



**Agenda Item No. 7
March 5, 2014 Meeting**

DATE: February 24, 2014

TO: Children and Families Commission of Orange County

FROM: Christina Altmayer, Executive Director 

SUBJECT: Executive Officer's Report

The following is the Executive Officer's Report for March 5, 2014:

a. Financial Highlights

The report on the Commission's financial highlights as of January 31, 2014 is included as Attachment 1. January Proposition 10 revenue is expected to include Board of Equalization administrative fees and backfill charges. First 5 California has not yet posted January revenue, but an update will be provided once the information is available.

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 February is attached (Attachment 2).

c. Consultant Request for Applications

The Commission currently contracts with 24 individuals and firms for consulting services in areas ranging from project management and program evaluation to graphic design. The majority of these existing agreements are scheduled to expire on June 30, 2014. Staff is developing a Request for Applications (RFA) for Consulting Services to be released in early March for the selection of ongoing project management/administrative/evaluation consultants, as well as to establish a roster of qualified on-call consultants to provide services as needed. Detailed information on the RFA process, including application instructions, will be posted on the Commission's website. A request for contracting authority and recommended contract amounts will be presented for consideration at the May 2014 Commission meeting.

d. The James Irvine Foundation Project

The James Irvine Foundation and the Nonprofit Finance Center recently 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. 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 has been working with The Olin Group to develop 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 specific funding structure would be developed as part of the grant, but recent Commission evaluation report have demonstrated that the Network's hospital based screening program yields significant savings to the health care 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. This grant opportunity would fund technical assistance to assist in changing the funding structure for the hospital-based screening to a pay for success model. Given the Commission's declining revenue, it is critical to develop more sustainable funding sources for this program. I am pleased to report that the County Health Care Agency and Cal Optima submitted letters of support as part of this application.

e. Board of Equalization Update

I continue to work through the State Association and in partnership with other County Commissions to bring attention to this issue and develop a legislative strategy.

Commission Counsel is also following up on direction from the February meeting to evaluate the potential of pursuing legal strategies. I will be meeting with representatives from the State Controller's Office as a follow-up from their prior audit and First 5 LA to discuss legislative strategies next week and will have an update at the March meeting.

f. First 5 Commission's Sacramento Advocacy Day

Assembly Speaker John Perez (D-Los Angeles) will be hosting a 15th Anniversary Event at the State Capitol on March 19, honoring the work of First 5/Children and Families Commissions across the state. The First 5 Association is organizing this event with First 5 Los Angeles, which will include a reception for legislators. The Commission will provide staff and other support for the reception as well as be in attendance. Working with Curt Pringle and Associates, we will use this day as an opportunity to visit offices of the Orange County delegation and provide updates on the Commission's work. The briefings may also provide an opportunity to brief them on the increasing Board of Equalization administrative fees.

g. Santa Ana YMCA Update

At the September 2013 Commission meeting staff provided a status update on the Santa Ana YMCA catalytic agreement. The agenda item included information and next steps on three key areas of focus, service payback, ongoing sustainability of the facilities including the pools, and the plans to implement the original vision of a permanent structure on the

site. Staff has continued to work the Executive Team at the Santa Ana YMCA to resolve these outstanding issues. Updates on each of these areas are included below.

- 1.) Service payback - Staff reviewed the first two years of operations and documented the service payback achieved to date. A data collection improvement plan and outcome measures to document the impacts of services to the 0-5 population was presented to the YMCA. The YMCA agreed to be fully compliant with Commission required data reporting as of July 1, 2014.
- 2.) Facility Sustainability- The YMCA's strategy to sustain the swimming pool and soccer arena is to charge use fees to non school district or YMCA programs that use the facilities. Commission staff has requested a comprehensive budget including annual expenditures for pool maintenance, current revenue and projected revenue earned from use fees, revenue from the fund at the Orange County Community Foundation, and shortfall if any. Commission staff is not authorizing payment out of the Orange County Community Foundation, pending review of this financial data.
- 3.) Development of a Permanent Facilities- Staff has continued discussions with the YMCA executive team regarding their strategic plans for the agency specific to the Santa Ana location. Commission staff continues to focus on maximizing the use of the facility in a way that is reflective of the community interests and would be sustainable. Staff will continue to engage with the YMCA leadership to fully explore all opportunities for the site. Commission staff has communicated the importance of developing a long term plan for sustaining the critical prevention and physical fitness facilities at the site.

