



Agenda Item 14
July 1, 2015

DATE: June 23, 2015

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 Update Report

The Children and Families Commission's total Tobacco Tax Revenue through April 2015 as reported by First 5 California is \$21,607,723. Proposition 10 revenues for July 2014 through April 2015 are slightly higher than the same period in the prior year and compared to a budgeted decrease of 4.41%. First 5 California has recently released updated five-year projections for Proposition 10 revenue. Revenue projections in the Long Term Financial Plan are comparable to the State projections with the exception of the current fiscal year for which the State has a lower revenue projection. Actual revenue for May and June will be closely monitored and recommendations for any adjustments will be made as part of the year-end report in October 2015. The financial highlights as of May 31, 2015 are included as Attachment 1.

Government Accounting Standards Board (GASB) Statement Number 68 substantially changes the accounting and financial reporting of pensions. A summary of the accounting standard and the impact to the Commission financial statements is provided in Attachment 2.

b. Strategic Communications Monthly Reports for May and June

Curt Pringle & Associates provides strategic communications services in the areas of legislative advocacy, community partnership, and public awareness. The Strategic Communications Activities Reports for May and June are included as Attachments 3 and 4.

c. Discovery Science Center Nutrition and Physical Activity Catalytic Award Update

The Discovery Science Center received \$450,000 of Commission funding from both a Capacity Building award and a Catalytic funding award to build out 2,500 square feet of exhibit space that will be dedicated to promoting health living. The funding was contingent on Discovery's ability to raise an additional \$200,000 of matching funds; Discovery has been able to raise the match from the Horowitz Family.

The additional requirement for Discovery was the provision of a minimum of \$200,000 of educational programs to pregnant women, parents and caregivers of children ages 0-5. The community programs would have the opportunity to leverage other museum space such as a teaching kitchen. The development of these programs would be structured around the technical expertise of Dr. Candice Taylor Lucas for programming targeted at pregnant women and families with infants, and Dr. Patricia Riba for programs targeted for toddlers or preschoolers

and their families. Exhibit space and associated programming will be focused on children ages 0-5 and their families. The exhibit space will integrate the key messaging about the importance of breastfeeding, good nutrition, and sleep with active living. Discovery anticipates opening the space in the fall of 2015. Commission staff will continue to monitor the progress on the development of the space and services and report back to the Commission in October 2015.

d. Pediatric Vision Program and Eye Mobile

The Commission was recognized in the UC Irvine Health-Gavin Herbert Eye Institute Spring 2015 newsletter the week. The article cited the \$3 million partnership between the Commission, UCI Health, and CHOC Children's to provide early vision screening and follow-up care to young children in preschools throughout the county. The program received an additional \$15,000 from the Lon V. Smith Foundation to provide free glasses to disadvantaged children, which will enhance the existing vision services that are supported by the Commission. The final walk through of the Pediatric Eye Mobile was done earlier this month and services are expected to begin shortly. Photos of the vision van are included as Attachment 5.

e. El Sol Academy and Share Our Selves Clinic Opening

In 2012, the Commission allocated \$500,000 of catalytic funding to develop a Federal Qualified Health Center (FQHC), known as a Wellness Center, on the campus of El Sol Science and Arts Academy, a charter school in the Santa Unified School District. El Sol has become a national model for dual immersion education and as a successful charter school in an economically disadvantaged community. The school embarked on major capital construction for the rebuilding the school campus which included the development of a community clinic and health services operated by Share Our Selves (SOS). El Sol and SOS are planning two events to mark the opening of the Wellness Center. The first event will focus on the investors and stakeholders that supported the Wellness Center development and is scheduled for September 11, 2015. Dr. Maria Minon has agreed to represent the Commission at this event. A second event will be held on September 12, 2015 for the surrounding community, and the parents and students at the El Sol campus. Commission will continue to assist in the planning of these events.

f. Capacity Building Application

The Request for Applications (RFA) from cohorts of organizations interested in participating in the 2015/16 Capacity Building Grant Program has been released. The 2015/16 Capacity Building Grant Program is designed to strengthen the ability of regional providers to work collectively on improving health and educational outcomes for children ages 0-5 in Orange County, and to improve the region's chances of attracting larger, regional grants. Organizations serving young children are eligible to submit applications that articulate how the capacity building resources might help strengthen collective impact strategies. Applications are due to the Commission on August 17, 2015. Detailed information on the Capacity Building Application is available on the Commission website.

g. Orange County Forum – Children's Mental Health

The topic for the next Orange County Forum event, scheduled for July 14, 2015 is the crisis of children's mental health. Commissioner Kim Cripe will moderate the discussion that will include panelists Darrell Steinberg, former State Senator and Director of Policy, Behavioral Health Center of Excellence at University of California, Davis; and Kay Warren, cofounder of Saddleback Church. This event is an excellent follow-up to the Commission's June Planning

meeting discussion on the same topic and is an opportunity to learn more about the challenges and the efforts underway to expand mental health services for young children in Orange County. All Commissioners are invited to attend this important discussion.

