



**Agenda Item No. 6  
April 2, 2014 Meeting**

**DATE:** March 24, 2014  
**TO:** Children and Families Commission of Orange County  
**FROM:** Christina Altmayer, Executive Director *Christina Altmayer*  
**SUBJECT:** Executive Officer's Report

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The following is the Executive Officer's Report for April 2, 2014:

**a. Financial Highlights**

The report on the Commission's financial highlights as of February 28, 2014 is included as Attachment 1.

**b. Strategic Communications Report**

Curt Pringle & Associates provides strategic communications services in the areas of legislative advocacy, community partnership, and public awareness. The Strategic Communications Activities Report for March is attached (Attachment 2).

**c. Board of Equalization Update**

In partnership with other county commissions and the First 5 Association, we continue to pursue remedies to reduce the administrative fees charged by the Board of Equalization. Based on the positive responses from the legislative offices, the First 5 Association is continuing to explore legislative options and potential sponsors for bill proposals. The First 5 LA Executive Director Kim Belshe and First 5 CA Executive Director, Camille Maben continue to be helpful and proactive on these efforts. A follow-up meeting with the BOE representative, scheduled by the State Controller's Office's is scheduled for April 8 in Sacramento. I will have an update at the April meeting on potential legislative actions. Curt Pringle has provided strategic advice and recommendations on this issue.

**d. AmeriCorps/VISTA Program Update**

At the March 2014 meeting, the Commission received a discussion item on the Capacity Building Goal Area. Included in this item were staff recommendations regarding changes to the Volunteers In Service To America (VISTA) local administration and program emphasis. The Commission received the update and staff's plan to return to the Commission for implementing actions at the April meeting. Subsequent conversations with representatives from the Corporation for National and Community Service (CNCS), the agency that allocates the VISTA resources and administers the program, have indicated the program may be undergoing a significant redesign including limitations on how the

Commission can direct and manage the program. Further clarification from CNCS has been requested and staff anticipates returning to the Commission with recommendations for consideration at the May 2014 meeting, pending response from CNCS.

**e. Annual Community Indicators Report**

The 2014 Community Indicators Report, the annual report that tracks countywide trends related to the economy, community health, education, and the environment is scheduled to be released in April. Development of the report was a collaborative effort of the Commission, Orange County United Way, and CalOptima with support from the County of Orange and the Orange County Business Council. The 2014 report will be the focus of the April 24<sup>th</sup> Orange County Forum and I encourage and invite all Commissioners to attend. Thank you to Commissioner Hugh Hewitt who has agreed to moderate the panel discussion.

**ATTACHMENTS:**

1. Financial Highlights
2. Strategic Communications Report for March 2014

# Financial Highlights

## As of February 28, 2014

### Comparison of Budget vs. Actual Fiscal Year 2013-14 Unaudited Period Ending 02/28/14

	<u>FY 2013-14 Amended Budget</u>	<u>FY 2013-14 Actual Expenses</u>	
<b>Financing Sources</b>			
Tobacco Tax Revenue	\$26,213,770	\$14,032,605	53.5%
Interest Earnings	150,000	134,105	89.4%
Other Revenue	<u>5,788,900</u>	<u>554,017</u>	
<b>Revenue Total</b>	<b>\$32,152,670</b>	<b>\$14,720,727</b>	
<b>Expenses</b>			
Healthy Children	\$17,689,920	\$7,207,608	40.7%
Strong Families	3,057,272	916,852	30.0%
Early Learning	10,587,720	2,275,336	21.5%
Capacity Building*	<u>3,181,383</u>	<u>1,489,449</u>	46.8%
<b>Program Services</b>	<b>\$34,516,295</b>	<b>\$11,889,445</b>	
Admin. Functions**	<u>2,551,302</u>	<u>1,488,906</u>	
<b>Total Operating Exp.</b>	<b>\$37,067,597</b>	<b>\$13,378,351</b>	

\*Includes Evaluation costs of \$360,329

\*\*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 \$1,488,906 and encumbrances of \$765,316 were 6.08% 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 February 28, 2014

Healthy Children	\$12,256,890
Strong Families	\$2,236,208
Early Learning	\$5,716,560
Capacity Building	\$2,340,085
Admin. Functions	\$765,316

### Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue through January 2013 as reported by First 5 California is \$15,450,662. Prop 10 revenues for July through January are 1% higher than the budget plan. BOE Administrative and Backfill charges were deducted from January revenue. As of February 31, 2014, tobacco revenue has been received through December 2013.

