



Children & Families
Commission of Orange County

RECEIVED

07 APR -2 PM 12:34

CLERK OF THE SUPERIOR COURT
COUNTY OF ORANGE
BOARD OF SUPERVISORS

Supplemental Transmittal
April 4, 2007 Agenda
Executive Officer Report

DATE: April 4, 2007
TO: Members, Children and Families Commission of Orange County
FROM: Michael M. Ruane, Executive Director
SUBJECT: Supplemental Information - Executive Officer Report

B. State Legislative Update

Enclosed is the presentation outline for this item.

D. Outside Strategic Assessment of Commission

At this point, we are planning on moving forward with Bridgespan, the nonprofit consulting arm of Bain Consulting Group, for the outside strategic assessment of the Commission. Even though this assessment cannot begin until later this year, the planning and preparation for the assessment will begin this month. I will be visiting the San Francisco office of Bridgespan on April 10th, participating in a strategic planning workshop at Stanford on April 11th and 12th run by the Business School for nonprofit organizations. The Stanford sessions are subsidized and limited to teams from a nonprofit organization so our statewide association is participating in order for me to attend. The workshop will be a relatively inexpensive method of training in preparation for the strategic assessment.

The current plan is for a partner from Bridgespan to attend your annual planning session scheduled for June 6th. Following the session, Christina Altmayer and I would develop a final scope of work with the consultant team.

In order to keep the costs of the strategic assessment within budget, and to maximize the benefits of the assessment, early preparation and familiarity with current practices in cutting edge organizational assessments is critical during the next few months. We will provide an update at your May meeting.

E. Partnership with Meredith Publishing

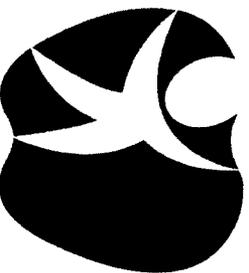
The Commission has a partnership with Meredith Publishing to print the Kid Builder activity books at a reduced cost while maintaining the integrity and Commission control of the publication. Meredith was also requested to develop an expanded partnership

proposal once the Kid Builder printing project was commenced. Representatives from Meredith Publishing participated in the Annual Community Awards Program and were briefed on existing commission programs. In response, Meredith Publishing is interested in both an expanded communications partnership and in developing an ongoing relationship with the families from pregnancy until age 5. In addition, Meredith Publishing has extensive expertise in reaching expectant mothers and utilizing their mailing list for targeted and specialty publications. I have asked the White House Writers Group to develop a report and recommendations regarding this proposal.

CC:

Clerk of the Commission
Terry Andrus, Legal Counsel

State Legislative Report



Children & Families
Commission of Orange County

Executive Officers Report - Item B
April 4, 2007 Commission Agenda

Current Situation

1. Health care reform and coverage expansion is a major priority of the Governor and state legislative leaders.
2. Senate Republican Caucus Health Care Plan proposed in response to Governor's plan would redirect Proposition 10 tobacco taxes to expand coverage.
3. Implementing legislation, SB 893 (Cox), will be amended to redirect all Proposition 10 revenues to expand Healthy Families program and replace current General Fund contribution.
4. Orange County Commission will need to continue to provide statewide leadership on legislative issues.



Sacramento Legislative Day

1. Representatives from over 30 county commissions participated in the Sacramento Legislative Day on March 21, 2007.
2. State legislative representatives were generally supportive of local decision making and strongly supported health and preventative services, and start-up grant programs (i.e. Down Syndrome Association of Orange County).
3. Residual concerns exist in state legislature related to former First California Chair Rob Reiner, recent state audit and prior preschool ad campaign.
4. Orange County is seen as unique by some critics of Proposition 10 commissions. There was no criticism of the Orange County Commission during the trip.



Key Messages

1. Orange County and county commissions fund significant amount of direct health services which are not covered even if client has insurance.
2. Funded programs outside of health reflect key community priorities: homeless prevention, child abuse prevention, and early literacy programs.
3. Local programs developed in response to community gaps is a strength of Proposition 10, not a weakness. Does not eliminate statewide fiscal and outcome accountability.
4. Proposition 10 is the only time in recent history that Orange County receives its fair share of state funding.
5. Orange County has received a Grand Jury commendation, is a national demonstration site for programs and will continue to serve as leader in developing innovative programs.



