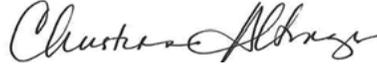




**Agenda Item No. 9  
February 5, 2014 Meeting**

**DATE:** January 13, 2014

**TO:** Children and Families Commission of Orange County

**FROM:** Christina Altmayer, Executive Director 

**SUBJECT:** Executive Officer's Report

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

**a. Financial Highlights and Quarterly Investment Report**

The report on the Commission's financial highlights as of December 31, 2013 is included as Attachment 1. The Children and Families Commission Quarterly Investment Report from October through December 2013 is included as Attachment 2.

**b. Strategic Communications December and January Reports**

Curt Pringle & Associates provides strategic communications services in the areas of legislative advocacy, community partnership, and public awareness. The Strategic Communications Activities Report for December and January are attached (Attachment 3).

**c. Southern California Alcohol and Drug Program**

At the December meeting the Commission received a summary of the audit findings and a corrective action plan for Southern California Alcohol and Drug Programs (SCADP). The corrective action plan included a repayment of \$48,000 from FY 2011/12 and a continuation of the 100 percent review of invoices submitted starting July 2012 through the end of this fiscal year. The Commission has engaged the same audit firm that conducted the initial audit to continue the review of all submitted invoices. Commission staff was notified in writing by the SCADP Executive Director that they wished to terminate the Commission agreement as of January 31, 2104, which is five months earlier than the agreement was scheduled to terminate. Commission staff will work with SCADP staff to transition their clients in need of other transitional housing as well as continue to review all outstand invoices before they are credited for the \$48,000 of repayment or paid.

**d. Capacity Building Technology Grant Implementation**

The Commission staff facilitated a Request for Application (RFA) in the fall of 2013 which resulted in the Commission awarding 10 Capacity Building Technology Grants at their December 2013 meeting. Staff have met with each agency receiving a funding award to discuss the details of the project, conditions on the funding award, budget, timeline, and

deliverables. Agreements are expected to be negotiated by May 1, 2014 and project scopes completed by June 30, 2015.

**e. First 5 Association Meeting Update**

The First 5 Association meeting was held in Sacramento on January 22. The Association represents the 58 county commissions throughout the state and the meeting agenda included a discussion of priorities for 2014 and election of officers. The following summarizes key actions and issues that were discussed at the meeting:

- Election of Officers - I will serve on the Executive Committee as the representative from the Southern California region along with the First 5 LA Executive Director, Kim Belshé. Additionally, I will continue to serve on the Association Advocacy Committee. The Executive Committee and the Advocacy Committee both endorsed pursuing a legislative remedy to address the increasing Board of Equalization administrative fees (see agenda item 8).
- Kindergarten Readiness Act (SB 837 Steinberg) – The Association meeting included a discussion and presentation on this bill which would make one year of voluntary, high quality transitional kindergarten (TK) available to every four-year-old in California. A summary of the bill is included as Attachment 4. Availability of the program would be phased in over five years, starting in 2015-16. The bill has been sponsored by Early Edge California, previously known as Preschool California, which supported the unsuccessful proposition for universal preschool in 2006 (Proposition 82). Given the large investment several county commissions have made in preschool for four-year olds, the First 5 Association voted to endorse the proposal, recognizing that there are numerous issues related to facilities, contracting with private providers, transition of existing State Preschool, and licensing requirements that are still being discussed. The First 5 Association letter of Support is included as Attachment 5. Our discussion with Orange County school district’s Early Learning Specialists raised similar questions about the capacity and funding for local districts to implement this program. One issue may be that district facilities and classrooms that currently house Commission funded school readiness programs may be reassigned as TK classrooms, impacting existing programs. We will continue to monitor the development of this legislation closely and how it may impact Commission funded programs.
- First 5 California Strategic Plan and Updated Communications Strategy – First 5 California approved a new five year strategic plan at its January meeting. A key theme of the plan is partnering with local commissions, but it is unknown at this time whether First 5 California will be making additional programs available for commission participation or if existing programs, such as the locally funded First 5 California Child Signature Program will be renewed. First 5 California is also launching a new statewide media campaign focused on emphasizing the importance of

the first five years for language and brain development. Television and other media campaigns should launch this spring. First 5 California receives 20 percent of the total Proposition 10 revenue; six percent of which must be dedicated to a media account that can support education and public awareness on child development and/or tobacco cessation.

**f. Upcoming Commission Meetings**

The next regularly scheduled Commission meeting will be March 5. We have invited Camille Mabens, the Executive Director of First 5 California, to attend the March meeting and provide comments on the newly adopted strategic plan. During her visit, she will be visiting programs currently funded under the Child Signature program, including Center for Autism and Help Me Grow, local school district programs, and Healthy Smiles for Kids of Orange County.

