



**Agenda Item No. 3
September 7, 2011 Meeting**

DATE: August 17, 2011

TO: Children and Families Commission of Orange County

FROM: Michael M. Ruane, Executive Director

A handwritten signature in black ink, appearing to read "Michael M. Ruane", is written over the printed name.

SUBJECT: Progress Report and Work Plan for Catalytic Investment Budget Allocation

SUMMARY:

The Fiscal Year 2011/12 budget includes \$1.75 million for catalytic investments. Catalytic investments are one-time funding investments which achieve one or more of the following outcomes: 1) reduce or eliminate ongoing funding allocations from the Commission (e.g. Huntington Valley Boys & Girls Club); 2) innovative, high-impact projects that yield multi-year service strategies (e.g. Pretend City); or 3) provide the necessary infrastructure or start-up funding to allow for sustainability through external funding sources (e.g. Kinship Center). Past catalytic investments have been successful and created a lasting impact upon the community.

The following funding allocations were previously approved in the FY 2011/12 Adopted Budget:

- \$1.3 million to be invested in community clinic and specialty medical programs.
- \$250,000 for the OC STEM (Science, Technology, Engineering, Math) Funders Collaborative in partnership with the Samueli Foundation. The Collaborative will bring together organizations and foundations interested in the expansion of STEM education in Orange County.
- \$200,000 one-time funding for the MIND Research Institute for the FY 2011/12 component of the early math project to develop a service delivery model.

Additionally, the approved budget for Homeless Services included \$940,000 for catalytic funding to increase the capacity of the homeless service providers to address the needs of children and their families. This allocation is discussed as part of item 4 on the agenda.

This agenda item provides a work plan and timeline for the \$1.3 million catalytic budget targeted at community clinic and specialty medical programs. The budget is split between the two categories at a funding level of \$650,000.

Community Clinic Catalytic Investments

Through the Commission's investments over the past 10 years, the quality and capacity of community clinics has been significantly expanded with both the growth in the number of new community clinics and additional capacity of previously existing clinics to provide pediatric

primary care services. Six hundred and fifty thousand (\$650,000) will be allocated to support sustainability of the community clinic network and primary care services. This funding would be used to solicit matching funds, joint funding opportunities, and support local efforts to achieve Federally Qualified Health Center (FQHC) status or an equivalent sustainability strategy. Commission staff will work with other funding partners as well as local community clinic representatives to identify opportunities to leverage this available funding to support program sustainability.

Specialty Medical Care Catalytic Investments

Through the Commission's specialty care programs, new services to address the unique health needs of the prenatal through age five children have been developed addressing recognized community health service gaps. Six hundred and fifty thousand (\$650,000) is allocated to support ongoing sustainability of Commission's specialty care investments. A priority focus would be on sustaining services related to early identification and preventative services that support health and education outcomes. These specific program allocations will be developed under the direction of the Pediatric Health Services Committee (PHS) within this budget limit. No additional funding actions are required at this time. Pediatric Health Services Committee will consider this item at its September meeting.

Multi-Year Funding Agreements

The current specialty care agreements monitored by PHS are set to expire June 30, 2012. It is likely that implementation of the catalytic strategy will require multi-year funding agreements. While your Commission has authorized multi-year funding for specialty recruitment programs, retention of key specialists is challenging under the one-year term limits. Staff requests authority to extend the agreements for an additional two-years; with an annual limit of 20% of the value of the PHS budget (\$4.235 million for FY 2011/12). PHS will review the contract amendment action as part of the catalytic investment review process and approval of an amended budget. The Commission will reconsider the broader issue of three-year contract terms agreements as part of the review of multi-year budget options scheduled for discussion this fall.

Any specific funding awards would need to be consistent with the Commission's criteria for catalytic investments listed above.

STRATEGIC PLAN & FISCAL SUMMARY:

The Commission's Strategic Plan remains unchanged and the proposed priority outcomes and strategies are consistent with applicable goals. The proposed actions are consistent with the Approved FY 2011/12 Budget and Operating Plan.

PRIOR COMMISSION ACTIONS:

- May 2011 Approval of Commission FY 2011/12 Budget

RECOMMENDED ACTIONS:

1. Receive and approve work plan for the Catalytic Investment Budget.
2. Direct staff to return at the December 2011 meeting with specific funding proposals for the Community Clinic Initiative.
3. Authorize Pediatric Health Services Committee to implement and approve budget amendments for the Catalytic Investments for specialty medical care in an amount not to exceed \$650,000.
4. Authorize the extension of existing Pediatric Health Services funding agreements for an additional two years to implement specialty medical retention efforts at an annual amount not to exceed 20% of the FY 2011/12 budget for Pediatric Health Services and subject to prior approval of the amended budget by the Pediatric Health Services Committee.

Contact: Christina Altmayer