Next Steps

1. Follow-up communication will be sent to all members of Orange County delegation along with a request to schedule site visits of programs.
2. Series of monthly health focused bulletins to be distributed to business and community leaders describing Commission sponsored health programs and other programs serving community needs.
3. Orange County to lead effort to showcase Commission programs as example of how government should work, and seek long-term funding support.
4. Continue efforts to promote sponsored programs as models for future state and federal investment.





Children & Families
Commission of Orange County

RECEIVED

07 MAR 23 AM 9:42

CHILDREN & FAMILIES BOARD
COMMISSION OF ORANGE COUNTY
Executive Officers Report
April 4, 2007 Meeting

DATE: March 27, 2007

TO: Children and Families Commission of Orange County

FROM: Michael M. Ruane, Executive Director

SUBJECT: Executive Officer Report

The Executive Officers Report for your April 4, 2007 meeting will include the following items. There will be a supplemental transmittal for Item's B, D and E since updated information will be available after the distribution of the agenda package.

A. Informational Items

1. Monthly Financial Report and Snapshot (*Enclosed*)
2. State Commission and Association meetings
3. State Budget and Legislative Update

B. State Legislative Update

There will be a brief report and action plan presented at the meeting, including a summary of the recent legislative trip to Sacramento.

C. Upcoming Meetings and Events

A report on upcoming meetings and major events will be provided at the meeting.

D. Receive Report on Strategic Assessment of Commission

At your February meeting, your Commission directed staff and Christina Altmayer to initiate the process to retain a national consulting firm to conduct a strategic assessment of the Commission. On March 7th, a status report and timeline was approved by your Commission. Since that time, we have been in discussions with The Bridgespan Group, a nonprofit arm of Bain and Company (a top 3 national firm) and we will have a report for your April meeting.

E. Meredith Communications

Your Commission currently has a formal partnership agreement with Meredith Communications to print the Kid Builders documents at a significantly reduced cost. Meredith was also requested to explore additional partnership opportunities and should be submitting a follow-up proposal by March 30th. We will provide a report and recommendation on any new proposal we receive at your April 4th meeting.

Attachments:

1. Financial Highlights

FINANCIAL HIGHLIGHTS

February 28, 2007

Investment Update

The Children and Families Commission of Orange County investment portfolio consisting of U.S. Treasuries is **\$49,260,155** with laddered maturities extending through October 2009. The Commission's investment portfolio report is included in Attachment 1C. Unrealized gains and losses that are noted have not become actual. They become realized gains and losses when the security in which there is a gain or loss is actually sold. The U.S. Treasuries in the Commission's investment portfolio are held until maturity.

Revenue Update

The Children and Families Commission of Orange County has received and recorded **\$30,186,941** in total revenues year-to-date. The detail of all revenues received is included in Attachment 1B.

- \$19,224,300 – Actual Tobacco Tax Revenues received and recorded as of February 28, 2007. As reported by the state, Prop 10 revenues for July 2006 through December 2006 were approximately \$474,300 or 2.5% higher than the year-to-date estimated budget plan of \$18,750,000. Commission cash receipts for tobacco tax revenue include payments through December totaling \$19,773,441 as included in Attachment 1B.
- \$4,289,048 – Interest Revenues received for July 2006 through January 2007 are approximately \$205,715 or 5% higher than the year to date estimated budget plan of \$4,083,333. The increase in rate of return earned by the Commission's funds on deposit at the County Treasurer has contributed to the higher than expected interest earnings.

Expenditure Update

The total actual operating expenditures and encumbrances year to date are **\$53,584,327**. Overall budgeted expenditures and encumbrances were approximately \$942,012 or 1.7% lower than the year to date current operating budget plan of \$54,526,339.

The following is an overview of the actual operating expenditures and encumbrances for the year-to-date ended February 28, 2007:

- \$53,584,327 – Total Year-To-Date Actual Operating Expenditures and Encumbrances
 - \$49,224,313 for Children's Programs
 - \$27,446,665 – Healthy Children Programs
 - \$3,562,342 – Strong Families Programs
 - \$14,723,915 – Ready to Learn (School Readiness) Programs
 - \$3,491,391 – Quality Services including Capacity Grants, AmeriCorps/VISTA, POMS (Evaluation costs of \$1,360,759)
 - \$4,360,014 for Administrative Functions

