



**Agenda Item No. 9**  
**September 3, 2008 Meeting**

**DATE:** August 26, 2008

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

**FROM:** Michael M. Ruane, Executive Director

**SUBJECT:** New Facilities and Expansion Programs

**SUMMARY:**

The Children and Families Commission of Orange County has partnered with community organizations to provide expanded programs at new venues throughout the county. This report includes an update on the YMCA Santa Ana Project to promote health, nutrition and physical fitness programs. An update on the new partnerships with Pretend City Children's Museum for the developmental screening program, and the Discovery Science Center for early math and literacy programs are also included.

**Health, Nutrition and Physical Fitness Programs - YMCA Santa Ana**

The Commission and YMCA of Orange County are finalizing the loan agreement to fund the construction of the new YMCA facility to provide health, nutrition and physical fitness services to the target community in Santa Ana. The services will include a health and nutrition center, physical fitness and pool safety activities, and extended programs such as school nurse trainings and early literacy.

Since the initial actions authorizing funding and negotiation of the funding agreement, the YMCA project has moved forward with a joint aquatics complex center design per Commission requirements and has established a more defined construction budget. The cost of implementing the joint aquatics center is higher than initially projected, largely due to school facility standards for the aquatics center. However, we believe the project can be accomplished within the requirements established by the Commission if we authorize two specific actions:

1. Authorize, with prior Commission approval, a 10 percent contingency allocation for facility budget for the project – \$500,000 for construction costs and services required to satisfy Commission requirements. This 10 percent limitation is the same as the monetary limit on existing service contracts, but requires separate action due to the contract amount.
2. Authorize an initial allocation of not to exceed \$400,000 from the \$1 million Health and Fitness operating fund established at the Orange County Community Foundation in March 2008. The balance of any shortfall will be the responsibility of the YMCA of Orange County working in partnership with the Santa Ana Unified School District, private donors and foundations.

The Commission approved funding guidelines for the *Health and Nutrition* fund that was originally approved in March 2008 and planned for the Orange County Community Foundation. However, the funds were redirected to the YMCA for the construction project, with a provision to pay back the fund to support on-going services. The updated Health and Nutrition Fund guidelines are included and recommended for Commission approval.

### **Developmental Screening Program – Pretend City Children’s Museum**

The Pretend City Children’s Museum, is a non-profit organization that will allow young children to develop problem solving and critical thinking skills in the setting of a small city when it opens in Irvine in 2009. Pretend City has proposed a partnership with the Commission focused on developmental screenings that will include outreach to young children, to parents and caregivers, and to pediatricians and other professionals through a variety of venues including free screenings, educational materials, and an exhibit to promote the importance of developmental screenings.

This 10-year initiative is expected to establish a community expectation of developmental screenings as a routine, early intervention strategy to prepare young children for school. The overall goal is to increase the number of developmental screenings in young children, and increase awareness that developmental screenings are an early prevention strategy to provide services to those children that require treatment. Details of the proposed partnership are included as Attachment 1.

The Pretend City plan includes facilitating and promoting a monthly free screening day at the museum that will include community health and education organizations to offer screenings, support and materials. The museum will include a healthy development milestone obstacle course and a “development map” for parents to assess their child’s development on the obstacle course. The Pretend City developmental strategy includes providing parents with information on their child’s developmental stages, and an annual development screening expo.

A partnership with the Commission will require establishing an advisory board of community leaders and experts in the field of developmental screenings, including the County Health Officer, and representatives from Help Me Grow, Family Support Network, and the American Academy of Pediatrics. The advisory group will validate the appropriateness of the assessment tools, activities, and referrals to providers. Annual funding at \$350,000 for 10 years for a total of \$3.5 million was approved to develop, launch and implement a comprehensive initiative designed to increase early developmental screening and early intervention for Orange County children. Commission approval is recommended to negotiate a final agreement with Pretend City and return for final action at the next Commission meeting or by your established Finance Subcommittee.

### **Early Math & Literacy Programs - Discovery Science Center**

The Commission approved 10-year lease agreement with Discovery Science Center at an annual rate of \$350,000 for a total investment of \$3.5 million, with an additional \$500,000 set-aside for one-time building improvements and equipment. The agreement will be developed following the

DSC's completed purchase of the Red Roof Inn that is adjacent to the main facility. The purchase is expected to be complete in January 2009.

