



**Anne Olin**  
**President & CEO**  
**The Olin Group**



Anne Olin founded The Olin Group in 2002 to strengthen nonprofit businesses in Southern California. Since that time, she and her growing team have raised more than \$25 million in private, corporate, and public grants for their clients and provided capacity building support to nonprofit organizations through evaluation, planning and facilitation, organizational assessment, program design and grant strategy, marketing and branding, and philanthropic services.

In her role as President & CEO, Anne works to strengthen collaborations between the public, private, and philanthropic sectors, to secure institutional funding for community-based organizations, foster and incubate regional initiatives, and support the planning needs of nonprofit leadership. Her vision is a sustainable nonprofit sector that helps communities actually solve problems, not just manage them.

In addition to serving nonprofits, foundations and public agencies through The Olin Group, Anne also serves in a leadership capacity on behalf of The Nicholas Endowment, the Orange County Funders Roundtable, and the Orange County Shared Spaces Foundation, the latter which established the first multi-tenant nonprofit center in Orange County, The Village at 17<sup>th</sup> Street, which is managed by The Olin Group. She also founded and serves as the Board Chair and pro bono Executive Director for Charitable Ventures of Orange County, a nonprofit fiscal sponsor that incubates regional initiatives.

Anne holds a Bachelor of Arts degree in Political Science from UC Irvine and a Master of Arts degree in American History with an emphasis in immigration policy from Claremont Graduate University and is a member of Phi Beta Kappa and Pi Sigma Alpha national societies.

Anne lives in Irvine with her husband and son, her favorite nonprofit projects.

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## STRATEGIES AND REVENUE SOURCES

As Proposition 10 revenues decline, the Commission is increasingly focused on seeking other funding sources and partners to target programs that measurably contribute to children's healthy development and school readiness. In November 2013, the Commission reviewed its Long-Term Financial Plan and approved a three-year funding strategy that, while reducing funding levels for the next three-years, provides a plan for sustainable program funding despite anticipated annual revenue declines of three to four percent.

The Long-Term Financial Plan includes a forecast of funding capacity to sustain programmatic funding, and catalytic investments for key Commission priorities that will reduce or eliminate future ongoing support for several major programs. The Plan assumes a "step-down" approach to funding, in order to gradually bring the total budget in line with the forecasted revenue – a task which will be accomplished within the first three years of implementation, FY 2014/15 to 2016/17.

In tandem with the Long-Term Financial Plan implementation, staff is currently reviewing each of the Commission's initiatives through the lens of sustainability, seeking to identify promising opportunities for outside funding which can be pursued over the next three years. Any specific funding proposals or strategic funding actions will be brought to the Commission for discussion and action as appropriate.

## ALIGNING WITH COMMISSION STRATEGIC INTENTS

Achieving the Commission's mission with decreasing tobacco tax revenues will require increasingly innovative and creative work with community partners, better leveraging of regional, state and national funders, as well as bringing additional state and federal dollars to Orange County. While not new, this focus on sustainability has a relatively larger emphasis as the Commission looks to the future. As such, the funding assessment aligns with the priorities and strategies articulated by the Commission in its Strategic Intents, recently approved as part of the Commission's Business Plan.

For example, Strategic Intent #1 is *Focus on Organizational Effectiveness* and has a specific objective, "By July 2018, move 10% of the annual budget to sustainable revenue." Strategic Intent #2 is *Focus on Achieving Outcomes* with an objective, "By July 1, 2018, implement a pay for performance funding model for at least one of the Commission's Initiatives. And Strategic Intent #3, *Focus on Strategic Partnerships & Synergistic Collaborations*, includes the objective, "By July 2015, develop a mechanism to centrally track and document the value of strategic partnerships in terms of matching funds, leveraged funds, shared data, and program results."

With these strategic intents and objectives in mind, Commission staff has begun the work of reviewing programs and identifying all potential sources of additional revenue. With this effort, staff

will prioritize the most likely funding opportunities and develop specific actions to best position the Commission to secure additional funding.