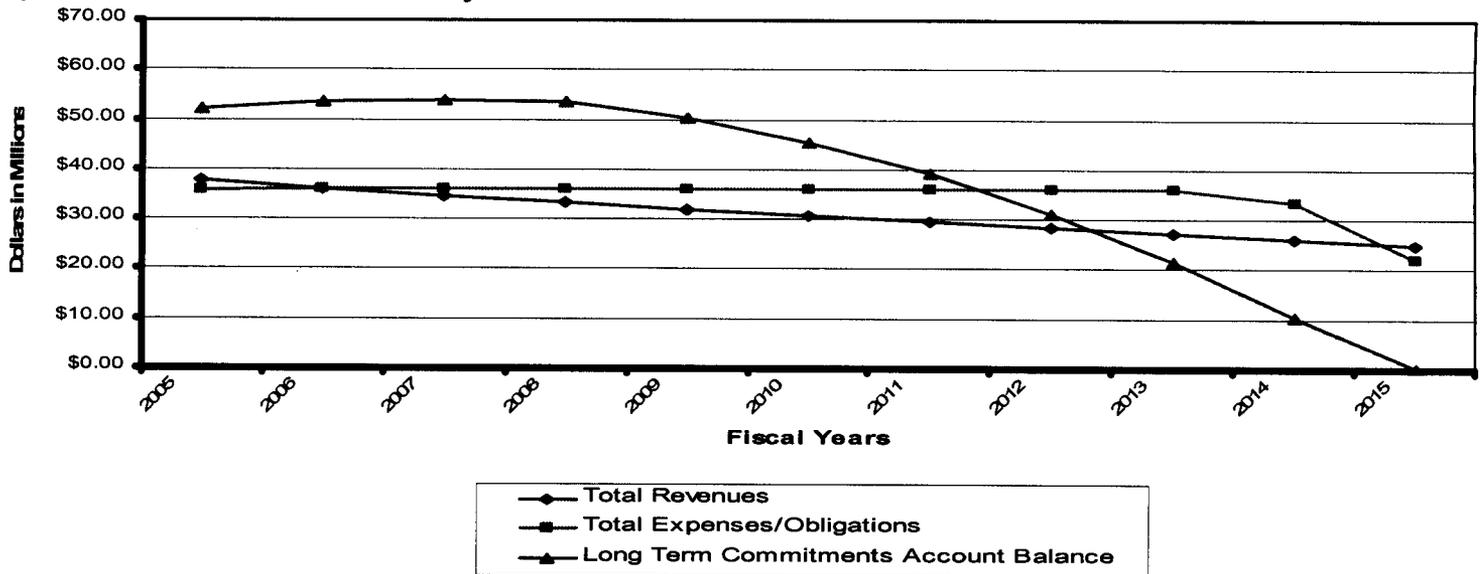
Administrative costs and functions are defined by State Commission Guidelines (Fiscal Memorandum No. 05-01, dated April 14, 2006) pursuant to Chapter 284, Statutes of 2005 (AB 109). Actual year-to-date Administrative expenditures and encumbrances of \$4,360,014 were 3.91% of the approved FY 2006-07 Operating Budget of \$111,463,996.

Consistent with 10-Year Financial Plan

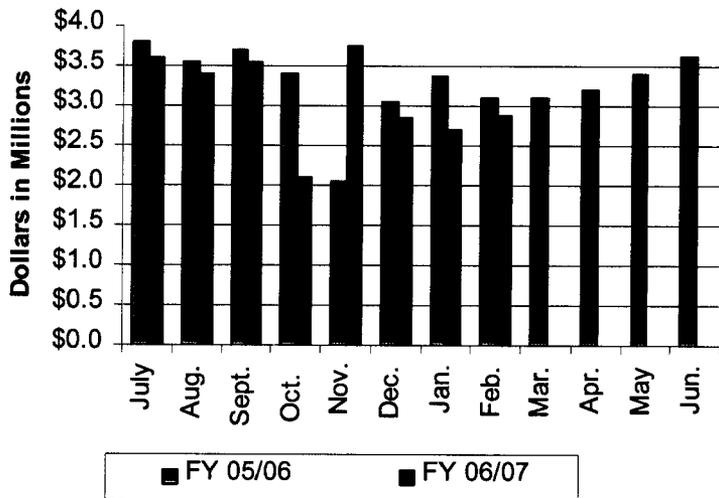
The Commission has dedicated funding during FY 2006-07 for long-term support of programs consistent with the current Ten-Year Financial Plan.

