



**Supplemental Item
December 4, 2013 Meeting**

DATE: November 27, 2013
TO: Children and Families Commission of Orange County
FROM: Christina Altmayer, Executive Director *Christina Altmayer*
SUBJECT: Agenda Item 8 and Executive Officer's Report

This supplemental item includes corrections to Agenda Item No. 8 and Attachment 3 of the Executive Officer's Report on the December 4, 2013 Commission agenda. The items initially stated the overall reduction of Commission revenue since 2000 at 25%. The revised items have been corrected to state that the overall reduction in revenue is over 35%.

ATTACHMENTS:

- Agenda Item No. 8 – Update on Funding Renewal Process and Sustainability Strategies
- Executive Officer's Report – Attachment 3

Commissioners

**Agenda Item No. 8
December 4, 2013 Meeting****DATE:** November 27, 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 over 35% 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 Proposition 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 UC Irvine for the federal grant for community health research and funding from First 5 California 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 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 10 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 statements, 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 Proposition 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



November 20, 2013

Name
Title
Agency
Address
City state zip

Dear Name:

Thank you for your continued partnership with the Children and Families Commission of Orange County. It is through our partnerships with local agencies, such as yours, that the lives of children are improved in the areas of health, school readiness and strengthened families.

Because the Commission is funded by the tobacco tax, we are challenged with addressing long-term sustainability with the declining revenue source. The tobacco tax allocations have declined over 35 percent since 2000 and despite continued efforts on long term planning and leveraged funding, program reductions are required in the next funding cycle when our current agreement with your organization expires on June 30, 2014.

Since inception, the Commission has used a Long Term Financial Plan as a tool to monitor and predict revenue trends and provide guidance in establishing annual program funding. This forecasting analysis directly correlates to revenue projections and requires a continued reduction in funding for program grants. Over the next three years, reductions of at least 25 percent will be implemented in program grants from the FY 2013/14 to FY 2016/17.

Commissioner review panels will meet over the next two months to assess each program and the current budget. Recommendations for three-year renewal agreements will be presented to the Commission in February. You are invited to attend an information meeting on January 23, 2014 to discuss the recommendations before they are presented at the Commission meeting. The information meeting sessions are scheduled at 9:00 a.m. to 10:30 a.m. or 1:30 p.m. to 3:00 p.m. at The Village at 17th Street Conference Center Training Room located at 1505 E. 17th Street in Santa Ana. Please contact Rhonda Diaz to confirm your attendance at 714-567-0191 or Rhonda.Diaz@cfcoc.ocgov.com.

We understand that the programs and services you provided are important to the children and families in Orange County. We will do our best to help your organization mitigate the impact of these anticipated reductions and we thank you in advance for your support and cooperation as we go through this difficult process.

Kim Goll, the Commission's Director of Program Operations, is available to answer any questions regarding the renewal strategies and process. She can be reached at kim.goll@cfcoc.ocgov.com or at 714-567-0152.

Sincerely,

Christina Altmayer
Executive Director

**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 Prop 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.

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ATTACHMENT:

1. Profile of Commission Funding

RECOMMENDED ACTION:

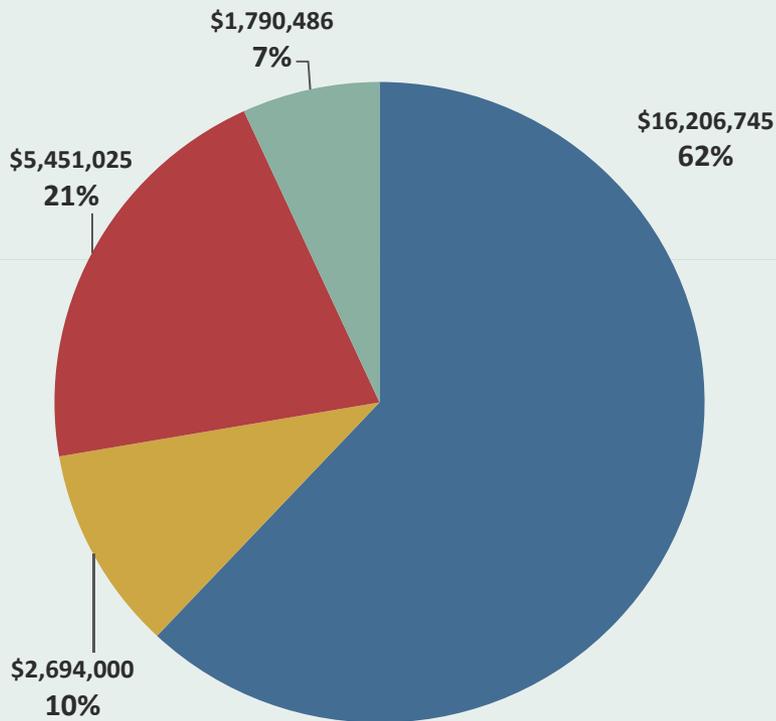
1. Receive Update on Funding Renewal Process and Sustainability Strategies

Contact: Christina Altmayer

Current Budget Allocation

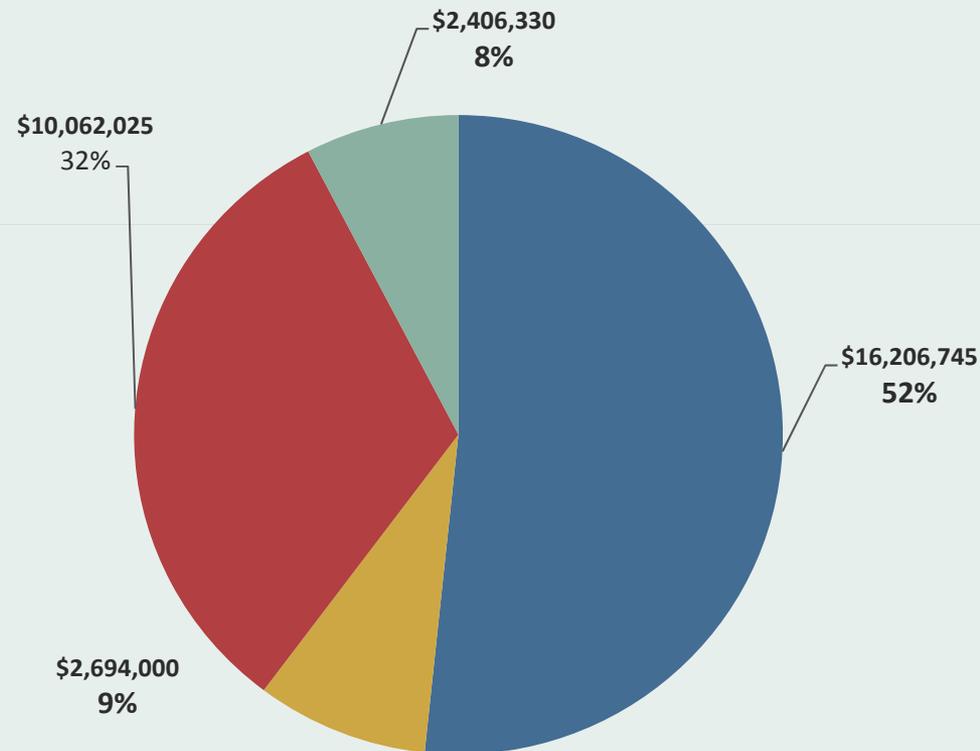


Allocation of Prop 10 Funding by Goal Area



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