ATTACHMENTS:

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

Financial Highlights

As of January 31, 2014

Comparison of Budget vs. Actual Fiscal Year 2013-14 Unaudited Period Ending 01/31/14

	<u>FY 2013-14 Amended Budget</u>	<u>FY 2013-14 Actual Expenses</u>	
Financing Sources			
Tobacco Tax Revenue	\$26,213,770	\$11,863,299	45.3%
Interest Earnings	150,000	117,282	78.2%
Other Revenue	<u>5,788,900</u>	<u>415,674</u>	
Revenue Total	\$32,152,670	\$12,396,255	
Expenses			
Healthy Children	\$17,689,920	\$4,918,795	27.8%
Strong Families	3,057,272	601,220	19.7%
Early Learning	10,587,720	1,379,123	13.0%
Capacity Building*	<u>3,181,383</u>	<u>1,098,738</u>	34.5%
Program Services	\$34,516,295	\$7,997,876	
Admin. Functions**	<u>2,551,302</u>	<u>1,329,239</u>	
Total Operating Exp.	\$37,067,597	\$9,327,115	

*Includes Evaluation costs of \$306,997

**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 \$1,329,239 and encumbrances of \$797,254 were 5.73% 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 January 31, 2014

Healthy Children	\$14,129,261
Strong Families	\$2,151,669
Early Learning	\$5,315,944
Capacity Building	\$2,686,434
Admin. Functions	\$797,254

Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue through December 2013 as reported by First 5 California is \$14,032,605. Prop 10 revenues for July through December are 7.1% higher than the budget plan through December but do not reflect BOE Administrative and Backfill. As of January 31, 2014, tobacco revenue has been received through November 2013.

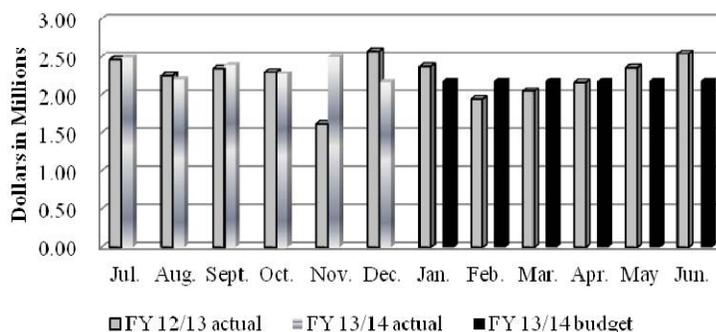
Interest earnings for July 2013 through December 2013 are \$117,282.

Catalytic Funding Update

\$4,629,302 in Catalytic Funding was expensed in FY 2012-13. Another \$5,331,238 was transferred to program contractors but has not yet been recognized as expenses.

As of January 31, 2014, \$25,087,657 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>
Projected June 30, 2014 Fund Balance	\$16,576,009*

*based on Commission action through February 2014



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

From: Todd Priest, Vice President
Curt Pringle & Associates

Date: February 21, 2014

Subject: February 2014 Strategic Communications Monthly Report

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 February 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 California Legislature reconvened on January 6, 2014. The last day for bills that were introduced in 2013 to pass out of their house of origin was January 31, 2014. The last day for new bills to be introduced was February 21, 2014.

- 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 has been introduced and has been sent to the Committee on Revenue and Taxation for potential consideration.

