



Agenda Item No. 3
April 2, 2014 Meeting

DATE: March 21, 2014

TO: Children and Families Commission of Orange County

FROM: Christina Altmayer, Executive Director 

SUBJECT: Update on Commission Catalytic Matching Fund Program

SUMMARY:

Recognizing the declining Proposition 10 revenue, the Commission's Round 2 catalytic funding portfolio includes an allocation of \$3,000,000 specifically focused on attracting and leverage federal, state, and local funding. Commission action specified that the catalytic funding is available to provide technical assistance as well as a potential match for federal and state funds. The Commission's Long-Term Financial Plan relies on the aggressive leveraging of the Commission's investment to sustain and expand services. As Proposition 10 revenues continue to decline, achieving the Commission's vision requires the Commission to be increasingly innovative and creative in working with community partners and other funders to develop sustainable revenue sources. This agenda item provides updates on the leveraging strategies and implementation recommendations and requests authorizations to proceed with two funding leveraging strategies.

DISCUSSION:

Over the last six months, Commission staff has been realigning resources and community partnerships to be more reflective of the work required to achieve an ambitious sustainability plan. Specifically the Commission has:

- *Dedicated resources to actively pursue funding opportunities* - The Commission's grant development consultant, The Olin Group, has been re-focusing their efforts to identify and develop written responses to federal and foundation funding opportunities that will directly support Commission initiatives. Consistent with prior reports to the Commission, this effort has focused on collaborative funding initiatives that are better positioned to compete for federal and national funding opportunities rather than individual agency programs.
- *Worked with local funding partners to develop local resources* – Over the past six months, the Commission has worked to strengthen relationships with local funders and identify common areas of focus and support. As further outlined below, staff has pursued collaborative regional funding opportunities in developing support for the Early Literacy Initiative and potential future investments in the Anaheim community.

The following are updates on four opportunities and a request for further Commission action in two areas of this work that have the potential to cultivate additional revenue for Commission priorities.

Orange County Early Literacy Partnership

The Orange County United Way (OCUW) approved a \$100,000 grant in February to support the start up of the Orange County Early Literacy Partnership. The initiative aligns with OCUW's 10-year goal to cut the high school dropout rate in half, and ensuring children are grade-level ready by third grade. The United Way is also launching a new public awareness campaign "Read Aloud 15 Minutes: Every child. Every parent. Every day." which complements the Commission's early literacy programs that are managed by THINK Together. The Commission is providing the staff support for the Early Literacy Partnership that includes representatives from the OCUW, Orange County Department of Education, Head Start, THINK Together, CalOptima and community philanthropists committed to raising funds and awareness to support expansion and sustainability of early literacy programs. The next Partnership meeting is scheduled for April and will focus on building the membership to include partners along the age continuum to meet the goal that all children are reading at grade level by third grade. The partnership with OCUW has the potential to attract corporate foundation and other private support and build on the infrastructure developed by the Commission.

Pay for Success

The James Irvine Foundation and the Nonprofit Finance Center launched a new initiative to implement the *Pay for Success* model in California. *Pay for Success* is an approach for assisting local partnerships to work in new ways to fund social services designed to improve outcomes, and ultimately reduce the costs for addressing these issues. The *Pay for Success*, as the name implies, is focused on restructuring funding to pay for the achievement of specified outcomes. If selected, the project would provide flexible funding and expert support to assist in structuring local agreements to better concentrate resources around proven approaches for creating positive change.

Commission staff worked with The Olin Group to submit a project proposal to transition the successful Bridges Maternal Child Health Network from its current grant funded platform to a payment system based on achievement of specific outcomes. The Commission partnered with CalOptima, the County Health Care Agency, and the Hospital Association of Southern California as well as other members of the Bridges Maternal Child Health Network to develop the proposal. CalOptima is a critical partner in the proposal as over 95 percent of the network participants are CalOptima clients and the savings achieved by the Bridges Network provides savings to the CalOptima system.

The Commission's application was selected among 14 others for follow up telephone interviews, with final funding decisions anticipated in early April. The specific funding structure would be developed as part of the grant. The intent is to utilize the Commission's outcome data, which exhibits significant savings to the healthcare system by reducing

unnecessary emergency room visits, ensuring mothers and children leave the hospital with insurance coverage, and successfully linking high risk families to responsive services, to focus local funding agreements on the achievement of improved outcomes and additional cost savings.

Social Innovation Fund

The Social Innovation Fund is a program of the Corporation for National and Community Service and is awarding three year grants ranging from \$1 million to \$10 million to support high-performing community-based nonprofit and philanthropic organizations that address challenges facing local low income and philanthropically underserved communities. The grant opportunity is structured so that grant making institutions receive the funding, and are required to match each dollar. The total funds are then redistributed to community based non-profit organizations through a competitive process with requirement to again match their grant dollar for dollar.

The Social Innovation Fund provides the Commission with an opportunity to leverage the Commission's investment with both federal grant dollars as well as local funding partners. Commission staff has engaged The Olin Group to submit an *Intent to Apply* and evaluate the application requirements. In addition, The Olin Group has facilitated collaborative discussions with the Commission, Orange County United Way and the Orange County Community Foundation to develop a proposal focused on the Anaheim community. Both foundations are willing to commit match, collaboratively submitting an application and developing the local infrastructure to administer the fund if awarded. The focus on the grant proposal would be on the Anaheim community and each of the partners has a complementary area of focus. This grant opportunity targets three focus areas:

1. *Youth Development* - Preparing America's youth for success in school, active citizenship, productive work, and healthy and safe lives;
2. *Economic Opportunity* - Increasing economic opportunities for economically disadvantaged individuals; and/or
3. *Healthy Futures* - Promoting healthy lifestyles and reducing the risk factors that can lead to illness.