ATTACHMENTS:

1. Financial Highlights as of May 31, 2015
2. Government Accounting Standards Board Statement Number 68
3. Strategic Communications Report for May 2015
4. Strategic Communications Report for June 2015
5. Pediatric Mobile Vision Van

Financial Highlights

As of May 31, 2015

Comparison of Budget vs. Actual Fiscal Year 2014-15 Unaudited Period Ending 5/31/15

	<u>FY 2014-15 Amended Budget</u>	<u>FY 2014-15 Actual Expenses</u>	
Financing Sources			
Tobacco Tax Revenue	\$25,230,753	\$19,143,993	75.9%
Interest Earnings	150,000	193,218	128.8%
Other Revenue	<u>5,350,598</u>	<u>3,348,924</u>	62.6%
Revenue Total	\$30,731,351	\$22,686,135	
Expenses			
Healthy Children	\$15,391,725	\$6,203,332	40.3%
Strong Families	2,397,872	1,599,777	66.7%
Early Learning	9,928,928	4,181,768	42.1%
Capacity Building*	<u>2,717,024</u>	<u>1,648,100</u>	60.7%
Program Services	\$30,435,549	\$13,632,977	
Admin. Functions**	<u>2,536,182</u>	<u>1,863,485</u>	
Total Operating Exp.	\$32,971,731	\$15,496,462	

*Includes Evaluation costs of \$549,370

**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 \$1,863,485 and encumbrances of \$362,997 were 6.75% of the Fiscal Year 2014-15 Amended Budget of \$32,971,731. Final administrative expenses are projected to be 8.9% at year end.

Total Encumbrances as of May 31, 2015 including multi-year contracts through FY 2016-17

Healthy Children	\$31,537,798
Strong Families	\$1,266,546
Early Learning	\$15,871,205
Capacity Building	\$2,261,370
Admin. Functions	\$362,997

Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue through April 2015 as reported by First 5 California is \$21,607,723. Prop 10 revenues for July through April are .15% above the same period in the prior year. Revenue has been received through March 2015.

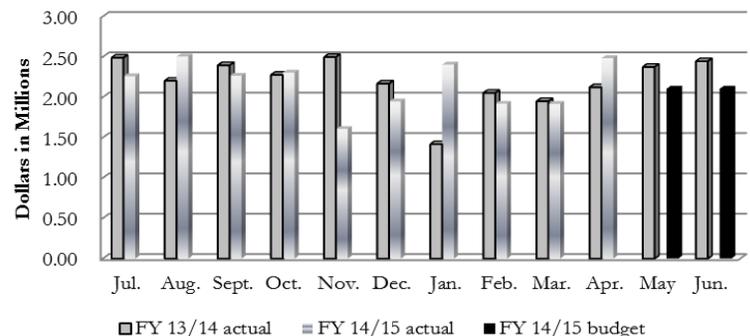
Interest earnings for July 2014 through May 2015 are \$193,218.

Catalytic Funding Update

\$9,953,816 in Catalytic Funding was expensed in FY 2012-13 and FY 2013-14. Expenses booked in the current year total \$2,922,370 as of May 31, 2015. Another \$6,250,000 was previously distributed for Catalytic Homeless Programs but has not yet been expensed.

As of May 31, 2015, \$21,186,849 was encumbered for Round 1 and Round 2 programs. Over \$15 million is encumbered for Children's Dental and \$4 million for Developmental Services.

Fiscal Year 2013-14 & 2014-15 Tobacco Monthly Revenues



Forecasted Fiscal Year 2014-15 Ending Fund Balance

From Commission Long Term Financial Plan

Beginning Fund Balance, July 1, 2014	\$61,718,344
Forecasted Revenue	30,731,351
Budgeted Program Expenses	(30,435,549)
Budgeted Administrative Expenses	(2,536,182)
Catalytic Projects	<u>(45,348,949)</u>
Projected June 30, 2015 Fund Balance	\$14,129,015*

*Based on Commission action through December 2014. Projected fund balance does not include Catalytic funding. For financial planning purposes, Catalytic funding has been designated by Commission action and removed from available fund balance.

Children and Families Commission of Orange County

Government Accounting Standards Board Statement Number 68 Changes in Pension Accounting

The Governmental Accounting Standards Board (GASB) issued Statement Number 68 substantially changing the accounting and financial reporting of pensions. According to GASB, the new standard will improve the decision-usefulness of employer-level reported pension information and increase the transparency, consistency and comparability of pension information across governments.

What is going to change?

The new accounting Statement replaces all prior requirements and is effective for the Commission financial statements ending June 30, 2015. Past reporting standards required that the Commission's obligation be the amount contributed to the plan each year. An expense was recorded for the amount paid annually and no liability was recorded because the Commission paid the required contribution.