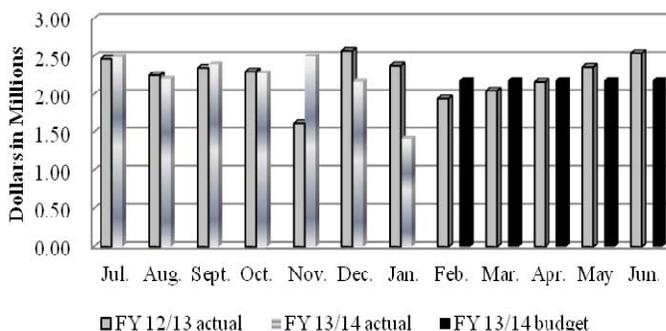
Interest earnings for July 2013 through January 2014 are \$134,105.

### 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 February 28, 2014, \$24,776,436 is encumbered for Round 1 for Round 2 programs. Over \$18 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>
<b>Projected June 30, 2014 Fund Balance</b>	<b>\$16,576,009*</b>

\*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 available fund balance.



**To:** Kelly Pijl, External Affairs Director  
Children and Families Commission of Orange County

**From:** Todd Priest, Vice President  
Curt Pringle & Associates

**Date:** March 21, 2014

**Subject:** March 2014 Strategic Communications Monthly Report

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Below is a list of monthly activities, based on the contracted Scope of Work, that were provided to the Children and Families Commission of Orange County by Curt Pringle & Associates during the month of March 2014:

### **Governmental Advocacy**

Curt Pringle & Associates' (CP&A) scope of work includes outreach activities with the Orange County Legislative Delegation and with priority cities. Outreach activities include providing updates to the delegation regarding Commission activities and priorities. In addition, these activities include arranging site-visits to Commission-funded programs. Our firm does not currently provide lobbying services to the Commission.

### *Legislative/Budget Update*

The last day for new bills to be introduced in the California Legislature was February 21, 2014 therefore any additional legislative proposals would need to be inserted into an existing bill.

- CP&A continues to monitor bills of significance for the Commission:
  - Assembly Bill 1500 (Dickinson) would repeal the existing Stop Tobacco Access to Kids Enforcement (STAKE) which prohibits the distribution and sale of tobacco products via United States Postal Service or any package delivery service to any purchaser who is a minor. In its place, this bill would, with certain exceptions, prohibit the shipping or transportation of tobacco products or electronic cigarettes to persons in California. Civil penalties would be established and the Board of Equalization or a law enforcement agency would be authorized to seize the tobacco products or electronic cigarettes. This bill is currently pending in the Assembly Government Organization Committee.
  - Senate Bill 837 (Steinberg) states that a child shall be admitted to a transitional kindergarten maintained by the school district at the beginning of a school year, or

at a later time in the same year, if the child will have his or her fifth birthday between the following dates:

- (1) September 2, 2015, to Feb. 1, 2016, inclusive, for the 2015-16 school year.
- (2) September 2, 2016, to April 1, 2017, inclusive, for the 2016-17 school year.
- (3) September 2, 2017, to June 1, 2018, inclusive, for the 2017-18 school year.
- (4) September 2, 2018, to August 2, 2019, inclusive, for the 2018-19 school year.

This bill is currently pending in the Senate Education Committee.

- Curt Pringle & Associates continues to provide Commission staff with the monthly state budget/legislative update that may be included in their weekly updates to the Commission. The update for March included information on the Budget Hearings that are currently taking place, as well as information related to the State's financial position.

Note: In addition to monitoring legislation that could impact the Children and Families First Trust Fund, CP&A also monitors initiatives that could have an impact on the Commission.

As of March 21, 2014, a total of three (3) tobacco initiatives have been cleared by the Secretary of State and Attorney General's Office for circulation.

Note: Several other initiatives dealing with marijuana have been submitted. It is not anticipated that these initiatives would have an impact on the Prop 10 Trust Fund as marijuana has not been designated as a tobacco product.

- ***Cigarette Tax to Fund Healthcare, Tobacco Use Prevention, Research, and Law Enforcement (13-0027)***. This initiative proposes to increase the tax on tobacco products by \$2 per pack. The revenue generated by the tax would be allocated as followed: 82% Healthcare, 13% Tobacco Prevention, and 5% Disease Research (\$40 million to train physicians, \$48 million to state and local law enforcement programs).

The initiative includes a backfill provision for the California Children and Families Trust Fund (Proposition 10). The proponents have until May 27, 2014 to obtain 504,760 valid signatures.

- ***California Brain Research and Tobacco Act of 2014 (14-0005)***. This initiative proposes to increase cigarette tax by \$1.00 per pack, with an equivalent increase on other tobacco products. It would require tax revenues to be deposited into a special fund to provide grants and loans to support brain research on causes, treatments, detection, and cures for brain disorders and diseases and creates an 11-member oversight committee charged with administering the fund. (80% deposited into Research Fund.)

The initiative includes a backfill provision for the California Children and Families Trust Fund (Proposition 10). The proponents have until August 7, 2014 to obtain 504,760 valid signatures.

