.
3. The County of Orange County Counsel's office has prepared self-study materials which can be provided at no charge upon request. The materials consist of a handbook entitled "Government Ethics Handbook for AB 1234 Compliance," a self-assessment test and answer key, and proof of completion certificate. After reading the Government Ethics Handbook, the official must take the self-graded assessment test. The official will then fill out the certificate of completion.

Once training has been completed, certificates of completion will be filed with the Commission Clerk and the certificates will be retained as public records. A copy of the April 10, 2014 memo (Attachment 5) from the County's Clerk of the Board of Supervisors is included for reference.

ATTACHMENTS:

1. Financial Highlights
2. Cigarette Tax Program History
3. Orange County Health Care Agency's Measles Outbreak Response
4. 2014 Orange County Community Indicators Report Highlights
5. AB 1234 Mandatory Ethics Training Memo

Financial Highlights As of March 31, 2014

Comparison of Budget vs. Actual Fiscal Year 2013-14 Unaudited Period Ending 03/31/14

	<u>FY 2013-14 Amended Budget</u>	<u>FY 2013-14 Actual Expenses</u>	
Financing Sources			
Tobacco Tax Revenue	\$26,213,770	\$15,450,662	58.9%
Interest Earnings	150,000	152,474	101.6%
Other Revenue	<u>5,788,900</u>	<u>591,472</u>	
Revenue Total	\$32,152,670	\$16,194,608	
Expenses			
Healthy Children	\$17,694,920	\$7,764,818	43.9%
Strong Families	2,962,272	1,024,282	34.6%
Early Learning	10,647,720	2,733,837	25.7%
Capacity Building*	<u>3,211,383</u>	<u>1,654,198</u>	51.5%
Program Services	\$34,516,295	\$13,177,136	
Admin. Functions**	<u>2,551,302</u>	<u>1,657,759</u>	
Total Operating Exp.	\$37,067,597	\$14,834,894	

*Includes Evaluation costs of \$458,484

**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 \$1,657,759 and encumbrances of \$719,670 were 6.41% of the Fiscal Year 2013-14 Amended Budget of \$37,067,597. Final administrative expenses are projected to be 7.9% at year end.

Total Encumbrances as of March 31, 2014

Healthy Children	\$11,718,896
Strong Families	\$2,169,655
Early Learning	\$5,703,908
Capacity Building	\$2,196,330
Admin. Functions	\$719,670

Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue through February 2014 as reported by First 5 California is \$17,503,940. Prop 10 revenues for July through February are .2% higher than the budget plan. As of February 28, 2014, tobacco revenue has been received through January 2014.

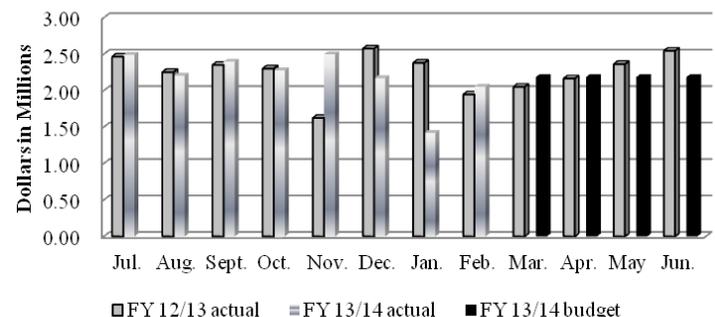
Interest earnings for July 2013 through February 2014 are \$152,474.

Catalytic Funding Update

\$4,629,302 in Catalytic Funding was expensed in FY 2012-13. Another \$5,331,238 was contracted but has not yet been recognized as expenses.

As of March 31, 2014, \$24,452,497 is encumbered for Round 1 for Round 2 programs. Over \$17 million is encumbered for Children's Dental and \$5 million for Developmental Services.