## **STRATEGIC FUNDING ASSESSMENT**

The table on the following page illustrates the beginning of this assessment, showing examples of major Commission initiatives. For each program, potential revenue sources are listed along with the broad funding category and the strategy to realize those funds. If the program is already drawing down funds in one of the funding categories, that is noted along with the potential to pursue additional revenue sources.

The analysis highlights:

- Securing funds beyond Proposition 10 dollars requires a nuanced set of strategies. It is not a “one-size-fits-all” approach, but rather requires distinct program and strategy-specific tactics.
- Realizing program revenue may require changes in local, state and/or national funding policies, particularly related to health benefits coverage for young children.
- Local and regional partnerships are a critical factor for success and the Commission’s track record in working with other local foundations is already yielding some success.

The table illustrates the range of strategies and potential revenue sources. Each has its own criterion for realization, ranging from administrative revenue programs which are entitled to the submitting entity as long as certain conditions are met, to grants (both competitive and discretionary, and including individuals, nonprofits, and government organizations), to earned fees for services provided. In some cases, Proposition 10 funding may be a required revenue source for the continuation or expansion of a program.

Examples of targeted strategies are summarized below.

### *Maintain Eligible Expenditures/Support County Infrastructure*

Several Commission-funded programs (such as the Bridges Maternal Child Health Network providers and the Boys and Girls Club of Garden Grove’s ARCHES program) are currently drawing revenues from federal reimbursement programs like Medi-Cal Administrative Activities (MAA) and Targeted Case Management (TCM). In order to receive funds, these programs must maintain their eligible expenditures (Commission dollars). The Commission leverages approximately \$180,000 annually in MAA funding.

### *Policy/Demonstrated Return on Investment*

Another strategy is to ensure that health and preventative services are provided to young children, and that Medi-Cal, Denti-Cal and private insurance plans include coverage for these services in their approved benefits packages. To have the services approved, the return on investment for the services would need to be demonstrated and First 5 Commissions throughout the State are actively

engage in similar policy discussions toward that end. Additionally, Orange County school districts have several sources of discretionary funding, such as the Local Control Funding Formula and Title 1 revenue. With the changes implemented through Proposition 30, school districts will have local discretion about where and how to use these revenues, including supporting early childhood staff and programs. School district administrations have varying levels of awareness and support for early childhood programs, providing the Commission an opportunity to demonstrate the benefit of investing in early childhood programs – both for child outcomes and financial return.

#### *Build Capacity/Develop Strategic Partnerships*

This strategy builds upon the Commission’s investments by seeking other funders with similarly-aligned missions and leveraging collective resources to better meet the challenges of promoting children’s healthy development. Recent examples include work with the Thompson Family Foundation on autism and Orange County United Way on early literacy. Potential revenues sources range from discretionary grants from private individuals or foundations, to government grants which may be competitive, to local partnerships strategically formed for the purpose of developing, funding, and implementing critical services (for example, the OC STEM Initiative).

#### *Fee for Services*

Certain programs are able to charge a fee for the service provided. This strategy would continue to explore the potential for earned fees.

## **FUNDING PROGRAM DEFINITIONS & DESCRIPTIONS**

Commission staff has conducted an initial scan of potential sustainability funding opportunities which are reflected in the strategic funding table. Below is a brief description of each of these funding sources.

**Medi-Cal Administrative Activities (MAA)** – Local governmental agencies (i.e. the County of Orange) participating in the program are eligible to receive federal reimbursement for the cost of performing administrative activities that directly support efforts to identify and enroll potential eligible individuals into Medi-Cal.

**Targeted Case Management (TCM)** – A reimbursement made to participating counties for the federal share of costs (typically 50%) for case management services provided to Medi-Cal beneficiaries in specific target populations. Participating counties use their certified public expenditures (CPEs) to draw down federal funds. Commission funding is a certified public expenditure.

**Child Welfare, Title IV-E/Waiver** – Part of the Social Security Act which provides payments for foster children placed in out-of-home care. Title IV-E waivers allow states to use funding to support

innovative practices to create a more responsive and comprehensive array of services and supports to keep children safely in their home.