We have scheduled the April Commission meeting to be held at the Commission's new offices, at the Village at 17<sup>th</sup> Street in Santa Ana. The meeting will include a presentation on the vision and goals for this non-profit village and the collective philanthropic support. Following the Commission meeting, there will be an open house for our new offices and recognition of community partners that have worked with the Commission for 15 years.

**ATTACHMENTS:**

1. Financial Highlights Report
2. Children and Families Commission Quarterly Investment Report
3. Strategic Communications Report for December and January
4. SB 837 Fact Sheet
5. First 5 Association of California's Letter of Support for the Kindergarten Readiness Act of 2014 (SB 837)

# Financial Highlights

## As of December 31, 2013

### Comparison of Budget vs. Actual Fiscal Year 2013-14 Unaudited Period Ending 12/31/13

	<u>FY 2013-14 Amended Budget</u>	<u>FY 2013-14 Actual Expenses</u>	
<b>Financing Sources</b>			
Tobacco Tax Revenue	\$26,213,770	\$9,365,834	35.7%
Interest Earnings	150,000	102,296	68.2%
Other Revenue	<u>5,788,900</u>	<u>338,762</u>	
<b>Revenue Total</b>	<b>\$32,152,670</b>	<b>\$9,806,932</b>	
<b>Expenses</b>			
Healthy Children	\$17,689,920	\$3,890,909	22.0%
Strong Families	3,057,272	375,263	12.3%
Early Learning	10,587,720	1,058,542	10.0%
Capacity Building*	<u>3,181,383</u>	<u>974,806</u>	30.6%
<b>Program Services</b>	<b>\$34,516,295</b>	<b>\$6,299,520</b>	
Admin. Functions**	<u>2,551,302</u>	<u>1,045,393</u>	
<b>Total Operating Exp.</b>	<b>\$37,067,597</b>	<b>\$7,344,913</b>	

\*Includes Evaluation costs of \$253,460

\*\*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 \$1,045,393 and encumbrances of \$746,761 were 4.83% of the Fiscal Year 2013-14 Amended Budget of \$37,067,597. Final administrative expenses are projected to be 7.6% at year end.

### Total Encumbrances as of December 31, 2013

Healthy Children	\$15,133,257
Strong Families	\$2,240,449
Early Learning	\$5,627,722
Capacity Building	\$2,785,156
Admin. Functions	\$746,761

### 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 December 31, 2013, tobacco revenue has been received through October 2013.

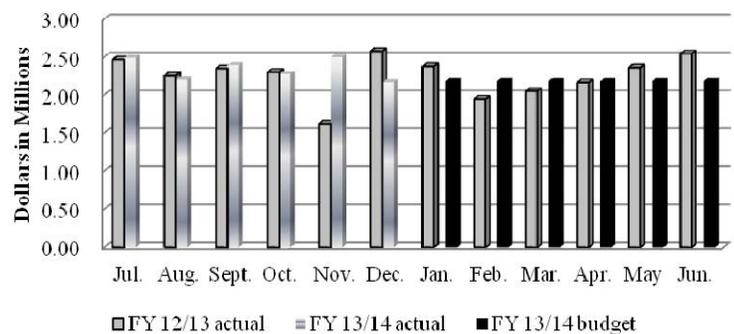
Interest earnings for July 2013 through December 2013 are \$102,296.

### 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 December 31, 2013, \$25,164,296 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>(50,723,463)</u>
<b>Projected June 30, 2014 Fund Balance</b>	<b>\$16,326,009*</b>

\*based on Commission action through October 2013

**Children and Families Commission of Orange County**  
**Quarterly Investment Report**  
**October 1, 2013 through December 31, 2013**

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**OVERVIEW**

Pursuant to the Commission's Investment Policy Statement dated May 1, 2013, the Treasurer submits this Quarterly Investment Report to the Commission. This Investment Report summarizes investment activities for the Commission for the three-month period from October 1 through December 31, 2013.

The Commission has invested 100% of its funds in the Orange County Investment Pool (OCIP). All funds are managed by the Office of the Orange County Treasurer.

**Orange County Investment Pool**

The primary goal of the OCIP is to invest public funds in a manner which will provide the maximum security of principal invested with secondary emphasis on providing adequate liquidity to Pool Participants and lastly to achieve a market rate of return. The Commission's investment in the OCIP as of December 31, 2013 totaled \$63,062,041.

**PORTFOLIO PERFORMANCE SUMMARY – QUARTERLY**

The following table presents an overview of the OCIP for the months of October, November, and December 2013.