Fiscal Year 2012-13 & 2013-14 Tobacco Monthly Revenues



Forecasted Fiscal Year 2013-14 Ending Fund Balance From Commission Long Term Financial Plan

Beginning Fund Balance, July 1, 2013	\$71,964,399
Forecasted Revenue	32,152,670
Budgeted Program Expenses	(34,516,295)
Budgeted Administrative Expenses	(2,551,302)
Catalytic Projects	<u>(50,473,463)</u>
Projected June 30, 2014 Fund Balance	\$16,576,009*

*Based on Commission action through February 2014. Projected fund balance does not include Catalytic funding. For financial planning purposes, Catalytic funding has been designated by Commission action and removed from the June 30, 2014 fund balance projection above.

Children and Families Commission of Orange County
FY 13/14 Amended Budget
Administrative Budget Transfers

	FY 13/14 Amended Budget	Increases	Decreases (Savings)	FY 13/14 Amended Budget
FINANCING				
Prop 10 Tax Allocations	26,213,770	0	0	26,213,770
Other Revenues	5,938,900	0	0	5,938,900
FINANCING SUBTOTAL	32,152,670	0	0	32,152,670
PROGRAM SERVICES				
Healthy Children	17,689,920	57,000	-52,000	17,694,920
Strong Families	3,057,272		-95,000	2,962,272
Early Learning	10,587,720	60,000		10,647,720
Capacity Building	3,181,383	55,000	-25,000	3,211,383
PROGRAM SERVICES SUBTOTAL	34,516,295	172,000	-172,000	34,516,295
ADMINISTRATIVE FUNCTIONS	2,551,302	0	0	2,551,302
Total Annual Operating Budget	<u>\$37,067,597</u>	<u>\$172,000</u>	<u>-\$172,000</u>	<u>\$37,067,597</u>

FY 13/14 Budget Transfer Detail

Healthy Children transfers

Increase project funding for Fitness/Nutrition	5,000
Increase special project funding for PHS	50,000
Additional School Nursing vision screening tools	2,000
Savings from AAP office lease	-15,000
Unspent one-time clinic funding	-37,000
Healthy Children subtotal	<u>5,000</u>

Strong Families transfers

Unspent Homeless shelter carryover	-50,000
Savings from early termination - SCADP	-45,000
Strong Families subtotal	<u>-95,000</u>

Early Learning transfers

Increase Commission EDI budget for additional district participation	60,000
Early Learning subtotal	<u>60,000</u>

Capacity Building

Additional technology funding approved by Commission	50,000
Evaluation transition costs	5,000
Unspent SCALAR funding for current year	-25,000
Capacity Building increases subtotal	<u>30,000</u>

TOTAL NET ADMINISTRATIVE TRANSFERS \$0

**Children and Families Commission of Orange County
Cigarette Tax Program History**

Annual Allocation of Cigarette Tax Program Cost to Proposition 10 Trust Fund

	Total Cost of Cigarette Programs	Total Cost Allocated to Prop 10	Prop 10 % of Total Cost
1998-99	3,999	568	14.20%
1999-00	4,688	876	18.69%
2000-01	6,937	887	12.79%
2001-02	8,574	959	11.18%
2002-03	9,358	1,975	21.10%
2003-04	11,975	2,347	19.60%
2004-05	16,738	3,527	21.07%
2005-06	23,433	4,958	21.16%
2006-07	25,515	7,237	28.36%
2007-08	24,823	10,509	42.34%
2008-09	26,947	11,721	43.50%
2009-10	26,346	11,738	44.55%
2010-11	28,202	14,230	50.46%
2011-12	29,841	15,712	52.65%
2012-13	32,176	15,831	49.20%