**Medi-Cal** – California's Medicaid (Title XIX) program. This is a public health insurance program which provides needed health care services for low-income individuals including families with children, foster care, and pregnant women. Medi-Cal covers a core set of services, including doctor visits, hospital care, and pregnancy-related services, either a fee-for-service or managed care delivery system. In Orange County, Medi-Cal is administered through a managed health plan called CalOptima. The Affordable Care Act ensures all Medi-Cal health plans offer a comprehensive package of services, known as essential health benefits.

**Denti-Cal** – Medi-Cal essential health benefits for pediatric services including oral health care. The Medi-Cal dental program is known as Denti-Cal. In Denti-Cal, a child can go to any dentist who accepts Denti-Cal. Challenges exist with Denti-Cal related to the availability of dentists who will see young children as well as the covered services.

**Vision Services Program (VSP)** – Vision care is also an essential health benefit for Medi-Cal and includes eye exams, corrective glasses, and related support.

**Private Insurance** – the Affordable Care Act ensures that private insurance plans offer a comprehensive package of services, known as essential health benefits and that child with pre-existing health conditions are not excluded from coverage. Challenges exist when certain prevention and early intervention services, such as services for autism, may not be fully included in the benefit package.

**Local Control Funding Formula (LCFF), Title I, and Title III** – This references school district discretionary funds. LCFF funds are allocated to each school district in California to return school districts to their 2007-08 funding levels. Title I is the federal program that provides funding to local school districts to improve the academic achievement of disadvantaged students. Title III funds ensure that limited-English-proficient (LEP) students (called English learners under California laws), including immigrant children and youths, attain English proficiency.

**Local & Regional Funders** – Private grant makers which may include individual philanthropists or nonprofit foundations such as Pacific Life Foundation, Orange County Community Foundation, and Orange County United Way.

**State & National Foundations** – Similar to local and regional funders, but operating on a national level, these foundations are focused on early childhood health and development such as Lucile Packard Foundation, Annie E. Casey Foundation, California Endowment, and James Irvine Foundation, among others.

**Federal & State Grants** – Federal and state agencies set aside funds for grants that may be discretionary, like the Social Innovation Fund which is designed to foster private and public collaborations that identify, evaluate, and expand promising nonprofit programs; or competitive, such as the Child Signature Program for which the Commission and partners submitted a competitive grant application to First 5 California and were awarded funding.

**Corporate & Private Philanthropy** – This includes strategic partnerships which the Commission has worked directly with a funder to develop; bringing together funders with similarly-aligned missions to leverage resources. An example of a strategic partnership is when the Commission joined forces with the William and Nancy Thompson Family Foundation to fund and create the Center for Autism and Neurodevelopmental Disorders. Another example is the Commission’s current work to bring together policymakers, thought leaders, funders and providers around the vision, “All children reading at grade level by third-grade.” This strategic partnership which includes Orange County United Way, Orange County Department of Education, CalOptima, and THINK Together is developing objectives and tactics to jointly advance this vision.

**Sliding Scale Fees, Program Revenue** – Earned fees for services provided. Several Commission-funded programs have begun implementing fees (e.g. Learning Links, Behavior Pathways). While some fees are minimal, others may cover the cost of services or be used to offset service costs for children and families unable to pay a fee.