Month Ended	Commission's Month End Balance	Commission's Monthly Gross Yield	OCIP Market Value	OCIP Book Value	Average Days to Maturity
October	\$70,762,966	0.33%	\$3,166,830,045	\$3,166,359,402	363 days
November	\$70,197,370	0.30%	\$3,498,722,902	\$3,497,802,437	320 days
December	\$63,062,041	0.25%	\$3,755,775,867	\$3,755,971,783	310 days

**ECONOMIC UPDATE**

From October through December, the U.S. economy continued its modest economic growth. The job market added 200,000 new jobs in October, 241,000 in November, and 74,000 in December. The unemployment rate was 7.3% in October, declined to 7.0% in November, and declined to 6.7% in December. The drop was partially attributed to a decline in the number of job seekers. According to the S&P/CaseShiller home pricing index, the housing market continued to improve as home prices increased for the seventeenth consecutive month in October, up 13.6% from a year ago. The Federal Reserve met twice during the quarter and at its second meeting in December, voted to reduce its asset purchase program to \$75 billion from \$85 billion per month. Starting in January 2014, the Federal Reserve will purchase \$35 billion per month in agency mortgage-backed securities and \$40 billion per month in longer-term Treasury securities, a reduction of \$5 billion in each.

Rates on short-term treasuries remain low as investors expect the Federal Reserve to continue its monetary policy for the near future. However, rates on longer-term securities have increased due to steady improvement in the U.S. economic growth. The 10-year Treasury ended the quarter at 3.03%, up from 2.61% at the end of the previous quarter.

**U.S. Treasury Yield Curve:** Treasury yields increased during the Quarter Ended December 31, 2013.

	Quarter Ended December 31, 2013	Quarter Ended September 30, 2013
3-Month	0.07%	0.01%
2-Year	0.38%	0.32%
5-Year	1.74%	1.38%
10-Year	3.03%	2.61%
30-Year	3.97%	3.69%

Source: Bloomberg World Markets

## COMPLIANCE MONITORING

The investment portfolios had one compliance exception for the three months ending December 2013. In December the County Treasurer purchased an investment from the County's depository bank that was not on the authorized issuer list, and the purchase did not meet all of the County IPS restrictions. The investment matured the following day and brought the portfolio back into compliance. The County Treasurer will be implementing a control that will prevent this from occurring in the future. Three audit reports were issued during the quarter. Of the three reports issued, there was one finding where internal controls over compliance could be improved however; this finding was not considered a material weaknesses or significant deficiency. In October, the Internal Audit Department issued the Required Annual Examination of the Treasurer's Investment Compliance with Government Code and County Investment Policies for the Year Ended December 31, 2012, and found that the Treasurer-Tax Collector complied in all material respects with the noted California Government Code and Investment Policy Statement requirements. The audit noted one finding where internal controls over compliance could be improved. This finding was implemented as of the date of their report. In November, the Auditor-Controller Report on Compliance Monitoring for the Quarter of April through June 2013 identified no compliance deficiencies. The Auditor-Controller Report on Review of the Statement of Assets Held by the County Treasury as of March 31, 2013 stated that no material modifications needed to be made to the financial statements prepared on a modified cash basis.

## SUMMARY STATEMENTS

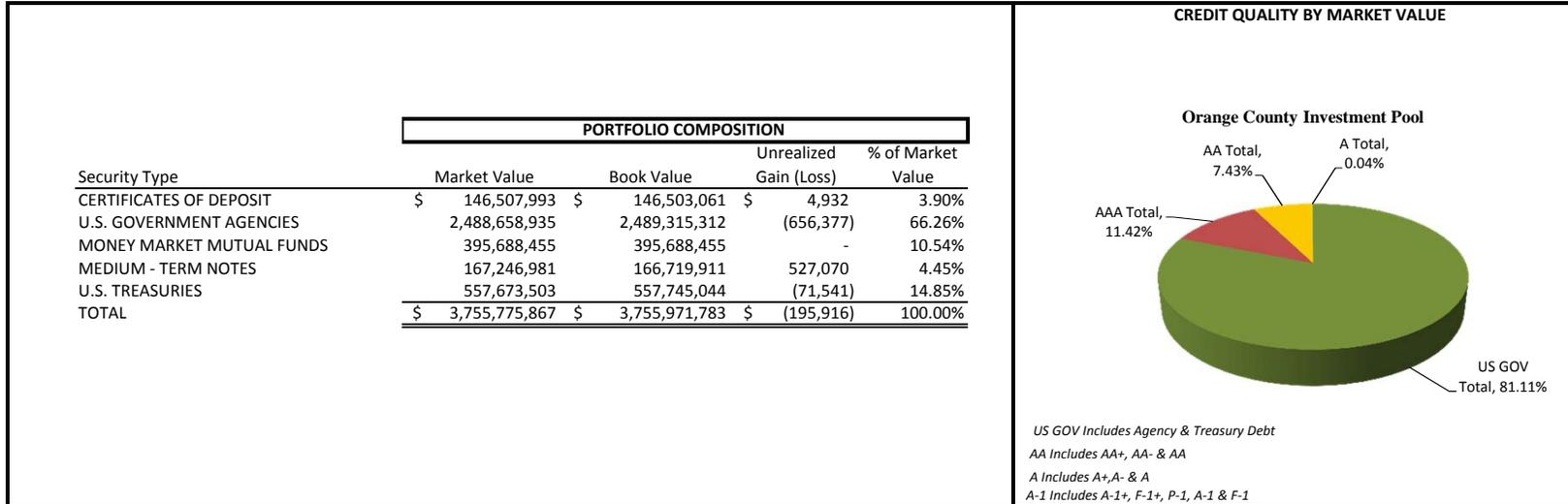
Attached for further information and reference is the OCIP Statement of Activity for the months of October, November, and December 2013.