- *Update: This bill is no longer being considered.* Senate Bill 768 (De León) would impose an additional tax on cigarettes under the Cigarette and Tobacco Products Law by increasing the tax upon the distribution of tobacco products. SB 768 would establish the 2014 Tobacco Act which imposes an additional cigarette tax at a rate of \$2 per pack. The bill contains a provision that requires the Board of Equalization to backfill funds to the California Children and Families First Trust Fund.

- 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 has been introduced and has been sent to the Committee on Education for potential consideration.

- 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 February included the following information:

New Assembly Speaker Elected

Assemblywoman Toni Atkins (D – San Diego) has been elected the next Speaker of the State Assembly. Atkins is the first Assembly Speaker from San Diego and is expected to take office this spring.

Budget Sub-Committees Set to Convene

The Assembly Budget Sub-Committee on Health and Human Services will meet on February 24 to discuss the Governor’s 2014/2015 budget proposal. Included in the \$28.7 billion agency budget is \$10.1 million for the continued implementation of the federal health care program, which includes shifting children’s health care from the Healthy Families Program to Medi-Cal. California’s Medi-Cal caseload is expected to be approximately 24 percent of the state’s population. Also included in the agency budget is \$17.5 million for dental outreach services for children 0-3. The Sub-committee will reconvene on March 3 to discuss the Department of Public Health budget. Included in the department budget is a fee increase of \$45 for participation in the state’s voluntary Prenatal Screening Program. The budget assumes that approximately 376,000 screenings will be conducted under the program. Orange County Assemblyman Allan Mansoor (R - Costa Mesa) is one of seven members of the Sub-committee.

Senate Budget Sub-Committee on Health and Human Services has yet to announce its Hearing schedule. Orange County Senator Mimi Walters (R – Irvine) is one of three members of the Sub-committee.

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 February 21, 2014, a total of three (3) tobacco initiatives have been submitted to the Secretary of State for review.

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 a tobacco product.

Cleared for signature gathering:

- ***Cigarette Tax to Fund Healthcare, Tobacco Use Prevention, Research, and Law Enforcement.*** 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.

The remaining two tobacco initiatives are still pending approval for circulation:

- ***California Brain Research and Tobacco Act of 2014. (version 1)*** This initiative proposes to increase the tax on tobacco products by \$2 per pack. Revenue would be allocated as followed: 50% Brain Disease Research, 30% Stem Cell Research, 15% Tobacco Prevention, 3% Unallocated, and 2% Administrative. The initiative includes a backfill provision for the California Children and Families Trust Fund (Proposition 10).
- ***California Brain Research and Tobacco Act of 2014. (version 2)*** This initiative proposes to increase the tax on tobacco products by \$2 per pack. Revenue would be allocated as followed: 80% Brain Disease Research, 15% Tobacco Prevention, 3% Unallocated, and 2% Administrative. The initiative includes a backfill provision for the California Children and Families Trust Fund (Proposition 10).

Legislative Briefings

- Curt Pringle & Associates has a call scheduled with Commission staff on February 24, 2014 to discuss the 15th Anniversary Event at the Capitol. CP&A will be scheduling meetings with the Orange County Legislative Delegation for Commission Executive Director Christina Altmayer when she is in the Capitol on March 19 for this event.