## STRATEGIC FUNDING ASSESSMENT

Sustainability Strategy		Maintain Eligible Expenditures, Support County Infrastructure			Policy/Demonstrated Return on Investments				Capacity Building, Strategic Partnerships			Earned Revenue			
Revenue Source		Administrative Revenue			Entitlement or Private Benefits				School District Discret. Funding	Grants (competitive and discretionary)		Strategic Partnerships	Sliding Scale Fees, Program Revenue		
Examples of commission Initiatives		Commission Budget FY 2014/15	MAA	TCM	Child Welfare, Title IV-E/Waiver	Medi-Cal	Denti-Cal	Vision Services Program	Private Insurance	LCFF, Title I, Title III	Local & Regional Funders	State and National Foundations	Federal & State Grants	Corporate & Private Philanthropy	
Bridges – Prenatal & Hospital-based Programs	\$2,525,000														
Bridges – Home Visitation	\$2,773,000														
Children’s Dental (catalytic)	\$2,027,968														
Neurodevelopmental Programs (catalytic)	\$4,175,000														
Obesity Prevention (Dr. Riba’s Health Club)	\$150,000														
Children’s Vision (\$1.5 million for 3 years)	\$500,000														
Developmental Screenings (Family Support Network; Early Childhood Systems of Care)	\$380,000														
School Readiness Nursing	\$2,925,000														
Early Learning Specialists, School District Programs	\$3,924,400														
Early Literacy Programs	\$250,000														
Homeless Prevention	\$1,590,000														
Child Abuse Prevention	\$50,000														
AmeriCorps/VISTA	\$1,096,930														

Maximizing Current Revenue     
 Not a Current Funding Source/Potential     
 Currently Some Funding/Potential

Note: Staff analysis of funding opportunities based on eligibility criteria and Commission investments for July 1, 2015 through June 30, 2017.

## **Sustainability Strategies**

Presentation slides will be available at June 4, 2014 Commission meeting.

**Agenda Item No. 8  
December 4, 2013 Meeting****DATE:** November 26, 2013**TO:** Children and Families Commission of Orange County**FROM:** Christina Altmayer, Executive Director**SUBJECT:** Update on Funding Renewal Process and Sustainability Strategies**SUMMARY:**

In November, the Commission reviewed the updated Long Term Financial Plan (LTFP). The LTFP, which is reviewed annually to incorporate the prior year-end financials as well as updated revenue projections, continues to anticipate annual decreases in tobacco tax collections. Since 2000, the Commission has had an overall reduction of 25% in revenue, and tobacco revenue is projected to continue to decline at a rate of 3% to 4% annually. Given this decline, the Commission will need to make significant reductions in tobacco tax funding through the funding renewal process. Current program grants are set to expire June 30, 2014 and the funding renewal panels will need to implement a 25% reduction in total funding over three year funding renewal period. Commission staff has notified our grantees and Commissioner-led funding panels will begin meeting before and after the December meeting to initiate the renewal process.

In parallel with the reduction in Proposition 10 funding, Commission staff is working on multiple strategies to sustain the programs and infrastructure for young children developed over the past 15 years. The 15 year report identified program sustainability as both a major challenge and priority for the future. This report provides a summary of the sustainability planning work that is underway, progress that has been made over the past year, and anticipated milestones for the next year to ensure that the programs and services and priority on young children is sustained in Orange County.

**DISCUSSION:****Strategies to Increase Sustainability**

Since inception, the Commission has recognized that Prop 10 is a declining revenue source and has utilized the LTFP to plan for this reduction, while aggressively pursuing other available revenue. Since 2000, our active pursuit of eligible federal reimbursement sources, such as Medi-Cal Administrative (MAA), Targeted Case Management (TCM), and Early Periodic Screening Diagnostic and Treatment (EPSDT) has resulted in over \$43 million in reimbursements to sustain health outreach and services. Over the past year, the Commission has led several efforts to secure national and federal funding. Some efforts, such as the partnership with UCI for the federal grant for community health research and funding from First 5 CA for improving the quality of early childhood programs have been successful, while others, such as the recent application to the Kellogg Foundation have not. We are continuing to develop the capacity, partnerships, and recognition to more successfully pursue opportunities.