- A. Statement of Activity: This Statement reports the beginning and ending balances of the Commission's funds invested in the OCIP. All deposits, withdrawals, investment earnings, and administrative fees for the reporting period are also posted. The Commission's month-end balances for October, November, and December were \$70,762,965.83, \$70,197,369.84, and \$63,062,041.21 respectively. The estimated treasury administrative fee is 8.2 basis points, and the year-to-date net yield as of December 31, 2013 is 0.24%.

### Attachments:

- A. Orange County Investment Pool Summary
- B. Statement of Activity for the months of October, November, and December 2013

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
ORANGE COUNTY INVESTMENT POOL  
INVESTMENT POOL SUMMARY  
AT DECEMBER 31, 2013**



SUMMARY OF INVESTMENT DATA								
INVESTMENT TRENDS								
	DECEMBER 2013	NOVEMBER 2013	INCREASE (DECREASE)	NET CHANGE %	DECEMBER 2012	INCREASE (DECREASE)	NET CHANGE %	
<b>Orange County Investment Pool (OCIP)</b>								
End Of Month Market Value <sup>1,2</sup>	\$ 3,755,775,867	\$ 3,498,722,902	257,052,965	7.35%	\$ 3,703,353,420	\$ 52,422,447	1.42%	
End Of Month Book Value <sup>2</sup>	\$ 3,755,971,783	\$ 3,497,802,437	258,169,346	7.38%	\$ 3,699,653,522	\$ 56,318,261	1.52%	
Monthly Average Balance <sup>2</sup>	\$ 4,038,228,460	\$ 3,302,258,226	735,970,234	22.29%	\$ 4,001,560,483	\$ 36,667,977	0.92%	
Year-To-Date Average Balance	\$ 3,186,614,514	\$ 3,016,291,724	170,322,789	5.65%	\$ 3,150,074,301	\$ 36,540,213	1.16%	
Monthly Accrued Earnings <sup>4</sup>	\$ 837,870	\$ 827,033	10,836	1.31%	\$ 1,112,749	\$ (274,879)	-24.70%	
Monthly Net Yield <sup>3,4</sup>	0.16%	0.22%	-0.06%	-27.13%	0.25%	-0.08%	-33.87%	
Year-To-Date Net Yield <sup>4</sup>	0.24%	0.26%	-0.02%	-6.88%	0.37%	-0.13%	-34.97%	
Annual Estimated Gross Yield	0.37%	0.37%	0.00%	0.00%	0.38%	-0.01%	-2.63%	
Weighted Average Maturity (WAM) <sup>5</sup>	310	320	(10)	-3.13%	250	60	24.00%	

<sup>1</sup> Market values provided by Bloomberg and Northern Trust.

<sup>2</sup> In December 2013, the OCIP balance increased primarily due to incoming secured property tax receipts.

<sup>3</sup> In December 2013, OCIP monthly net yield decreased due to incoming secured tax receipts that were deposited and invested in short maturities until distribution to County Agencies and school districts. Over 65% of OCIP secured tax receipts were distributed to County agencies and school districts in late December and January.

<sup>4</sup> In December 2012, OCIP primarily held higher yielding securities, which over time have matured and were reinvested in lower yielding securities. As a result, the overall earnings and yield have dropped since December 2012.

<sup>5</sup> In December 2013, OCIP WAM was higher than December 2012, primarily due to investing in longer maturities during the second and third quarters of 2013 to capture higher interest rates offered during that period.



COUNTY OF ORANGE  
**OFFICE OF THE TREASURER-TAX COLLECTOR**

Shari L. Freidenrich, CPA, CCMT, CPFA, ACPFIM  
P. O. BOX 4515  
SANTA ANA, CA 92702-4515

[ocgov.com/ocinvestments](http://ocgov.com/ocinvestments)

October 31, 2013

**ORANGE COUNTY CHILDREN AND FAMILIES COMMISSION**

Attn: Christina Altmayer, Executive Director  
1505 E. 17th Street, Suite 230  
Santa Ana, CA 92705

Monthly Apportionment Gross Yield: 0.329%  
Administration Fee: -0.082%  
Monthly Apportionment Net Yield: 0.247%

**Fund Number : 225**

**OCTOBER 2013 STATEMENT**

**CASH IN TREASURY**

**Transactions**

Transaction Date	Transaction Description	Tran Type	Authorized Signer	Amount
10/01/13	September 2013 Admin Fee	AF		\$ (4,786.49)
10/08/13	September 2013 Interest	IN		\$ 20,618.40