COUNTY OF ORANGE HEALTH CARE AGENCY

PUBLIC HEALTH SERVICES FAMILY HEALTH DIVISION



Attachment 3

MARK A. REFOWITZ
DIRECTOR

RICHARD SANCHEZ, MPH
ASSISTANT DIRECTOR

DAVID M. SOULELES, MPH
DEPUTY AGENCY DIRECTOR

DONNA S. FLEMING, DrPA, MSW
CHIEF, PUBLIC HEALTH OPERATIONS

JENNIFER SARIN, MSN, RN, PHN
INTERIM DIVISION MANAGER
FAMILY HEALTH DIVISION

DAVID NÚÑEZ, MD, MPH
MEDICAL DIRECTOR

MAILING ADDRESS:
1725 W. 17TH STREET
SANTA ANA, CA 92706-2316

TELEPHONE: (714) 567-6257
FAX: (714) 834-8370

April 10, 2014

County of Orange/Children & Families Commission
Attn: Jamie Ross, Deputy Clerk of the Board
333 W. Santa Ana Blvd., #465
Santa Ana, CA 92701

In response to the Children and Families Commission Directives on Item 6 (Measles Outbreak) from the Meeting on 4/2/14 please see the following narrative prepared by HCA. Please advise if additional clarification is required.

Did the cases arise from the Personal Belief Exemptions?

One of the first cases was travel related. A number of cases still have unknown local sources so a link to a child with a Personal Belief Exemption is possible but is not known or assumed. A significant cluster of cases is known to be linked with a child who is not vaccinated due to a Personal Belief Exemption. That cluster represents eleven of the twenty-two cases to date. Some of the persons associated with that cluster had been vaccinated and some had not. The other cases with known sources do not appear to have arisen from the Personal Belief Exemption.

How many of those infected were born outside of Orange County?

This information is not readily available. We believe the majority of cases were born in the U.S. One of the first cases became ill after travel to a country where measles is endemic, but that person had received the two recommended MMR doses. Many other countries, including Mexico, have very good immunization rates. So, being foreign born is not, in and of itself, a trigger for concern.

Make an effort to reach out to foreign born adults regarding immunization.

The outreach effort has been focused on schools, day cares and health care facilities in order to encourage increased vaccination of health care workers and children who are not vaccinated. Additionally, there has been an effort to reach out to the broader community, including foreign born adults, to encourage all people to receive the MMR vaccine if they have not.

MMR vaccinations are available at the HCA Family Health Clinic on 17th Street for adults (including foreign born adults) that meet all of the following eligibility requirements:

- do not have insurance covering MMR vaccination;
- have not had an MMR vaccination previously;
- are not pregnant; AND
- do not have serious health conditions or other contraindications for getting vaccinated.

There is no charge for the vaccine; however there is a vaccine administration fee of \$18.50.



David L. Núñez, MD, MPH
Medical Director, Family Health

2014 Orange County Community Indicators Report Highlights

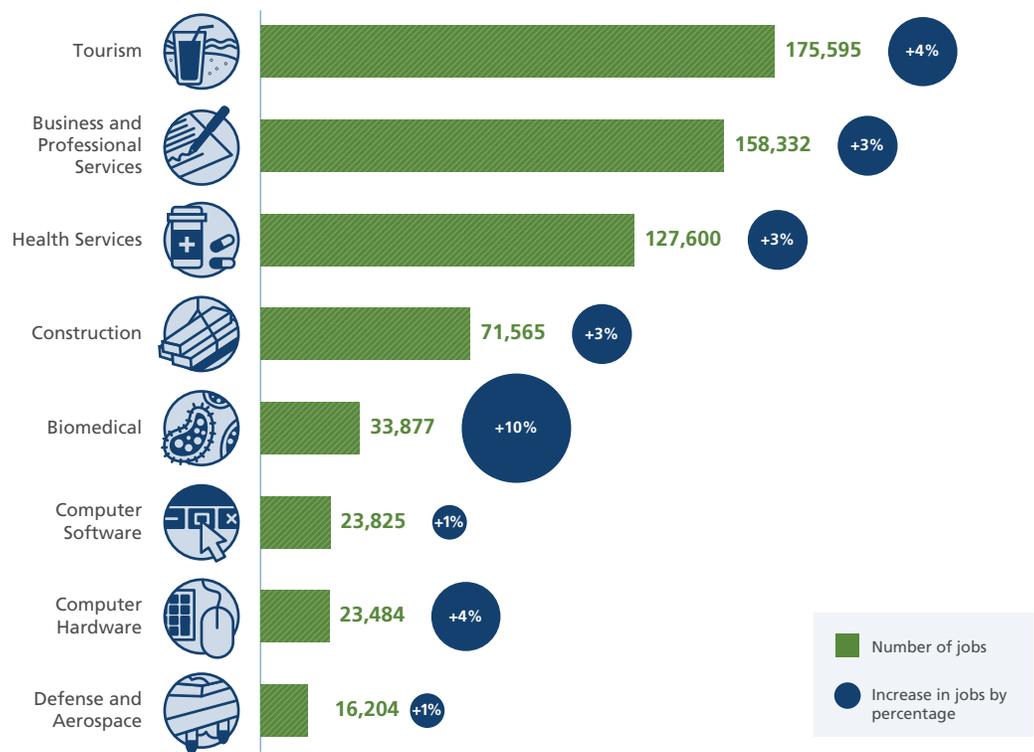
Significant gains have shown in both the job market and educational attainment, yet the region continues to see challenges in family poverty and household income. Below are key takeaways from the 2014 Orange County Community Indicators Report.