As part of the Round 2 Catalytic funding, the Commission allocated \$3 million to attract and leverage federal, state, and local funding. Funding is available to provide technical assistance as well as potentially serve as a match to federal and state funds. Over the past year, the Commission has worked with national consultants to research models and develop recommendations on how this funding could be best leveraged. The following have been identified as critical success factors:

- Commission can be effective as providing “backbone” to support to a collaboration of agencies - Funding opportunities should reflect a collaboration of providers working together for an integrated approach to improve child outcomes. The Commission can fulfill an important role in convening and providing planning assistance to better position these agencies to seek this funding.
- Funding will most likely be available for new, expanded, and enhanced services - Funding is not likely to “replace” local funding, but can be leveraged for expansion and quality improvement. Programs must demonstrate strength of their model and potential for expansion.
- Program proposals should be supported by rigorous evaluation models supported by local data.
- Focus should not just address individual program needs, but the systems that support healthy children, school readiness and strong families.

As part of implementing this strategy, we are realigning our resources to be more reflective of this broader system focus, including the following actions:

1. *Dedicating resources to actively pursue funding opportunities* – For the last ten years, the Commission has contracted with The Olin Group to provide technical assistance and fund development for specific grantees as part of our capacity building effort. This has included assisting grantees with developing case statement, identifying potential funders, and grant-writing support. This has been an essential resource, particularly for new agencies and agencies experiencing significant growth. Going forward, we will gradually re-focus this technical assistance to be more aligned with national and federal funding models. This will include working with local collaboratives and “networks” of service providers to develop case statements and evaluation results. Efforts will focus on the following priority areas:
  - Autism and early identification of developmental delays
  - Family strengthening (child abuse/maltreatment prevention)
  - Obesity prevention
  - Strengthening connections between families and schools (particular focus is Anaheim)
  - Vision
2. *Working with local funding partners to develop local resources* – Over the past year, the Commission has worked to strengthen relationships with local funders and to identify common areas of focus and support. This has been our approach in developing the Early Literacy Fund and our work in Anaheim. This effort includes examining other regional models such as the LA n Sync. This model represents a group of Los Angeles County based funders that have agreed to provide technical assistance and match funds for agencies on a broad range of community outcomes. We are exploring with other local funders whether a comparable model is feasible in Orange County and also exploring the creation of a fund, separate from the Commission, to serve as the fiscal agent for receiving and administering federal and

national grants. We expect to have a specific action related to potentially creating this fund at the March Commission meeting.

3. *Actively engaging in national networks to promote Orange County as a national model for improving child outcomes* - By participating in national, statewide and regional networks, Commission staff has had the opportunity to learn and understand national strategies that are outcomes-based and results oriented as well as promote recognition of the Commission's work. As reported last month, the Commission actively participated in the Children's Outcome Project, a national effort sponsored by the Nemours Foundation. Participation in national networks has also been valuable in promoting the development of community, philanthropic and governmental partnerships. Commission staff was notified of a grant opportunity to address obesity prevention for young children from The Nemours National Early Care and Education Learning Collaborative Project, funded through the Centers for Disease Control. As indicated in the Executive Officer's Report, the Commission will be pursuing this grant opportunity with other county commissions.

### **Progress and Future Actions**

The Commission faces significant challenges, particularly over the next three years, to develop a successful strategy for program sustainability. As previously discussed, our approach is multi-faceted, ranging from internal cost reductions and program efficiencies, to actively pursuing new grants, and diligently protecting Prop 10 revenue from state redirection and unwarranted administrative fees.

In 2008, as part of its Strategic Assessment, the Bridgespan Group recommended that the Commission direct more services to early learning. Given our declining revenue, this has been a significant challenge. However, as shown on the graphics on the following page, the Commission has been able to grow the "pie" of funding through successfully leveraging additional funds. Continued implementation of the action steps outlined above will be critical to sustaining the Commission's investments and ensuring progress on improved outcomes for young children.

### **STRATEGIC PLAN & FISCAL SUMMARY:**

The information presented in this staff report has been reviewed in relation to the Commission's Strategic Plan and are consistent with applicable goals and outcomes.