**Summary**

Total Deposit:	\$ 2,261,267.64	Beginning Balance:	\$ 70,717,428.84
Total Withdrawal:	\$ (2,215,730.65)	Ending Balance:	\$ 70,762,965.83

**ACCRUED INVESTMENT INCOME**

**Transactions**

Transaction Date	Transaction Description	Tran Type	Authorized Signer	Amount
10/08/13	September 2013 Interest	IN		\$ (20,618.40)
11/01/13	October 2013 Interest	IN		\$ 19,813.07

**Summary**

Total Accrual:	\$ 19,813.07	Beginning Balance:	\$ 20,618.40
Total Payment:	\$ (20,618.40)	Ending Balance:	\$ 19,813.07



COUNTY OF ORANGE  
**OFFICE OF THE TREASURER-TAX COLLECTOR**

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November 30, 2013

**ORANGE COUNTY CHILDREN AND FAMILIES COMMISSION**

Attn: Christina Altmayer, Executive Director  
1505 E. 17th Street, Suite 230  
Santa Ana, CA 92705

Monthly Apportionment Gross Yield: 0.304%  
Administration Fee: -0.082%  
Monthly Apportionment Net Yield: 0.222%

**Fund Number : 225**

**NOVEMBER 2013 STATEMENT**

**CASH IN TREASURY**

**Transactions**

Transaction Date	Transaction Description	Tran Type	Authorized Signer	Amount
11/01/13	October 2013 Admin Fee	AF		\$ (4,938.33)
11/12/13	October 2013 Interest	IN		\$ 19,813.07

**Summary**

Total Deposit:	\$ 3,008,475.25	Beginning Balance:	\$ 70,762,965.83
Total Withdrawal:	\$ (3,574,071.24)	Ending Balance:	\$ 70,197,369.84

**ACCRUED INVESTMENT INCOME**

**Transactions**

Transaction Date	Transaction Description	Tran Type	Authorized Signer	Amount
11/12/13	October 2013 Interest	IN		\$ (19,813.07)
12/02/13	November 2013 Interest	IN		\$ 18,117.84

**Summary**

Total Accrual:	\$ 18,117.84	Beginning Balance:	\$ 19,813.07
Total Payment:	\$ (19,813.07)	Ending Balance:	\$ 18,117.84



COUNTY OF ORANGE  
**OFFICE OF THE TREASURER-TAX COLLECTOR**

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[ocgov.com/ocinvestments](http://ocgov.com/ocinvestments)

December 31, 2013

**ORANGE COUNTY CHILDREN AND FAMILIES COMMISSION**

Attn: Christina Altmayer, Executive Director  
1505 E. 17th Street, Suite 230  
Santa Ana, CA 92705

Monthly Apportionment Gross Yield: 0.246%  
Administration Fee: -0.082%  
Monthly Apportionment Net Yield: 0.164%

**Fund Number : 225**

**DECEMBER 2013 STATEMENT**

**CASH IN TREASURY**

**Transactions**

Transaction Date	Transaction Description	Tran Type	Authorized Signer	Amount
12/02/13	November 2013 Admin Fee	AF		\$ (4,887.78)
12/12/13	November 2013 Interest	IN		\$ 18,117.84

**Summary**

Total Deposit:	\$ 2,430,433.83	Beginning Balance:	\$ 70,197,369.84
Total Withdrawal:	\$ (9,565,762.46)	Ending Balance:	\$ 63,062,041.21

**ACCRUED INVESTMENT INCOME**

**Transactions**

Transaction Date	Transaction Description	Tran Type	Authorized Signer	Amount
12/12/13	November 2013 Interest	IN		\$ (18,117.84)
01/02/14	December 2013 Interest	IN		\$ 14,985.80

**Summary**

Total Accrual:	\$ 14,985.80	Beginning Balance:	\$ 18,117.84
Total Payment:	\$ (18,117.84)	Ending Balance:	\$ 14,985.80



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

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

**Date:** December 31, 2013

**Subject:** December 2013 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 December 2013:

**Governmental Advocacy**

Curt Pringle & Associates' (CP&A) scope of work includes outreach activities with the Orange County Legislative Delegation and with priority cities identified as part of the Commission's 2014 strategic outreach. These 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 provide lobbying services to the Commission.

*Legislative/Budget Update*

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

- CP&A reviewed the Speaker of the Assembly's 2014/2015 Budget Blueprint and provided the Commission with an update:
  - Earlier this week, Speaker John Perez announced he will be seeking to make Transitional Kindergarten available or "universal" for all 4 year-olds in California. Under SB 1381, which was approved in 2010, California began changing the date by which a child is required to be admitted to kindergarten from December 2, of the year they turn 5 years-old, to September 1. Currently Transitional Kindergarten is available to 25 percent of California's 4-year olds. Speaker Perez has not yet indicated what, if any, other changes would be made to the program. The Budget Blueprint also outlined his intent to strengthen early care programs for children 0-3 years of age, as well as expanding the Earned

Income Tax Credit program in order to combat the childhood poverty rate in California. The Budget Blueprint also references a potential voter-approved Constitutional Amendment that would establish an \$8 billion reserve fund by 2017. Governor Brown is required to release his 2014/2015 Budget Proposal no later than January 15, 2014.