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 a briefing with the City of Mission Viejo on February 11, 2014. Attendees included Councilman Frank Ury, City Manager Dennis Wilberg, and Commission representative Kelly Pijl. CP&A prepared a briefing packet for the Commission prior to the meeting.
 - The Commission was connected with City Clerk, Karen Hamman. Ms. Hamman will be the point of contact for the City with regards to the *Essentials for Young Lives* campaign. The city is providing an opportunity to place the *Essentials* Public Service Announcement on the Mission Viejo public television station.
 - The Commission was connected with the Director of Library Services, Stephanie Tanton, in order to facilitate conversations between the city's library department and the Commission's Early Learning Manager.
 - A copy of the Commission application packet was provided to the city.
- Curt Pringle & Associates scheduled and participated in a briefing with the City of Costa Mesa on February 21, 2014. Attendees included Costa Mesa CEO Tom Hatch, Assistant CEO Rick Francis, and Commission representative Kelly Pijl. CP&A prepared a briefing packet for the Commission prior to the meeting.
 - The Commission had a discussion regarding services in Costa Mesa, with an emphasis on homeless programs and the early learning specialist program.
 - CP&A will follow-up with the city with additional details on the *Essentials for Young Lives* campaign.
- Curt Pringle & Associates has scheduled a city briefing with the City of Brea for February 25, 2014. Attendees will include Mayor Brett Murdock, Acting City Manager Bill Gallardo, and Community Services Director Chris Emeterio. CP&A has prepared a briefing packet for the Commission prior to the meeting.
- Curt Pringle & Associates is working to schedule briefings with the remaining identified two cities, Santa Ana and Tustin.

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 presented a status update of the BOE issue at the February Commission meeting.
- Curt Pringle & Associates will participate on a call that has been scheduled for 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.

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: Capistrano Valley Unified School District
- Curt Pringle & Associates worked with Cinda Muckenthaler of the Commission staff in January to research and plan the strategic outreach for each of the school districts. CP&A has scheduled a call for February 24, 2014 with Commission staff to discuss next steps on this project.

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 February 2014:

Orange County

- Curt Pringle & Associates secured a \$10,000 cash donation from Vons to support programming costs for the *Essentials* campaign. This is the fourth consecutive year that Vons has participated in the campaign and the first year that they have provided a cash donation of this kind. Vons will be providing a \$10,000 grant to HomeAid Orange County through The Vons Foundation. The grant funds will support the purchase of the

bins, development and costs associated with collateral materials, and other programming expenses. Vons will continue to participate on the Steering Committee and provide input on the campaign deliverables.

- Curt Pringle & Associates facilitated two Steering Committee meetings of the campaign in February 2014. CP&A prepared the agendas for the meetings.
 - Participants on the February 3, 2014 conference call included:
 - Kelly Pijl, Children and Families Commission of Orange County
 - Gina Scott, HomeAid Orange County
 - Todd Priest, Curt Pringle & Associates
 - Alyson Loyd, Curt Pringle & Associates
 - Adam Wood, Curt Pringle & Associates
 - Carrie Braun, Orange County Sheriff's Department
 - Sonia Lister, Board Member of HomeAid Orange County
 - The next Steering Committee meeting is scheduled for February 27, 2014.
- Curt Pringle & Associates toured Precious Life Shelter with representatives from HomeAid Orange County on February 14, 2014. One of the major milestones of the *Essentials* campaign is the Community Partner Luncheon. This year, the luncheon will be held at Precious Life Shelter on April 23, 2014. CP&A will continue to work with Precious Life Shelter in order to plan the logistics for this event.
- Curt Pringle & Associates facilitated and attended a meeting on February 20, 2014 to discuss the opportunity to develop a Public Service Announcement (PSA) for the campaign. Attendees at this 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 & AssociatesCP&A will coordinate with the Steering Committee and the Orange County Sheriff's Department to finalize the PSA outline and script in order to begin filming.
- Curt Pringle & Associates prepared the 2014 *Essentials for Young Lives* Fact Sheet. This document serves as an informational piece when outreaching to potential campaign partners.

Sacramento

- Curt Pringle & Associates reached out to the Senate Rules Committee and anticipates hearing shortly on approval to conduct the *Essentials* campaign in the Capitol.
- Curt Pringle & Associates is beginning to outline the press conference that will take place in the Capitol on May 5, 2014.

Other Community Partnership Opportunities

- Curt Pringle & Associates has scheduled a call with Allergan to discuss a potential partnership opportunity with 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 distributed the Commission recruitment information to the following entities:
 - Orange County Legislative Delegation
 - Orange County Business Council
 - Several Chambers of Commerce
 - Association of California Cities – Orange County

Upcoming Activities and Focus:

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