### **PRIOR COMMISSION ACTIONS:**

- November 2013 – Approved Long Term Financial Plan and revenue sustainability strategies
- September 2013 – Status Report on Round 1 and Round 2 Catalytic Projects
- January 2013 – Approved Partnership for Children's Health Phase II scope of work and funding

### **ATTACHMENT:**

1. Profile of Commission Funding

### **RECOMMENDED ACTION:**

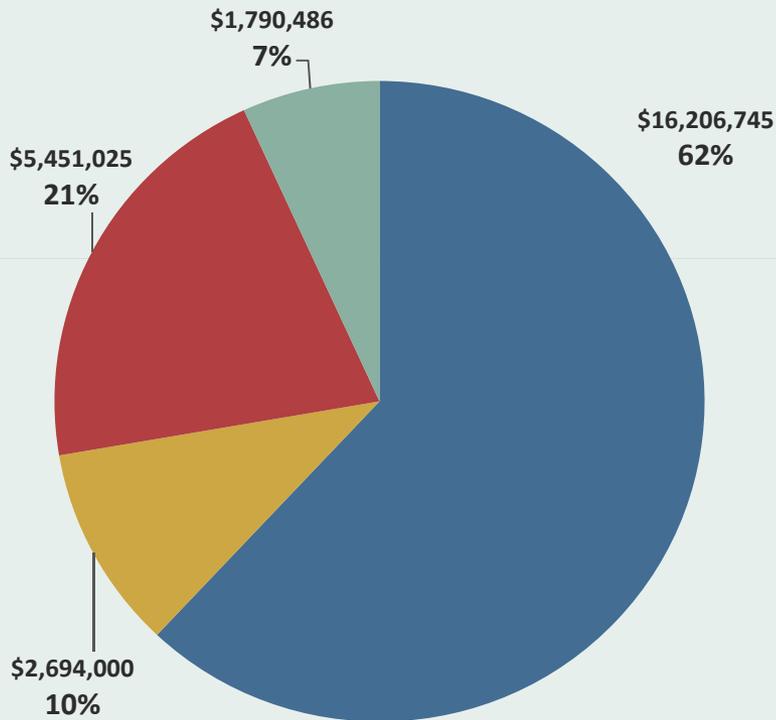
Receive Update on Funding Renewal Process and Sustainability Strategies