The Commission focus would be on the third area, specifically looking at opportunities to improve healthy births and healthy development prior to school entry. Staff recommends allocating a maximum \$1,000,000 of unallocated Round 2 catalytic dollars for match funding (see Attachment 1 for a summary of available catalytic funding). The Commission would retain complete discretion and authority on how Commission funds would be awarded in the community. While the federal funding requires a competitive process, the Commission would retain complete decision-making on the process and award of funds. Staff will continue to work with the Community Foundation and United Way to ensure the match requirements are met and the application is submitted by the April 22, 2014 deadline. This federal grant provides a unique opportunity to leverage Commission funding and is consistent with the objectives of the catalytic funding.

Anaheim Collaborative Capacity Building

The Commission continues to explore opportunities to address early childhood needs in Anaheim. Commission efforts have focused on cultivating and enhancing partnerships with Commission funded organizations that serve Anaheim and local funders that have expressed an interest in supporting additional work in that community. These meetings have included a collaborative group in Anaheim including representatives from Anaheim City School District, Anaheim Union High School District, Anaheim YMCA, Western Youth Services, and other community partners.

The collaborative, known as the Village, has been meeting for the last three years with the mission to *ensure that children of all ages and families of Anaheim make quality life choices to support their well being through physical, intellectual, and mental health*. The Village group has been successful in documenting improved outcomes for children and their families, and streamlining referrals between agencies and is invested in the growth of the collaboration. To achieve a sustained impact, there is a need to formalize the collaborative structure, business practices, and further design an evaluation system to identify and track targeted outcomes. A key step in this process is to expand the collaborative partners to include surrounding school districts, county agencies, and local nonprofit agencies.

In addition to identifying the work of service partners, Commission staff has also met with the Orange County Community Foundation, who will serve as the managing partner of the Accelerating Change Together (ACT) initiative, which is funded through a \$3 million (three-year) donation from Angels Baseball, The Anaheim Ducks, and Disneyland to support programs that will address the needs of youth in Anaheim. The Orange County Community Foundation has expressed an interest in supporting the expansion of the Village partnership, strengthening their ability to document their impact for Anaheim families, and developing a strategic plan for future growth and development. The Community Foundation has committed to providing match funds to support the collaboration.

Commission staff requests approval to allocate a maximum of \$25,000 to the Anaheim City School District who will serve as fiscal intermediary for the Village Collaborative project. Funding will be used to provide capacity building support to strengthen the Village Collaborative in Anaheim and will be matched by funding from the Orange County Community Foundation. The Round 2 catalytic funding would be used for this request as well. The funds would be used to:

- Strengthen and document the collaborative to better position it for local, state and federal funding
- Outreach to other agencies to be part of the collaborative, including those focused on early intervention and prevention
- Evaluate and prioritize needs for children in the Anaheim community.

STRATEGIC PLAN & FISCAL SUMMARY:

This item has been reviewed in relation to the Strategic Plan, and is consistent with all outcome goals. Funding for Catalytic Matching Fund programs is included in the Commission's Round 2 Catalytic Budget under Partnership for Children's Health.

PRIOR COMMISSION ACTIONS

- December 2013- Updated on Sustainability Strategies
- March 2012- Round 2 Catalytic Funding Allocation Approved

RECOMMENDED ACTIONS:

1. Receive Report
2. Approve set aside allocation of \$1,000,000 from the Round 2 Catalytic Matching Fund to be used as match for the Social Innovation Fund.
3. Approve allocation of \$25,000 to provide capacity building funds for the Village Collaborative in Anaheim, and authorize the Executive Director or designee and Commission Counsel to negotiate and enter into an agreement with Anaheim City School District acting as fiscal intermediary for the Village Collaborative of Anaheim for an amount not to exceed \$25,000 for a term of 12 months.

ATTACHMENTS:

1. Catalytic Funding Summary

Contact: Kim Goll

Catalytic Funding Summary

Attachment 1

	Catalytic Funding	Allocated	Executed Agreement	Remaining Balance
Round 1	Children’s Dental	\$20,000,000	\$20,000,000	\$0
	Early Developmental Services/Autism	\$7,000,000	\$7,000,000	\$0
	Year Round Emergency Shelter	\$6,250,000	\$6,250,000	\$0
	Early Learning and Math	\$5,000,000	\$5,000,000	\$0
	Healthy Child Development / Pretend City ¹	\$5,500,000	\$500,000	\$5,000,000
	VISTA/AmeriCorps	\$500,000	0	\$500,000
Round 2	Capacity Building Grant Program	\$3,500,000	\$3,500,000	\$0
	Partnership for Children’s Health ²	\$3,000,00	\$175,000	\$2,825,000*
	Prevention Services	\$500,000	\$500,000	\$0
	Nutrition and Fitness	\$500,000	\$15,000	\$485,000
	Vision	\$1,500,000	\$1,500,000 (pending execution)	\$0
	Unallocated Catalytic Funding	\$1,000,000	\$0	\$1,000,000

Notes:

1. The Healthy Child Development/Pretend City agreement is pending final site selection by Pretend City and securing sufficient matching funds. The initial allocation was approved by the Commission in February 2013 to support the hiring of a capital campaign manager and initial site development.
2. The proposed action will set aside a maximum of \$1 million of the total \$3 million in funding for the Commission’s contribution for a local match to pursue the federal Social Innovation Fund grant. If awarded, staff will return with specific recommendations for a specific funding award process, consistent with federal requirements.