Children and Families Commission of Orange County Snapshot Period Ended February 28, 2007

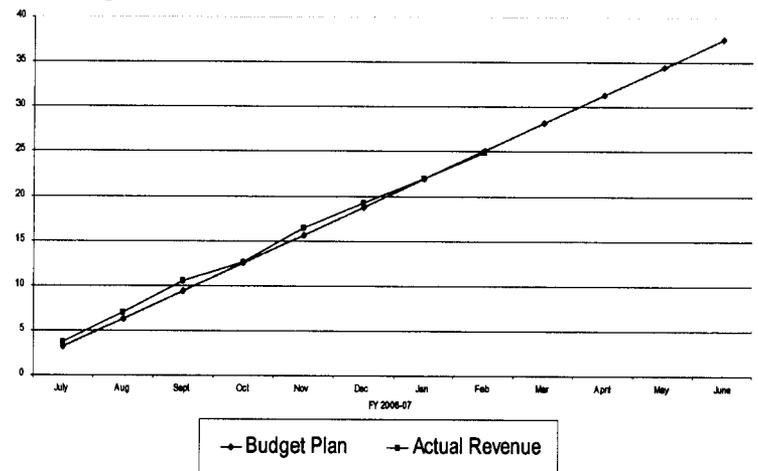
1) Ten-Year Financial Plan Projections



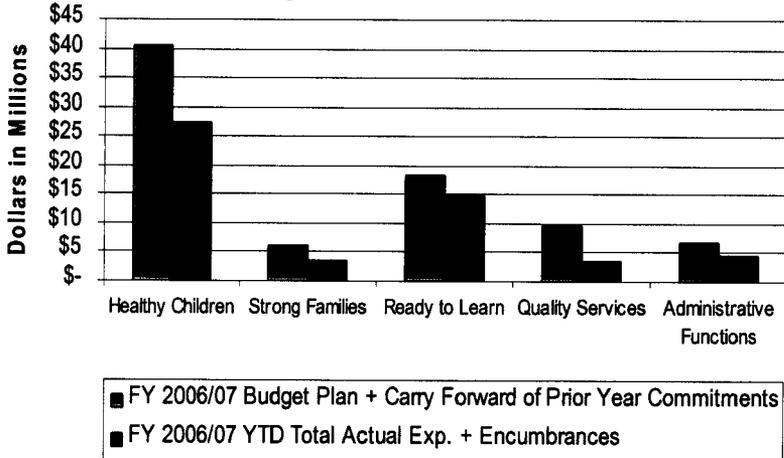
2) FYS 05/06 & 06/07 Tobacco Monthly Revenues *



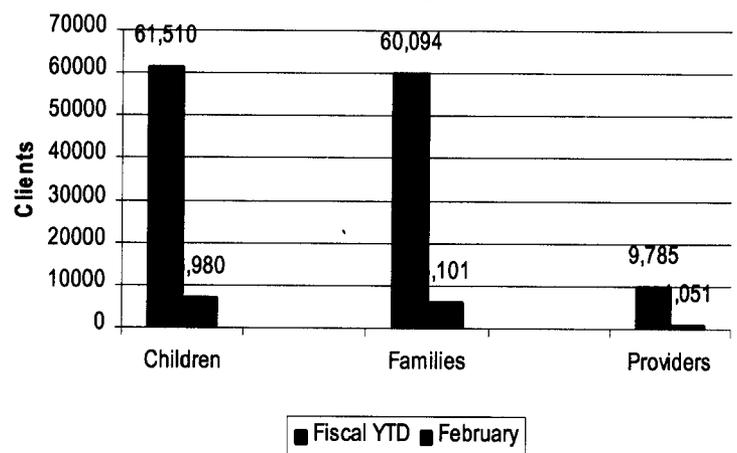
3) FY 2006-07 Cumulative Tobacco Tax Revenue Budget Plan Vs. Actuals To Date *



4) FY 2006-07 Budget Plan Vs. YTD Total Actuals



5) Clients served in February and Fiscal YTD



* SOURCE: County Funds Distribution Report (July 06 – Feb 07) First 5 California

**Children and Families Commission of Orange County
Comparison of FY 2006-07 Budget vs. Actuals - Unaudited
Period Ended 2/28/07**