**Contact:** Christina Altmayer

# Current Budget Allocation

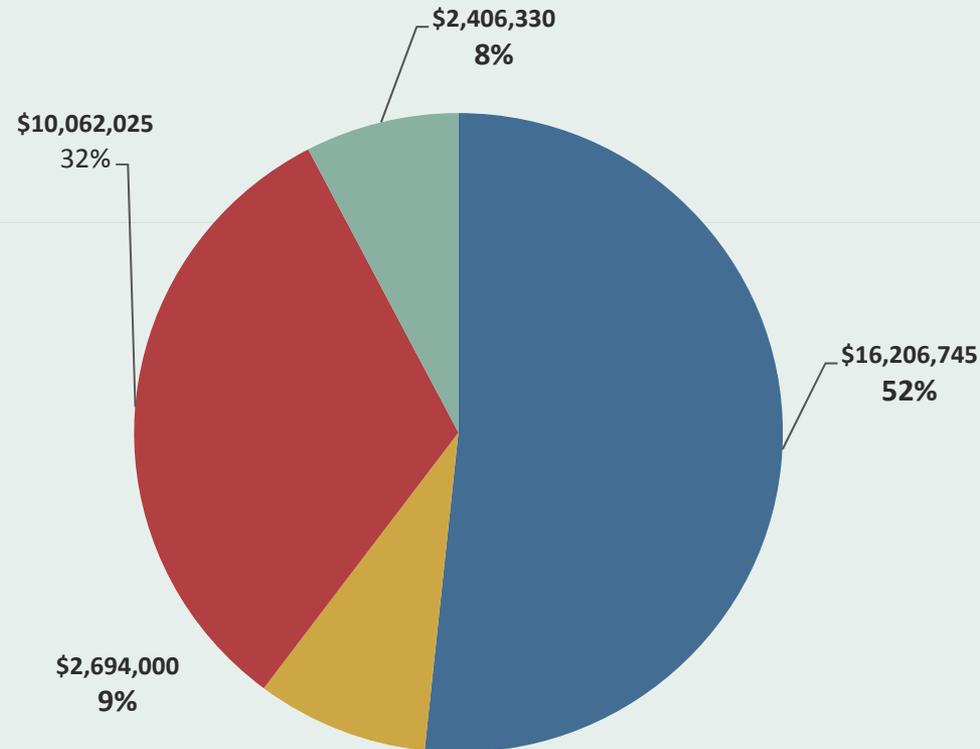


## Allocation of Prop 10 Funding by Goal Area



## Allocation of Total Funding by Goal Area

*Includes leveraged state and federal funding  
eg. First 5 CA CSP*



Healthy Children

Strong Families

Early Learning

Capacity Building

# AN OVERVIEW OF CURRENT COMMISSION SUSTAINABILITY STRATEGIES

WHAT'S TRENDING IN THE SECTOR AND  
THE REGION, AND HOW OUR STRATEGIES  
ARE EVOLVING TO ADDRESS IT

*June 4, Commission Retreat  
Anne Olin, President & CEO, The Olin Group*

# PRESENTATION OVERVIEW

- What's Trending in the Industry
- What's Happening in Orange County
- Our Changing Focus on Sustainability

# WHAT'S TRENDING: WHAT ARE THE NONPROFITS SAYING?

2014 NONPROFIT FINANCE FUND STATE OF THE SECTOR (N=5019)

**80%** report increased demand in services in 2013

**53%** reported being unable to meet demand

**41%** reported achieving long-term financial sustainability as one of their greatest challenges

- Increased awareness of sustainability and scaling as nonprofit business challenges
- Challenges ranked as most critical relate to fiscal health and sustainability – few nonprofits are “safe” from a fiscal perspective



# WHAT'S TRENDING: WHAT ARE THE NONPROFITS SAYING?

2014 NONPROFIT FINANCE FUND STATE OF THE SECTOR (N=5019)

**49%** are currently collaborating to improve or increase services

**48%** are investing in professional development

**39%** are conducting long-term strategic or financial planning

**31%** are planning to change the way they raise and spend money

- Survey also highlighted increasing effort to secure long-term stability through new strategies:

# WHAT'S TRENDING: WHAT ARE THE INVESTORS SAYING?

Investors are looking for ways to expand proven solutions, find new ones, and support efficiencies and growth with targeted investment.

These trending topics all tie closely back to the imperative of long-term stability, sustainability, impact, and the fiscal health of our sector.

- **Collective impact**
- **Social innovation**
- **Mergers and collaboration**
- **Transformative scale**
- **Impact Investing**
- **Outcomes-based Fundi**
- **And More!**



# WHAT'S HAPPENING IN ORANGE COUNTY?

- **Some fantastic examples of the “ideas” in action, all of them designed with collective impact and sustainability in mind -- both at the practitioner level and the philanthropic level -- and supported by multiple revenue sources**
  - The Village
  - The Village Plan
  - ACT Anaheim
  - Social Innovation Fund [pending]
  - Pay for Success [pending]

ARE ORANGE COUNTY  
NONPROFITS READY FOR  
THIS KIND OF EFFORT  
AND INVESTMENT?

**Some of them...but not enough.**

# A SHIFT IN EFFORT

## PAST EFFORT

**Focused on fund development and sustainability planning grantee by grantee, with an emphasis on building **agency** capacity.**

## GOING FORWARD

**Focus on pursuing investment that can bolster regional readiness to transform and scale the best of our efforts, and to help ready collaborative initiatives for that capital, focus on building **regional** capacity.**

# HOW?

1. Identifying **national and federal opportunities** that will support collaborative, cross sector effort to address Commission priorities
2. Identifying **local philanthropic partnerships** to align efforts
3. Working with partner agencies to **strengthen collaborations**, ready for large-scale investment and prepare for measurement of collective impact
4. Identifying opportunities for **leverage** and supportive funding across public, private and corporate funding entities, and helping to **create platforms that allow for philanthropic engagement** around identified issues

# THOUGHTS AND COMMENTS