- ***California Brain Research and Tobacco Tax Act of 2014 (14-0003)***. This initiative proposes to increase cigarette tax by \$1.00 per pack, with an equivalent increase on other tobacco products. It would require tax revenues to be deposited into a special fund to provide grants and loans to support brain research, including stem cell research, on

causes, treatments, detection, and cures for brain disorders and diseases and creates an 11-member oversight committee charged with administering the fund. (50% deposited into Research Fund.)

The initiative includes a backfill provision for the California Children and Families Trust Fund (Proposition 10). The proponents have until August 4, 2014 to obtain 504,760 valid signatures.

### *Legislative Briefings*

Curt Pringle & Associates scheduled meetings with the Orange County Legislative Delegation for Commission Executive Director Christina Altmayer and External Affairs Director Kelly Pijl when they were in the Capitol on March 19, 2014 for the 15<sup>th</sup> Anniversary of Proposition 10 event. In addition, Curt Pringle & Associates sent invitations to each of the Orange County Legislative Delegation offices for the 15<sup>th</sup> Anniversary event that was held on the evening of March 19, 2014. Briefings were scheduled with the following offices for Wednesday, March 19, 2014:

- Briefing with staff for Senator Lou Correa
- Briefing with Chief of Staff for Assemblyman Don Wagner
- Briefing with staff for Assemblyman Curt Hagman
- Briefing with staff for Assemblyman Tom Daly
- Briefing with staff for Senator Mark Wyland
- Briefing with Assemblywoman Diane Harkey

Curt Pringle & Associates will draft thank you letters on behalf of the Commission to submit to each of the offices for their participation in the briefings.

### *City Briefings*

One city in each Orange County Supervisorial District will be targeted in 2014 in order to increase the awareness of city leaders and staff as to partnerships that the Commission has with many of their local service providers. We often see that local officials are unaware that the Commission is helping to fund programs that provide significant value and have a positive impact in their community. The city briefings are also an opportunity to learn about the efforts being done in the community where commission-funded programs might be able to engage and/or participate. Additionally, these briefings serve as an opportunity to increase involvement in the annual *Essentials for Young Lives* drive, which is funded by the Commission. Each city we met with in 2013 expressed a desire to either participate or increase their participation in the drive next year.

- Curt Pringle & Associates scheduled and participated in three city briefings during the month of February with the cities of Brea, Costa Mesa, and Mission Viejo.
- Curt Pringle & Associates has scheduled and will participate in a briefing with City Manager Jeff Parker for the City of Tustin on March 27, 2014. CP&A will prepare a briefing packet for Commission staff prior to the meeting.

- Curt Pringle & Associates is working to schedule a briefing with the remaining identified city for the 2014 outreach, Santa Ana.

### *Board of Equalization*

Curt Pringle & Associates continues to work with Christina Altmayer, Kelly Pijl and others regarding the excessive Board of Equalization (BOE) administrative fees being charged to the Commission.

Curt Pringle & Associates attended a meeting on March 7, 2014 with Commission Executive Director Christina Altmayer and First 5 LA Executive Director Kim Belshé in order to further discuss strategy for dealing with the escalating BOE fees. The following items were covered: State Budget bills that would limit BOE administrative fees and/or make them consistent with current tobacco initiatives that have mandated caps.

### *Education Community Outreach*

Curt Pringle & Associates developed an education community outreach plan which focuses on briefings with local appointed and elected education officials and will work to increase awareness as to the role the Commission plays in the early learning arena. Through the outreach efforts, we will broaden community support for the efforts of the Commission and potentially develop synergistic opportunities that will benefit children ages 0 – 5 in Orange County.

The school districts that were identified for outreach in 2014 include:

- First District: Santa Ana Unified School District
- Second District: Newport Mesa Unified School District
- Third District: Orange Unified School District
- Fourth District: Magnolia School District
  - Note: Commission Executive Director is currently meeting with Anaheim City School District
- Fifth District: Saddleback Valley Unified School District

Curt Pringle & Associates worked with Commission staff to identify next steps in implementing the education community outreach plan. CP&A drafted an overview and talking points for Superintendent Gregg Haulk who serves as the superintendent liaison to the Commission. CP&A will work with the Commission to brief Superintendent Haulk prior to scheduling briefings with the school districts.