The Commission is now required to report its proportionate share of the total Orange County Employees Retirement System's (OCERS) Net Pension Liability (previously referred to as the unfunded liability, although calculated differently) even though the Commission will not be required to pay-off this liability any earlier than previously required. The method of calculating the annual pension expense has also changed. The amount of pension expense to be recognized and reported annually is expected to be volatile year to year.

It is important to note the Statement focuses on how pension costs and obligations are measured and reported in financial statements. The actual amount the Commission is required to contribute for employee pensions will not change. Contribution rates will continue to be determined by the OCERS Board of Retirement according to OCERS Funding Policy, as governed by the California Government Code. The new accounting Statements how a pension is funded and how the plan is accounted for and information is reported separately with distinct reporting requirements.

What does this mean to the Commission?

The pension liability is not new, but the June 30, 2015 financial statements will be the first time the liability is reported on the financial statements. Annual contribution rates required to be paid by the Commission will not change as a result of the new accounting standard. Also, this will not change how staff budget for retirement contributions. Increased transparency and detailed information will be provided through the posting of the liability and expenses along with the additional disclosures in the notes to the financial statements.



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

From: Todd Priest, Vice President
Curt Pringle & Associates

Date: May 15, 2015

Subject: May 2015 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 May 2015.

Legislative Advocacy

Board of Equalization

- Administrative Fees were discussed at Assembly Budget Sub-Committee 4 on May 6th. Spoke with Assembly Members Travis Allen, Melinda Melendez and Scott Wilk. Discussed support for capping the fees charged to Prop 10 Commissions. Item was been held over.

Legislative/Budget Update

- CP&A continued to monitor legislation that might impact the Commission or its grantees.
 - SB 277 (Pan) - elimination of “personal belief” exemption from school/day care entry requirements passed off the Senate Floor and is no now pending in the Assembly
 - SB 792 (Mendoza) requiring day care worker to be immunized passed the Senate Health Committee and is pending in Appropriations.
- Coordinated Essentials Press Conference and Donation Drive in the State Capitol.

Briefings

- Coordinated and participated in a briefing with Orange Interim City Manager Rick Otto and Economic Development Manager Lisa Kim.

Community Partnership

- Attended MOM’s reception and luncheon.

Public Awareness

8th Annual Essentials for Young Lives Donation Drive – 2015

- Distributed Public Service Announcements (PSA) from Time Warner Cable and Cox Cable
- Prepared and distributed Press Release and Informational Packets for State Capitol drive
- Prepared and distributed Press Release for Builder Kick-Off event at held at the Los Angeles Times building in Costa Mesa. Over 1.5 million item collected!
- Pick-up donation items from various Orange County locations
- Coordinated State Capitol activities with Sacramento and Yolo County First 5 Staff members, as well as staff of the California Building Industry Association
- Distributed donation bins to all Legislative Office in State Capitol
- Drafted Talking Points for speakers at the Essentials Press Conference in the State Capitol
- Coordinated pick-up of items donated in the State Capitol
- Planned media event for delivery of Essentials items in Orange County



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

From: Todd Priest, Vice President
Curt Pringle & Associates

Date: June 18, 2015

Subject: June 2015 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 June 2015.

Legislative Advocacy

Board of Equalization

- Consulted with and provided recommendations to the Commission's Executive Director regarding the BOE Administrative Fees. Curt Pringle will attend the July 1 Commission meeting to provide an update.

Legislative/Budget Update

- CP&A continued to monitor legislation that might impact the Commission or its grantees.
 - SB 151 (Hernandez) - raise the minimum age to purchase and consume tobacco products from 18 to 21. Passed Senate, pending in the Assembly.
 - SB 277 (Pan) - elimination of "personal belief" exemption from school/day care entry requirements, passed the Senate and was approved by the Assembly Health Committee.
 - SB 792 (Mendoza) – requiring day care workers to be immunized has passed out of the Senate and is now pending in the Assembly Health Committee.
- State Budget - Governor Brown and legislative leaders have reached an agreement on a \$115.4 billion spending plan for 2015/2016. The Budget includes \$265 million to fund an additional 7,000 full-day preschool and 6,800 child care slots as well as \$40 million to provide Medi-Cal services to undocumented children, including children 0 - 5 years of age.
- Governor Brown called for a special legislative session to address the future of the state's Medi-Cal program.

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Briefings

- Coordinated and participated in a briefing with the Laguna Beach USD Superintendent Sherine Smith and the district's early childhood staff.

Public Awareness

8th Annual Essentials for Young Lives Donation Drive – 2015

- Delivery Day Event – Coordinated event logistics and speakers
- Coordinated Kimberly Clark and UPS involvement in event
- Invited all campaign partners and stakeholders to event
- Drafted all talking points for speakers at event
- Drafted and sent media alert and press kits the event
- Conducted targeted outreach to media for event
- Drafted and distributed the end of campaign press release and photos

Pediatric Mobile Vision Van