The pending agreement with DSC will provide 7,700 square feet for permanent exhibits and programs that will include a learning technology lab site for early math and literacy programs specifically for preschool age children. The lab is expected to include innovative programs such as early literacy and interactive math skill development that will promote the concept of early learning to prepare young children for school in the targeted communities of Santa Ana, Anaheim and Garden Grove.

The proximity of the early learning technology programs will be promoted to the residents by DSC and public transportation information will be available for outlying communities in Santa Ana and the target communities of Anaheim and Garden Grove. The goal for the DSC and the Commission is to increase attendance by preschool aged children in the low-income communities, introduce young children to technological concepts, and establish an interest in the exhibits and programs available at DSC to enhance early learning opportunities. The final funding action and approval of agreement will be presented for the Commission's final approval or by the established Finance Subcommittee.

#### **STRATEGIC PLAN & FISCAL SUMMARY:**

The YMCA Santa Ana project has been specifically reviewed in relation to the Strategic Plan and is consistent with the Healthy Children outcome goal. The \$400,000 funding request for additional construction costs is included in the Fiscal Year 2008-2009 Budget within the Fitness/Nutrition budget category.

#### **PRIOR COMMISSION ACTIONS:**

1. July 2008 – New Expanded Facility Opportunities- Commission provided direction to staff to continue discussions with Pretend City and return with terms of a partnership agreement.
2. July 2008 – Approved redirecting \$2 million for the YMCA Health and Nutrition Fund to the YMCA construction project.
3. May 2008 – Approved Agreement FC-YMCA-01 for the YMCA construction project

#### **RECOMMENDED ACTIONS:**

1. Authorize a maximum 10 percent contingency allocation for facility costs for a total final agreement not to exceed \$7,500,000 with YMCA Orange County for the construction and services at the new YMCA of Santa Ana facility.
2. Authorize an allocation of up to \$400,000 from the Health and Fitness Fund managed by the Orange County Community Foundation if necessary to offset the construction costs of the aquatics center and related facilities.
3. Approve updated funding guidelines for the YMCA Health and Nutrition fund.
4. Receive progress report for the Pretend City Developmental Screening program, confirm funding action to set-aside \$3,500,000, and direct staff to return at the October 2008 meeting with a proposed funding agreement based upon the term sheet (Attachment 2).

5. Receive progress report on the Discovery Science Center project.

**ATTACHMENTS:**

1. Updated Funding Guidelines for the YMCA Health and Nutrition Fund
2. Terms and Conditions for the Community Development Screening Program at Pretend City Children's Museum

**Contact:** Kim Goll & Kelly Pijl



**Philanthropic Guidelines for the  
YMCA HEALTH & NUTRITION FUND  
(Agency Designated Funds)**

**Purpose of fund:**

The Children and Families Commission of Orange County (Commission), through an initial contribution of \$2,000,000, shall authorize the YMCA Orange County to establish a non-endowment fund with a fund management organization (fund manager) approved by the Commission to provide to the YMCA a permanent source of funding for health and nutrition programming for children from the prenatal stage to 5-years and their families at the new Santa Ana YMCA facility. Funding by the Commission is also designed to serve as an incentive for other donors to contribute to these established Funds.

**Funding Criteria:**

- Funds shall not be expended until Commission approves a comprehensive program plan to implement health and nutrition services at the YMCA Santa Ana facility, which shall be (is) attached and incorporated into the Fund Criteria.
- YMCA shall dedicate space in the new facility building for health and nutrition program services.
- On or before the start of YMCA's fiscal year, the YMCA shall submit to the Fund Review Committee an annual budget documenting the intended funding expenditure for the coming fiscal year.
- On or before the start of YMCA's fiscal year, the YMCA shall submit to the Fund Review Committee an annual report documenting fund expenditures for the prior fiscal year.