- CP&A continues to monitor bills of significance for the Commission:
  - 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. The bill is currently pending in the Senate Appropriations Committee and is anticipated to be discussed when the legislative session reconvenes in January 2014. The last day for each house to pass this bill is January 31, 2014.

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.

On December 26, 2013, the Attorney General of California prepared the following title and summary: ***Cigarette Tax to Fund Healthcare, Tobacco Use Prevention, Research, and Law Enforcement***. Initially, this ballot measure was titled ***California Healthcare, Research and Prevention Tobacco Tax Act of 2014***. 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. The initiative includes a backfill provision for the California Children and Families Trust Fund (Proposition 10).

- 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 topic for December was the Speaker's 2014/2015 Budget Blueprint with the emphasis on transitional kindergarten.

### *Legislative Briefings*

- Curt Pringle & Associates worked with Commission staff to determine the delivery schedule of the "15 Years and Moving Forward" report to the Orange County Legislative Delegation. CP&A delivered the 15 year report to the following legislative offices in December:
  - Assemblyman Travis Allen
  - Assemblyman Tom Daly
  - Assemblywoman Sharon Quirk-Silva
  - Senator Mimi Walters

## *City Briefings*

- Curt Pringle & Associates worked with Commission staff to finalize a city briefing schedule for 2014. One city in each Orange County Supervisorial District will be targeted in the coming year 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 may 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.
- The cities that were identified for 2014 include:
  - First District: Santa Ana
  - Second District: Costa Mesa
  - Third District: Tustin
  - Fourth District: Brea
  - Fifth District: Mission Viejo
- Curt Pringle & Associates is contacting the city managers in each of the targeted cities to begin scheduling briefings in January 2014.
- Curt Pringle & Associates provided an updated list of Orange County cities as many Mayoral appointments were made in December. The list of cities included emails for City Managers and Mayors so that the Commission could distribute an electronic version of the “15 Years and Moving Forward” report.

## *Board of Equalization*

- As part of the Commission’s efforts to address the escalating Board of Equalization administrative fees, Curt Pringle & Associates facilitated and participated on several conference calls with Commission staff and representatives from other First 5 Commissions across the state.

## *Education Community Outreach*

- In addition to the outreach being done with local city leaders, 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 this outreach, 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: The Commission Executive Director is currently meeting with Anaheim City School District.
  - Fifth District: Capistrano Valley Unified School District

### **Community Partnership**

#### *Essentials for Young Lives*

- Curt Pringle & Associates finalized the schedule for the *Essentials for Young Lives* Steering Committee meetings and distributed the schedule to the Steering Committee members. Proposed Steering Committee membership includes:
  - Kelly Pijl, Children and Families Commission of Orange County
  - Gina Scott, HomeAid Orange County
  - Todd Priest, Curt Pringle & Associates
  - Alyson Loyd, Curt Pringle & Associates
  - Carrie Braun, Orange County Sheriff's Department
  - Oliver Jones, UPS
  - Jenna Watkinson, VONS
  - Carolyn McInerney, County of Orange
- Curt Pringle & Associates began conversations with staff of the Orange County Sheriff's Department in our efforts to secure the Sheriff's participation to serve as Honorary Chair of the *Essentials* campaign for the fourth consecutive year.
- Curt Pringle & Associates outreached to two major corporate sponsors, UPS and Vons, to determine if they would participate again for their fourth consecutive year.
- Curt Pringle & Associates facilitated and participated in a conference call with Jenna Watkinson of Vons and Gina Scott of HomeAid Orange County to discuss the participation level of Vons in the 7<sup>th</sup> Annual *Essentials for Young Lives* drive. CP&A is working with HomeAid Orange County to discuss the budget for the 2014 *Essentials* drive and the opportunity to receive a Safeway Foundation grant.

#### *Other Community Partnership Opportunities*

- Curt Pringle & Associates continues to communicate with Allergan about future partnership opportunity involvement in the Commission pediatric vision program. In addition, CP&A has had preliminary discussions regarding potential opportunities with Cox Communications such as with the Cox Civic Connection program.

## **Public Awareness**

- Curt Pringle & Associates met with the Commission Communications team to determine the public awareness deliverables for the month of December.
- Curt Pringle & Associates worked with Commission staff to develop the public awareness deliverables for 2014.

## **Upcoming Activities and Focus:**

- Deliver 15 Year Report to remaining legislative district offices
- Additional Legislative office briefings, as needed
- BOE Administrative Fees
- City briefings to begin January 2014
- Education community outreach plan coordination
- Further engagement with Allergan and Cox Communications
- Planning efforts for the 2014 *Essentials for Young Lives* campaign



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

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

**Date:** January 24, 2014

**Subject:** January 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 January 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 is January 31, 2014. The last day for new bills to be introduced is February 21, 2014.

