

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

DATE: June 17, 2014
TO: Children and Families Commission of Orange County
FROM: Christina Altmayer, Executive Director 
SUBJECT: Receive Annual Planning Meeting Follow-Up Report

SUMMARY:

The Children and Families Commission's annual planning meeting was held on June 4, 2014. The meeting provided an opportunity to reflect on the programs and projects that achieve the Commission's vision that *all children are healthy and ready for school*, and to plan for the upcoming fiscal year. The Commission received presentations on sustainability, specifically focusing on early learning and changes that emerging in philanthropic funding. This report summarizes the presentations from the early education and philanthropic experts, and identifies follow-up actions that support the Commission's approved business plan.

DISCUSSION:

The Commission received presentations from experts in the areas of early education, sustainability strategies, and philanthropy at the annual planning meeting in June. In addition to the presentations, the Commissioners discussed options for future program investments, current sustainability strategies, and the increasing trend to outcomes-based funding.

Early Literacy & Math Programs:

The Commission received a presentation on the current investments in early literacy and math programs and efforts to build and sustain the Commission's investment. Following the presentation, University of California, Irvine Distinguished Professor, Dr. Greg Duncan discussed his research on the importance of early education and later achievement. Dr. Duncan studied the importance of five academic and behavior skills (reading, math, engagement, anti-social, and mental health) at school entry for school achievement; at kindergarten through fifth-grade for completing school; and at adolescence for labor market success. Dr. Duncan's research indicated that at all levels reading and math had a greater effect than behavioral skills. Dr. Duncan cited the Boston Public School's Department of Early Education as a model program, albeit one that may be expensive to implement. Dr. Duncan's research demonstrated that investments in quality early education, with proven curriculum and strong professional development, can impact the achievement gap.

Follow-up Actions:

In response to the Commission discussion and direction, staff will work on the following tasks:

- Develop a summary report of the Commission's early learning program investments to show the systems and services supported against targeted outcomes. Provide a report to the Commission in fall 2014.

- Engage Dr. Greg Duncan in a process to review:
 - Data collected for early learning programs
 - Potential evaluations of the Commission's early learning strategies
 - Ability to track child-level academic outcomes from Commission's investments based on data collected by school districts.

Sustainability Strategies & Philanthropy:

A presentation on federal and national funding trends recognized investors' interest to expand proven solutions, taking to scale solutions with demonstrated outcomes, and support efficiencies and growth with targeted investments. Understanding the philanthropic funding trends will help to position the Commission and our partner agencies to maximize and leverage available and emerging funding.

Jessica LaBarbera, the Director of Strategic Innovations at the Nonprofit Finance Fund (NFF) discussed their work to develop the Pay for Success/Social Impact Bonds approaches to bring solutions to scale and promote long-term sustainability. This outcome based financing model raises private-sector capital to expand effective social service programs, and allows governments to pay only for results. If a program funded by social impact bonds achieves successful outcomes, which are defined and agreed upon in advance, government repays investors their principal plus a rate of return based on the program's success. Pay for Success is a similar outcome-based model, but does not include investors to demonstrate the efficacy of the program.

The Nonprofit Finance Fund (NFF) has launched a California Pay for Success (PFS) Initiative with funding support from the James Irvine Foundation. The goal is to close three PFS deals in California in the next two years. The Nonprofit Finance Fund is working with organizations to assess program readiness and if they meet the criteria for the PFS model. The Commission has submitted an application to the NFF for technical assistance to transition the Bridges Maternal Child Health Network to a pay for success model. The Nonprofit Finance Fund has asked the Commission to resubmit a collaborative proposal in partnership with First 5 LA.

Follow-up Actions:

- Develop a strategy to use the Commission's Capacity Building granting process to strengthen nonprofit organizations' ability to collect and report outcomes to better position local agencies to compete for national funding. Staff will consider options to support Commission-funded agencies with proven service outcomes to receive funding and additional technical assistance to increase the organizations' sustainability.
- Submit a joint application the Nonprofit Finance Fund by August 2014. The application will support the Commission's Bridges Maternal Child Health Network and the First 5 LA Welcome Baby program, modeled after the Bridges Network, as innovative strategies to implement a Pay for Success model and transition to a sustainable model for funding.
- Meet with other Orange County funders to discuss options to collectively support nonprofit capacity for outcome reporting.
- Continue to work with the Olin Group to identify and pursue federal and national grant opportunities that are consistent with Commission priorities.

STRATEGIC PLAN & FISCAL SUMMARY

There is no funding action proposed for this item.

PRIOR COMMISSION ACTION:

- June 4, 2014 – Held Annual Planning Commission Meeting

RECOMMENDED ACTION:

Receive Annual Planning Meeting report and approve follow-up actions.

Contact: Kelly Pijl