**Ongoing Funding Requirements:**

- Funds may not be expended for any purposes other than to promote, support, and improve the early development of children from the prenatal stage to 5-years and their families, unless explicitly designated by Commission for other purposes.
- Funds shall be expended for programs emphasizing health, fitness, community awareness, early education, and literacy at the YMCA Santa Ana facility consistent with the comprehensive program plans submitted by the YMCA and approved by the Commission.
- In the event the YMCA or the Commission dissolve prior to the complete expenditure of monies in the Funds maintained by the fund manager, the fund manager shall continue to distribute said Funds consistent with the restrictions outlined above.

**Annual Fund Review Committee:**

A fund review committee will convene annually to review the progress and status of the health, nutrition, and fitness programs and services administered at the YMCA Santa Ana facility. The Fund Review Committee will have the authority to determine the YMCA Santa Ana facility's compliance with the approved comprehensive program plans for each program discussed above and report back to the Commission on the status of the programs. The Fund Review Committee will include representatives from the fund manager and the Commission.

**Incentive for Donor Contributions:**

The Commission's investment may be used to leverage additional donations to support the YMCA project. The Commission's investment can only be used to support programs and services for children from the prenatal stage to 5-years and their families, as defined in the Fund Criteria. Additional donated funds can be used by the YMCA to support projects at the Santa Ana facility, but not at the expense or detriment of the health, nutrition, and fitness programs and services supported by the Commission.

**Grant Size & Funding Strategy:**

- A total of 10 percent of each of the fund balances will be allocated by the fund manager annually to the YMCA Santa Ana facility to support health, nutrition and fitness programs as determined in the Fund Criteria, and provided the YMCA remains in good standing, as determined by the fund manager and the Fund Review Committee.
- YMCA Santa Ana may request additional funds that are donated by organizations or persons other than the Commission by submitting a grant proposal and supporting documentation with their request. Funds, in addition to those donated by the Commission, to support the proposal must be in the account prior to any distribution of fund monies by the fund manager. The Fund Review Committee shall review and either approve or deny any grant proposal submitted by the YMCA.

**Funds will not be granted for:**

Annual fund drives, debt retirement or budget deficits, academic or scientific research projects, existing administrative expense not related to service delivery defined in the Fund Criteria of these guidelines, more than 25% of the agency annual budget, or any uses contrary to the restricted uses stated in Health & Safety Code § 130100 *et seq.*

<b>Community Developmental Screening Program Pretend City Children's Museum Terms and Conditions</b>	
<b>Facility Overview</b>	<ul style="list-style-type: none"> <li>• 28,000 square foot leased facility in the Irvine Spectrum area. Expected to open in 2009.</li> <li>• \$17,500,000 is needed to build out the exhibit space and have two years of operational costs in reserves.</li> <li>• Pretend City will create a research based interactive environment that supports early learning activities for children.</li> </ul>
<b>Commission Sponsored Programs</b>	<ul style="list-style-type: none"> <li>• Development of a comprehensive plan supporting and enhancing the Commission's and our partners work on expanding and improving the quality of developmental screenings countywide.</li> <li>• Plan includes:               <ul style="list-style-type: none"> <li>○ Build out the interactive museum space to encourage children to engage with activities that support parents' observation of developmental milestones</li> <li>○ Facilitate and host monthly free developmental screening days for children ages zero through five</li> <li>○ Create an education and outreach plan aimed at parents and caregivers emphasizing the importance of developmental screenings for young children</li> <li>○ Initiate and maintain a learning series for pediatricians and other professionals (nurses and educators) on topics concerning developmental screenings</li> </ul> </li> <li>• Pretend City has already created an advisory board for their developmental activities included on this board are American Academy of Pediatrics, Help Me Grow, Orange County Department of Education, Orange County Health Care Agency and Family Support Network.</li> </ul>
<b>Terms of Funding</b>	
<b>Commission Financial Contribution</b>	Service Loan Agreement- one time payment of \$3,500,000 which will be paid back to the Commission through services over the next 10 years.
<b>Service Payback</b>	Pretend City will provide services (as described above) for a minimum of ten years. It is estimated that cost of the comprehensive services is \$350,000 annually.
<b>Funding Security</b>	Commission is requiring either a Performance Bond or Letter of Credit in the amount of \$3,500,000.
<b>Programmatic Oversight</b>	Pretend City will be required to maintain an advisory board of area experts that will help with the design, evaluation, and ongoing implementation of the developmental services.