Employment is growing.

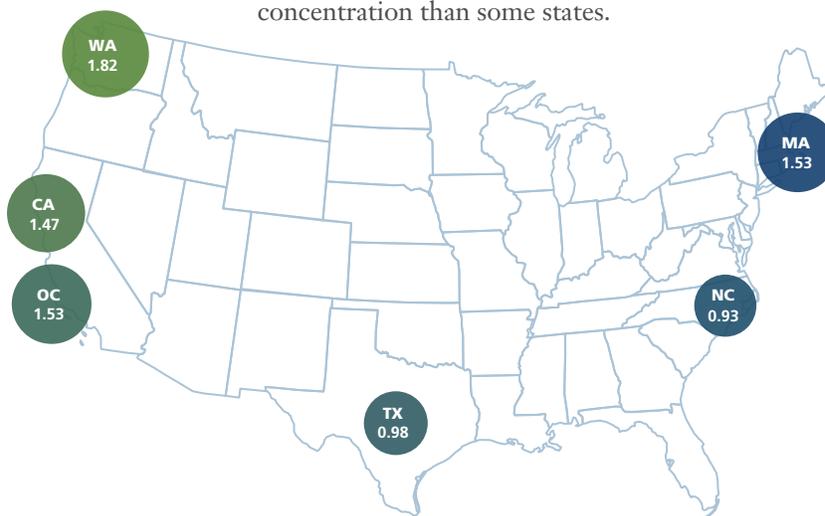
Among 10 key industries in Orange County, eight saw job growth in 2013.



Small businesses with less than five employees have recovered their employment losses since the recession.



Orange County is well-positioned to continue to grow, boasting a higher high-tech job concentration than some states.



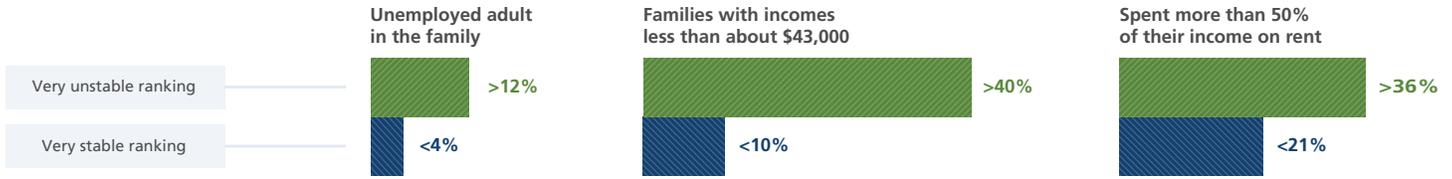
High-tech employment concentration above the national average (1.0):

- Washington **1.82**
- California **1.47**
- Orange County, CA **1.53**
- Texas **0.98**
- North Carolina **0.93**
- Massachusetts **1.53**

Despite this growth, many families and neighborhoods are struggling financially.

More than 1/3 of Orange County neighborhoods have high levels of family financial instability.