### **Community Partnership**

#### *Essentials for Young Lives*

This year marks the seventh year that the Commission has partnered with HomeAid Orange County on the *Essentials for Young Lives* campaign. For the past three years, Curt Pringle & Associates has provided campaign management, sponsorship development, media and marketing services. The *Essentials* campaign is an important program that brings greater awareness to the Commission through not only press and marketing, but also through gaining support and participation from elected officials, the businesses community, and groups throughout Orange

County and at the State Capitol. Last year, the *Essentials* campaign collected over one million items, nearly doubling the number of items collected in 2012. Curt Pringle & Associates is again providing strategic campaign support for the 2014 *Essentials* drive, which included the following activities in March 2014:

### Orange County

- Curt Pringle & Associates secured a \$2,500 cash donation from the Auto Club of Southern California in support of the *Essentials* campaign. This is the second consecutive year that the Auto Club has participated in the campaign.
- Curt Pringle & Associates facilitated one Steering Committee meeting of the campaign in March 2014. CP&A prepared the agenda and associated documents for the meeting.
  - Participants at the Steering Committee meeting included:
    - Kelly Pijl, Children and Families Commission of Orange County
    - Gina Scott, HomeAid Orange County
    - Anita Rodriguez-Lambert, HomeAid Orange County
    - Alyson Loyd, Curt Pringle & Associates
    - Adam Wood, Curt Pringle & Associates
    - Carrie Braun, Orange County Sheriff's Department
    - Oliver Jones, UPS
  - The next Steering Committee meeting is scheduled for April 3, 2014.
- Curt Pringle & Associates continued the planning efforts for the Community Partner Luncheon to be held at Precious Life Shelter on April 23, 2014.
  - CP&A secured the participation of Michele Gile, Orange County reporter for KCBS and KCAL, to serve as Master of Ceremonies for the luncheon.
  - CP&A toured Precious Life Shelter with representatives from HomeAid Orange County and a rental company on March 6, 2014 to determine the set-up of tables, chairs, and other items needed for the luncheon.
  - CP&A prepared the invitation to be sent by HomeAid for the Community Partner Luncheon.
  - CP&A reviewed and updated the Community Partner Luncheon invitee list.
- Curt Pringle & Associates has been coordinating with the Orange County Sheriff's Department to finalize the outline and script for the Public Service Announcement in order to begin filming. The Orange County Sheriff's Department has committed to developing the PSA in order to grow the media opportunities for the campaign.
- Curt Pringle & Associates worked with HomeAid Orange County to develop collateral materials for the campaign including the campaign brochure, fact sheets, and posters.
- Curt Pringle & Associates reviewed and provided input on the draft advertisements that will be published in the *Orange County Register*. HomeAid Orange County received free advertising space as a recipient of the Golden Ticket campaign. The advertisements will run during the weeks of March 24, 2014 and March 31, 2014.

- Curt Pringle & Associates met with the media team for HomeAid Orange County on March 19, 2014 to discuss the media deliverables for the campaign. The following deliverables are currently being drafted for distribution:
  - General Press Release for distribution in early April
  - Op-Ed by past recipient of *Essentials* donation to accompany the General Press Release in early April
  - Media Alert sent out prior to the Community Luncheon
  - General Press Release for distribution at Community Luncheon
  - Op-Ed by Sheriff Sandra Hutchens for distribution the week of April 28
  - Media Alert and Press Release for Builder Kick-Off Event (TBD)
  - Media Alert for distribution prior Delivery Day Press Event
  - Final Press Release for distribution at the Delivery Day Press Event

### Sacramento

- Curt Pringle & Associates worked with and received approval from the Senate Rules Committee in Sacramento to hold the 5<sup>th</sup> Annual *Essentials for Young Lives* donation drive in the State Capitol. The drive in Sacramento will take place May 2 – 9, 2014.
- Curt Pringle & Associates is coordinating a press conference in the Capitol that will take place on May 5, 2014. Legislators will be contacted and invited to participate.
- Curt Pringle & Associates is coordinating with the First 5 Commissions in Yolo and the First 5 Association to increase their involvement in the *Essentials* campaign in Sacramento.
- Curt Pringle & Associates has prepared letters to send to each legislative office in the Capitol inviting their participation in the *Essentials* drive. This letter will be sent in early April.

### *Other Community Partnership Opportunities*

- Curt Pringle & Associates is continuing to seek partnership opportunities with Allergan related to the Commission’s pediatric vision program.
- Curt Pringle & Associates has had preliminary discussions regarding potential opportunities with Cox Communications and Time Warner Cable, specifically about the potential placement of the *Essentials* Public Service Announcement.

### **Public Awareness**

Curt Pringle & Associates has been preparing several public awareness deliverables related to the *Essentials* campaign. Many of these deliverables are being prepared for distribution in April and May 2014. However, CP&A worked with HomeAid Orange County to prepare advertisements that will run in the *Orange County Register* during the weeks of March 24 and March 31, 2014 promoting the *Essentials* campaign.

**Upcoming Activities and Focus:**

- Planning efforts for the 2014 *Essentials for Young Lives* campaign
- BOE Administrative Fees
- City briefings – Santa Ana
- Education community briefings
- Further engagement with Allergan and Cox Communications
- Additional Legislative office briefings, as needed