- CP&A reviewed the Governor's proposed budget, which was released on January 15, 2014. Highlights include:
  - Revenues for the Children and Families Trust Fund are expected to decline from \$466 million in 2013-2014 to \$451 million in 2014-2015.
  - K-12 education spending per pupil is expected to increase from \$11,985 in FY 2014-2014 to \$12,833 in FY 2014-2015.
  - The Medi-Cal caseload will increase approximately 10.2% from 2013-2014 to 2014-2015 (up to 10.1 million), as a result of the federal health care reform and the shift of children from the Healthy Families Program to Medi-Cal.
  - \$17.5 million will be allocated for pediatric oral health, children ages 0 – 3.
  - Fee for voluntary prenatal screening will increase \$45 effective July 1, 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 is tentatively scheduled to be heard in committee on February 13, 2014.
  - 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. The bill is currently pending in the Senate Appropriations Committee and is anticipated to be discussed in January 2014.
  - 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.
- 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.

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 January 24, 2014, a total of three (3) tobacco initiatives have been submitted to the Secretary of State for review. Another five (5) have been submitted to legalize and/or regulate marijuana. It is not anticipated that those five 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 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 worked with Commission staff to determine the delivery schedule of the 15 year report to the Orange County Legislative Delegation. CP&A delivered the 15 year report to Assemblyman Curt Hagman's office in January.

#### *City Briefings*

- Curt Pringle & Associates worked with Commission staff to finalize a city briefing schedule for 2014. One city in each Orange County Supervisorial District will be targeted in the coming year 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 has scheduled a city briefing with the City of Costa Mesa for February 21, 2014. Attendees will include Costa Mesa CEO Tom Hatch and Assistant CEO Rick Francis.

- 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.
- Curt Pringle & Associates is working to schedule briefings with the remaining identified three cities which include: Santa Ana, Tustin, and Mission Viejo.

#### *Board of Equalization*

- Curt Pringle & Associates continues to work with Christina Altmayer, Kelly Pijl and others regarding the excessive administrative fees being charged to the Commission. Our firm has communicated with BOE Members Steele and Runner and will be working with Christina Altmayer on a plan to address the issue potentially in the state budget or through specific legislation.

#### *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. Outreach to the school districts will begin in February 2014.

### **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 January 2014:

- Curt Pringle & Associates secured the participation of Orange County Sheriff Sandra Hutchens to serve as Honorary Chair of the campaign for the fourth consecutive year. The participation of the Sheriff and the Orange County Sheriff's Department provides the Commission with earned-media opportunities, which means there are no costs to the Commission or the *Essentials* program.
- Curt Pringle & Associates worked with HomeAid Orange County to prepare a proposal for Vons in order to apply for a grant through the Safeway Foundation. Vons has been a partner of the campaign for the past three years. Due to new corporate regulations, Vons is unable to allow donation drive bins for the public inside their stores. However, they are interested in continuing the partnership and asked that HomeAid provide several different sponsorship tiers which included a detailed description of what the Vons partnership would look like.
- Curt Pringle & Associates secured the participation of UPS to serve as a major campaign sponsor and provide transportation/delivery services during the campaign.
- Curt Pringle & Associates facilitated and attended the first Steering Committee meeting of the campaign on January 16, 2014. CP&A prepared the draft campaign timeline, media timeline, and agenda for the meeting. Attendees included:
  - Kelly Pijl, Children and Families Commission of Orange County
  - Gina Scott, HomeAid Orange County
  - Alyson Loyd, Curt Pringle & Associates
  - Carrie Braun, Orange County Sheriff's Department
  - Sonia Lister, Board Member of HomeAid Orange County
- Curt Pringle & Associates updated the draft timeline and media timeline after the discussion at the Steering Committee meeting.
- Curt Pringle & Associates reviewed the public relations deliverables from the 2013 campaign including press releases, media alerts, and an opportunity for an op-ed and began preparing the new documents for the 2014 campaign.

#### *Other Community Partnership Opportunities*

- Curt Pringle & Associates continues to communicate with Allergan about future partnership opportunity involvement in the Commission pediatric vision program. In addition, CP&A has had preliminary discussions regarding potential opportunities with Cox Communications such as with the Cox Civic Connection program.

## **Public Awareness**

- Curt Pringle & Associates is scheduled to meet with the Commission Communications team on January 30, 2014 in order to determine the communications deliverables for February 2014.

## **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

# SB 837 (STEINBERG)

## Kindergarten Readiness Act

Joint Authors: Senators Beall, Block, DeLeon, DeSaulnier, Hancock,  
Hill, Lara, Leno, Liu and Wolk  
Co-author: Assemblymember Bonta

### SUMMARY

**Senate Bill 837**, the Kindergarten Readiness Act, makes one year of voluntary, high quality transitional kindergarten available to every 4 year old in California, so that all children are ready for success in school.

opportunity. Only half of California low-income preschool-aged children are served in State Preschool or Head Start, and only one-quarter of all children are eligible for the current transitional kindergarten program.

