

**Executive Officer's Report
April 4, 2012 Meeting**

DATE: March 28, 2012
TO: Children and Families Commission of Orange County
FROM: Michael M. Ruane, Executive Director 
SUBJECT: Executive Officer's Report

The Executive Officer's Report for April 4, 2012, includes the following items.

A. Informational Items (*Report*)

1. Financial Highlights (included in Attachment 1)

B. State Budget and Legislative Update (*Report and Action*)

Following the release of the Governor's proposed FY 11/12 Budget in January, the legislature has begun its budget development process. The deadline for new bills to be introduced was February 24, 2012. There are still no budget proposals or legislation under consideration that impact Prop 10 revenues or county commissions. We will continue to monitor any new developments and legislative proposals and report back at future meetings.

C. Commission Appointment Process (*Report*)

On March 27th, the Orange County Board of Supervisors considered appointments to the Children and Families Commission. This was the first time appointments were conducted under the revamped process approved last Fall. The Supervisors made the following appointments effective April 1st, for Health Category: Dr. Maria Minon and Katherine Ahn and Education Category: Sandra Pierce.

D. Receive Update on AB 99 Litigation and Follow-up Actions (*Report and Action*)

On March 19th, County Commissioners were informed that the State Attorney General decided to not appeal the trial court decision overturning AB 99. This item is intended to serve as a placeholder to present an update and any follow-up actions related to the recent legal decision.

ATTACHMENT:

1. Financial Highlights

Financial Highlights

As of February 29, 2012

Comparison of Budget vs. Actual Fiscal Year 2011-12 Unaudited Period Ending 02/29/12

	<u>FY 2011-12 Amended Budget</u>	<u>FY 2011-12 Actual</u>	
<u>Financing Sources</u>			
Tobacco Tax Revenue	\$27,369,400	\$14,668,545	53.6%
Interest Earnings	500,000	314,676	62.9%
Other Revenue	<u>1,304,238</u>	<u>474,290</u>	36.4%
Revenue Total	\$29,173,638	\$15,457,510	
<u>Expenses</u>			
Healthy Children	\$19,445,347	\$6,427,562	33.1%
Strong Families	4,550,703	884,418	19.4%
Early Learning	7,098,662	510,100	7.2%
Capacity Building*	<u>2,846,290</u>	<u>1,106,841</u>	38.9%
Program Services	\$33,941,002	\$8,928,922	
Admin. Functions**	<u>3,629,618</u>	<u>2,256,249</u>	
Total Operating Exp.	\$37,570,620	\$11,185,171	

*Includes Evaluation costs of \$344,637

**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 \$2,256,249 and encumbrances of \$555,040 were 7.5% of the Fiscal Year 2011-12 Amended Budget of \$37,570,620.

Total Encumbrances as of February 29, 2012

Healthy Children	\$13,592,479
Strong Families	\$2,083,591
Early Learning	\$6,828,576
Capacity Building	\$2,347,649
Admin. Functions	\$555,040

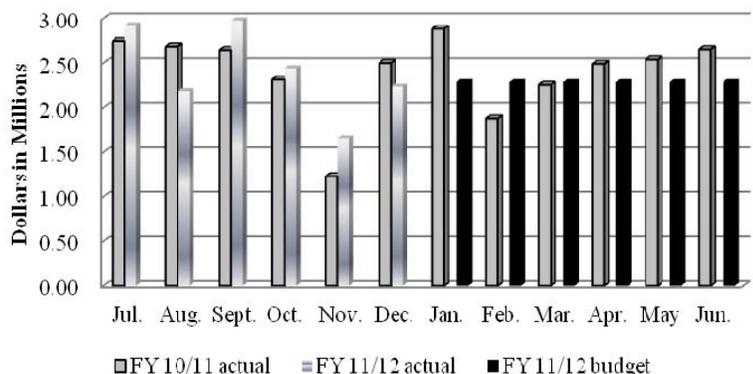
Revenue and Cash Balance Update

The Commission's total Tobacco Tax Revenue through December 2011 as reported by First 5 California is \$14,392,094. Prop 10 revenues for July - December are approximately 5.1% higher than the estimated budget plan of \$13.69 million. As of February 29, 2012, tobacco revenue has been received through December 2011.

Interest earnings for July 2011 through January 2012 are \$314,676. Other revenue of \$474,290 includes grant revenues for the VISTA program, MAA, ARRA Health Research reimbursements, and other miscellaneous revenue items.

As of February 29, 2012, the Commission's cash balance is \$85 million. \$51.4 million is included in the total cash balance as required by AB99.

Fiscal Year 2010-11 & 2011-12 Tobacco Monthly Revenues



Forecasted Fiscal Year 2011-12 Ending Fund Balance

From Commission Long Term Financial Plan

Beginning Fund Balance, July 1, 2011	\$29,975,476
Forecasted Revenue	29,923,700
Budgeted Program Expenses	(33,941,002)
Budgeted Administrative Expenses	(3,629,618)
Catalytic Projects	<u>(4,500,000)</u>
Projected June 30, 2012 Fund Balance	\$17,828,556*

*based on Commission action through October 2011