Lowest-Scoring vs Highest-Scoring Neighborhoods



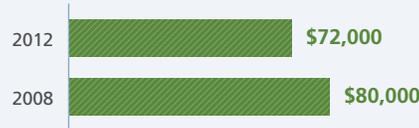
Orange County's Family Financial Stability Rankings



Home prices are up 16% in just one year.

One driving factor of this issue could be that household income has not kept up with inflation, following a nationwide trend. In fact, it has moved in the opposite direction.

Real Orange County Median Income



2013 OC and CA Median Home Price

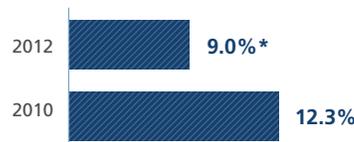


More skilled workers are on their way.



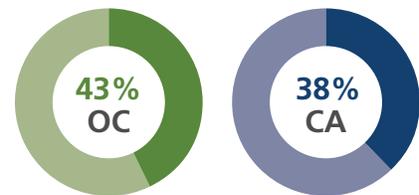
18% of all locally granted graduate and undergraduate degrees are in science, technology, engineering and mathematics.

High school dropout rates are down...



*3,819 students still dropped out.

...and more students are better positioned to increase their earning potential.



12th-graders prepared for college

What does Orange County's future hold?

Our population is aging and living with more chronic disease. At the same time, the proportion of children—who will grow up to address these challenges—is shrinking due to a 15% decline in births in the past 10 years. The wellbeing of our communities and youth is imperative for continued growth and prosperity.



Clerk of the Board of Supervisors

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Santa Ana, CA 92701
(714) 834-2206 ** FAX (714) 834-4439
Susan.Novak@ocgov.com

Susan Novak
Clerk of the Board

April 10, 2014

TO: Planning Commissioners; Members of County Boards, Commissions and Committees

FROM: Susan Novak, Clerk of the Board

SUBJECT: AB 1234 Mandatory Ethics Training

Assembly Bill No. 1234, effective January 1, 2006, mandates two hours of ethics training for local agency officials every two years. Gov't Code § 53234, et seq. On June 22, 2010, the Board of Supervisors adopted an AB 1234 ethics training policy which clarifies ethics training requirements in the County. Under the policy, the following officials are required to undergo AB 1234 ethics training:

1. All County elected officials.
2. Members of all boards, commissions & committees (BCC's) under the jurisdiction of the Board of Supervisors that are subject to the Brown Act (i.e., the BCC was created by a legislative body, such as the Board of Supervisors) *and* who either receive compensation for their service *or* are reimbursed for their expenses (i.e., receive a stipend or per diem; reimbursement for mileage, meals, or transportation; parking validation; or workshop, training or conference costs paid by the County, etc.).

Members of BCC's in this category have to comply with AB 1234, even if they do not file Statements of Economic Interests (Form 700's) and even if their BCC is solely advisory.

3. Members of all BCC's under the jurisdiction of the Board of Supervisors who are designated filers under the County's Conflict of Interest Code (i.e., file Form 700's).

A copy of the policy is attached. The policy is also available on the Clerk of the Board's Internet site (<http://ocgov.com/gov/cob/> - click on the "Disclosure" tab on the top menu then click on "Ethics Training AB 1234". The access code is "ethics").

Officials must complete their ethics training no later than one year after their first day of public office. After the initial training, the official must complete training once in each even numbered year. The training must cover both ethics laws and ethics principles. Officials who fail to complete the mandatory training will be removed from their BCC position.

Self-study materials, consisting of a handbook entitled "Government Ethics Handbook for AB 1234 Compliance," a self-assessment test and answer key, and proof of completion certificate are available at no charge on the County Counsel Intranet site, <http://tech.ocgov.com/coco/index.html>. The materials are also available on the Clerk of the Board's Internet site, <http://ocgov.com/gov/cob/>. (Click on "Disclosure", "Ethics Training AB 1234" on the top menu pane. Code is "ethics"). You will also be able to obtain these materials from the County department contact assigned to your board, commission or committee.