### BACKGROUND

A powerful body of research shows that investing in early education is highly effective in increasing high school graduation and college attendance, decreasing crime, and building a stronger economy and middle class. That is why there is overwhelming public support for increasing investments in pre-k.

Children who do not read proficiently by the end of 3<sup>rd</sup> grade are four times more likely to not graduate from high school on time. Too few California children are on track to read well by this all-important milestone; just 48% of 3<sup>rd</sup> graders test proficient or better in English-language arts. The costs of attempted remediation, in the form of repeated grade-levels, special education placements and other interventions, are high.

Promising new reforms such as the Common Core State Standards and the Local Control Funding Formula establish greater equity and quality in California's public K-12 education system. However, neither of these reforms addresses the reality that the achievement gap is formed well before children arrive in kindergarten.

Longitudinal studies show that every dollar invested in high-quality early education programs generates \$7 or more in returns. Savings come in the form of lower grade retention, lower crime rates, and higher lifetime earnings.

Recent Stanford research shows that by age 2, low-income children are six months behind in language development relative to their higher income peers. By age 5, low-income children are more than two years behind in language development.

If California were to invest in high quality transitional kindergarten for all, the savings in the prison system alone are estimated to be \$1.1 billion a year due to the reduction in prison population by 13,000 prisoners.

In California, too many children miss out on a critical developmental window of

Now is the time to make a wise investment in transitional kindergarten for all.

## **THIS BILL**

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### **SB 837** will:

- Provide all 4 year olds with high-quality, developmentally appropriate transitional kindergarten (TK).
- Combine the best quality standards from current TK and State Preschool, creating a model that results in sustainable gains in school performance.
- Be funded through Average Daily Attendance (ADA), with additional resources provided for low-income, English learner and foster children.
- Allow for a mixed delivery system, in which school districts and charter schools may contract with private TK providers who meet quality standards.
- Allow existing federal and state preschool funds to be focused on additional early care and education programs for low-income 3- and 4-year olds, giving them an added boost when they need it most.
- Not take any funds away from existing state-contracted child development providers.
- Reduce the average cost per child of current TK by creating a two-session model.
- Phase in over five years, starting in 2015-2016, to allow ample time to expand services to all children whose parents wish to enroll them.

## **SUPPORT**

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Early Edge California (sponsor)  
State Superintendent of Public Instruction  
Tom Torlakson (co-sponsor)

## **FOR MORE INFORMATION**

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Susanna Cooper, Office of the Pro Tem  
(916) 651-4170

[Susanna.Cooper@sen.ca.gov](mailto:Susanna.Cooper@sen.ca.gov)

Scott Moore, Early Edge CA  
(510) 271-0075 x 305

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27 January 2014

The Honorable Darrell Steinberg  
Senate President pro Tempore, State of California  
State Capitol, Room 205  
Sacramento, CA 95814

1115 Atlantic Avenue  
Alameda, CA 94501  
P 510 227 6967  
F 510 227 6901

[first5association.org](http://first5association.org)

RE: Support for the Kindergarten Readiness Act of 2014

Dear Senator Steinberg,

The First 5 Association of California offers its strong support for the Kindergarten Readiness Act of 2014. SB 837 would provide every 4 year old with high-quality, developmentally appropriate transitional kindergarten to ensure that all California children are served in high-quality programs and are ready for success in school.

As we have seen from our own 15 years of investments in high-quality early learning programs, children not only develop core academic knowledge in pre-literacy and early math, they build critical learning skills such as paying attention, managing emotions and completing tasks. First 5 commissions across California have worked to expand the quality of existing programs, and believe that now is the time to take these efforts to scale. Only when all children have the access to quality programs can we begin to realize the savings and the benefits of such programs. Our own evaluations have shown that we can achieve kindergarten readiness, lower rates of special education placement, and higher third grade reading scores when we make the necessary investments in children, programs, and the early learning workforce.

If California invests in SB 837, we will make a major step towards ensuring a future where all children receive the services and supports needed in the 21<sup>st</sup> century. Our state will benefit from the increased productivity of these well-educated children, the savings in expensive social supports, and the reduction in the tragedy that is our ever-growing prison population. Clearly, this is the wisest investment we can make. And yet, only half of California's low-income preschool-aged children currently benefit from existing State Preschool or federal Head Start programs, and only one-quarter of all children have access to TK.

We can give all children the strong start they need for success by improving and expanding TK to serve all 4 year olds. Thank you for your leadership on this important challenge. We look forward to working with you in the weeks to come.

Sincerely,

A handwritten signature in blue ink that reads "Moira Kenney". The signature is written in a cursive, flowing style.

Moira Kenney, PhD  
Executive Director