High Level Summary

	FY 2006-07 (budget + carry forward for prior year commitments)	FY 2006-07 YTD Total Actual Expend. & Encumb. Thru 2/28/07	Budget vs. Actuals	Actuals % of Final Budget Amount
FINANCING				
<u>General Purpose Revenues</u>				
Tobacco Tax Revenue	37,500,000	19,773,441	-17,726,559	53%
All Other General Purpose Revenues	7,060,000	6,011,264	-1,048,736	85%
General Purpose Revenues Subtotal	44,560,000	25,784,705	-18,775,295	58%
Special Purpose Revenues	9,229,340	4,402,236	-4,827,104	48%
TOTAL REVENUES	53,789,340	30,186,941	-23,602,399	56%
Multi-Year Commitments - Operating Budget	0	0	0	0%
Fund Balance Available	43,587,439	35,753,645	7,833,794	82%
PY Carry forward Encumbrances	14,087,217	14,087,217	0	
TOTAL FINANCING	111,463,996	80,027,803	-15,768,605	72%
REQUIREMENTS				
<u>PROGRAM SERVICES</u>				
Annual Grant Cycle Funding	0	0	0	
Healthy Children	40,453,161	27,446,665	-13,006,496	68%
Strong Families	6,099,319	3,562,342	-2,536,976	58%
Ready to Learn	18,466,693	14,723,915	-3,742,778	80%
Capacity Building	9,671,548	3,491,391	-6,180,157	36%
TOTAL PROGRAM SERVICES	74,690,720	49,224,313	-25,466,407	66%
Administrative Functions	6,598,834	4,360,014	-2,238,820	66%
Contingency Funding	500,000	0	-500,000	0%
TOTAL OPERATING EXPENSES	81,789,554	53,584,327	-28,205,227	66%
Transfer to Long Term Commitments Account	15,986,298	0	-15,986,298	0%
Undesignated/Unreserved	13,688,144			
TOTAL REQUIREMENTS	111,463,996	53,584,327	-44,191,525	48%
FINANCES LESS EXPENSES	0	26,443,477	26,443,476	

**Children and Families Commission of Orange County
Investment Portfolio Report
As of 02/28/07**

<u>Issuer</u>	<u>Purchase Date</u>	<u>Maturity Date</u>	<u>Days to Maturity</u>	<u>Yield (%)</u>	<u>CUSIP</u>	<u>Purchase Price</u>	<u>Market Value *</u>	<u>Unrealized Gain (Loss)</u>	<u>Accrued Earnings</u>	
									<u>For Month</u>	<u>To Date</u>
Treasury Bond (semi-annual coupons)										
U.S. Treasury Security	7/27/2006	7/31/2007	369	5.2322	912828EB2	\$ 4,933,984.40	\$ 4,975,000.00	\$ 2,193.42	\$ 19,995.50	\$ 54,343.59
U.S. Treasury Security	7/27/2006	10/31/2007	461	5.1906	912828EK2	4,942,968.75	4,975,000.00	5,185.74	19,900.40	97,874.52
U.S. Treasury Security	8/17/2006	1/31/2008	532	4.9822	912828EU0	4,957,812.50	4,974,220.00	864.74	19,140.28	33,066.93
U.S. Treasury Security	8/25/2006	4/30/2008	614	4.9197	912828FC9	4,996,093.75	5,000,000.00	2,710.20	18,928.13	80,820.78
U.S. Treasury Security	9/6/2006	4/30/2008	602	4.8511	912828FC9	5,001,562.50	5,000,000.00	(1,105.69)	18,677.33	81,972.04
U.S. Treasury Security	9/15/2006	10/15/2008	761	4.7986	912828BM1	4,835,937.50	4,875,780.00	3,839.30	18,055.69	94,811.58
U.S. Treasury Security	9/26/2006	1/15/2009	842	4.5856	912828BV1	4,855,468.75	4,872,655.00	(9,591.51)	17,375.32	46,978.04
U.S. Treasury Security	10/2/2006	4/15/2009	926	4.6332	912828CE8	4,821,484.40	4,848,440.00	(1,961.61)	17,417.11	87,725.59
U.S. Treasury Security	10/11/2006	7/15/2009	1008	4.7447	912828CN8	4,856,445.30	4,889,060.00	12,534.13	18,006.97	42,611.65
U.S. Treasury Security	10/16/2006	10/15/2009	1095	4.8011	912828CX6	4,803,125.00	4,850,000.00	22,422.95	18,015.01	87,501.50
Subtotal for: Treasury Bond						<u>49,004,882.85</u>	<u>49,260,155.00</u>	<u>37,091.67</u>	<u>185,511.74</u>	<u>707,706.22</u>
Grand Total						<u>\$ 49,004,882.85</u>	<u>\$ 49,260,155.00</u>	<u>\$ 37,091.67</u>	<u>\$ 185,511.74</u>	<u>\$ 707,706.22</u>

All of the above investments and any investment decisions made for the month of February were in full compliance with the Commission's investment policy as adopted on October 5, 2005.

The Commission has adequate cash flows for six months of operations.

Signed by: _____
Director of Finance

* Market values provided by Bloomberg