After reading the Government Ethics Handbook, you must take a self-graded assessment test and then fill out a certificate of completion. The original certificate of completion (not the self-assessment test) should be filed with your department contact. Your department contact person will forward appropriate Certificates of

Completion to the Clerk of the Board's Office. The certificates will be retained as public records for at least five years. We suggest that you also keep a copy of the certificate of completion for your own records.

Alternatively, in-person regional and statewide training opportunities are periodically offered by organizations such as the California State Association of Counties, the League of California Cities and the Institute for Local Government. The Fair Political Practices Commission offers free on-line training. Information about AB 1234 is also available at the websites of the California Attorney General at <http://ag.ca.gov/ethics/>, the Fair Political Practices Commission at www.fppc.ca.gov/index.php?id=477, and the Institute for Local Government at <http://www.ca-ilg.org/ethics-education-ab-1234-training>.

If you have any questions regarding these requirements, please contact your County department contact.

Attachments

ORANGE COUNTY AB 1234 ETHICS TRAINING POLICY

Every two year training requirement:

AB 1234, effective January 1, 2006, requires that specified officials complete ethics training the year in which they began service and every two years thereafter. To simplify the process and to avoid tracking numerous different expiration dates, Orange County requires that specified officials take the ethics training the year in which they were elected or appointed and every even numbered year thereafter.

County officials required to take ethics training:

1. All County Elected Officials.
2. Members of all boards, commissions & committees (BCCs) under the jurisdiction of the Board of Supervisors that are subject to the Brown Act (i.e., the BCC was created by a legislative body, such as the Board of Supervisors) and who either receive compensation for their service or are reimbursed for their expenses (i.e., receive a stipend or per diem; reimbursement for mileage, meals, or transportation; parking validation; or workshop, training or conference costs paid by the County, etc.).
3. Members of all BCCs under the jurisdiction of the Board of Supervisors who are designated filers under the County's Conflict of Interest Code.

When officials must take the ethics training:

- Prior to December 31st of the year in which they were elected or appointed.
- Prior to December 31st of every even numbered year thereafter.

Examples:

1. If a designated official is appointed to a BCC on October 16, 2009, that official would take the ethics training prior to December 31, 2009 and then again the following year prior to December 31, 2010 (to get on the even year cycle).
2. If a designated official is appointed to a BCC on June 10, 2010, that official would take the ethics training prior to December 31, 2010 and again during 2012, prior to December 31, 2012.

How officials take the ethics training:

- The Clerk of the Board, in cooperation with County Counsel offers an online ethics training that is available to all Orange County officials.
- Additionally, ethics trainings are offered by a variety of organizations, and other online sources, e.g., the Fair Political Practices Commission. An ethics training certificate of completion from any qualified provider will satisfy the ethics requirement.

Where officials file their certificate of completion:

- Designated officials listed in 1 & 3 of “County officials required to take the Ethics Training” section, file their certificates with the Clerk of the Board of Supervisors.
- Designated officials listed in 2 of “County officials required to take the Ethics Training” section, file their certificates with the County Department that supports the BCC.
- An official who is required to file their certificate of completion with various agencies (i.e., because they hold a County elected position and serve on a BCC not under the jurisdiction of the Board of Supervisors) may submit a copy of the original certificate to the County.

Failure/refusal to take the ethics training by an official serving on a BCC:

- Non-completion of this mandatory requirement by a designated official who is listed in 2 or 3 of “*County officials required to take the ethics training*” section, will result in the official’s removal from their BCC position.

Record retention:

- The Clerk of the Board of Supervisors will maintain original or copies of original certificates of completion of elected officials and officials who are designated filers under the County Conflict of Interest Code, i.e., officials who file Statements of Economic Interests (Form 700’s).
- Department contacts will maintain original certificates of completion of officials who are not designated filers under the County Conflict of Interest Code. Certificates of completion must be retained as public records for at least five years.
- Certificates of completion must be retained as public records for at least five years.