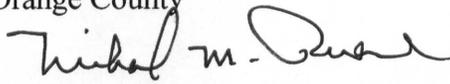


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ORANGE COUNTY  
BOARD OF SUPERVISORS

**Executive Officers Report  
May 7, 2008 Meeting**

**DATE:** April 24, 2008  
**TO:** Children and Families Commission of Orange County  
**FROM:** Michael M. Ruane, Executive Director   
**SUBJECT:** Executive Officer Report

The Executive Officers Report for May 7, 2008 will include the following items.

**A. Informational Items (Report)**

1. Financial Highlights (Attachment 1)
2. State Association and State Commission Meetings
3. Strategic Assessment Follow-up Actions

**B. Quarterly Investment Report From Commission Treasurer (Report)**

As required by California Government Code Section 53646, and the Commission's Investment Policy Statement adopted on May 2, 2007, the Commission Treasurer submits the Quarterly Investment Report to the Commission (Exhibit A). The Investment Report summarizes Commission investments in both the OCIP and the SIP, for the period January 1 through March 31, 2008. The Report also contains information on market conditions during the report period.

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

At the May 7, 2008 meeting, staff will provide a report along with any required actions regarding the current state budget and Legislative proposals. This item will include:

1. An update on Senate Bill 1540 (Correa) which authorizes an Orange County pilot project based upon the work of the Commission. A copy of the placeholder language is included as Attachment 2 to this report.

It is recommended that the Executive Director and the Commission's Sacramento Advocate develop final bill language which:

- a) Describe the pilot program in greater detail.
- b) Provide for matching funds and partnerships for the pilot program
- c) Demonstrate how the pilot program and similar programs can provide support for the health care safety net for children that may be impacted by state budget cuts.

2. A status report on AB2527 (Berg) which clarifies that Prop 10 revenues can continue to be utilized as matching funds for Medi-Cal reimbursement programs.
3. A report and action plan in response to the Governor's planned May Revise to the state budget, scheduled to be released next week.

**D. First 5 California School Readiness Program Cycle 1 Carryover Fund** (*Report and Action*)

The Children and Families Commission of Orange County participates in the First 5 California School Readiness Program. The program provides matching funds for enhanced school readiness programs in Orange County's 13 districts with under-performing schools. In July 2007, First 5 California authorized commissions to access carryover funds available from unspent balances from the Cycle 1 School Readiness Program. In response to this request, your Commission authorized an additional amount of up to \$400,000 annually for three years for a total amount of \$1.2 million as the local commission match. Carryover funds were to be used to support expanding early literacy programs and school nurse services; specifically to address the health needs of the additional preschool enrollment as a result of AB 172. One district has requested that in lieu of adding a part time nurse, nursing funds be used to add a health assistant in support of existing school nurses. The support staff would work as a team with the school nurses in processing health surveys, developmental screening forms, immunization records, and assist in follow-up on health referrals. Authorization is requested to modify the scope for the Cycle 1 carry-forward funds to approve eligible staffing costs in support of the school nurse work and other project expenses directly related to the school nurse scope of work (i.e. validated developmental screening tools, weight scale to assess the child's BMI, vision and hearing testing equipment).

**E. 2008 Orange County Fair** (*Information*)

The Commission will again be participating in the Orange County Fair and will be operating an exhibit in the Orange County building. This year's exhibit will promote early literacy and reading and be done in conjunction with the Early Literacy Program. In the past, staffing for the exhibit has been a combination of volunteer and sponsored program staff for the exhibit.

The Orange County Fair requires shift coverage for exhibits and we will be working with the Volunteer Center of Orange County to support the Early Literacy Program and coordinate volunteer recruitment and to utilize stipends as necessary to ensure that all shifts are covered. Any arrangements with the Volunteer Center can be done within the Executive Director's administrative authority. We will provide an update on the 2008 Orange County Fair and exhibit program at your July meeting.

**F. Matching Fund Program with Merage Children First Foundation** (*Information and Action*)

At your March 5, 2008 meeting, your Commission renewed an existing partnership with Children First, a Merage Foundation. The Children First Foundation has two primary functions: 1) providing grants and retiree placements to early childhood organizations serving children under 6 years old, and 2) supporting a demonstration project at the El Sol Academy (charter school) in Santa Ana to provide preschool, literacy and health services to low income children. The current partnership has been successful, and has provided an

excellent opportunity to expand services which improve the school readiness of children in low income communities.

Both the early learning objectives and the demonstration project at El Sol Academy are consistent with the recommendations in the Bridgespan Strategic Assessment to expand early literacy and learning opportunities in communities with the greatest needs.

The Children First Foundation, the Commission, and the Orange County Community Foundation are co-sponsoring a fundraising event on May 8, 2008. The net event revenues will far exceed our established target for increased matching funds.

At this time, it is recommended that the matching fund program with the Children First Foundation be increased to an annual funding level of \$100,000 from \$75,000. The parameters for matching fund grant program specifically are:

- Organizations must be existing or prior Commission grantee
- Maximum contribution is limited to \$20,000 per individual organization
- Organization serves children under 6-years of age
- The total contribution amount must be matched by Children First Foundation.

We will return with an update on the matching fund program at the July 2008 meeting.

**G. Receive the Call to Action Report (*Report*)**

Your Commission has been a major funding partner of the Conditions of Children Report which is sponsored by the County of Orange, through the Children's Services Coordination Committee. The Conditions of Children Report provides baseline and trend data on indicators in content areas that describe the health, economic, educational, and safety status of Orange County's children. For the first time since the release of the Annual Report, a compendium report titled *Call to Action* has been developed. The *Call to Action* highlights the content areas from the Conditions of Children Report including a brief description of current efforts in Orange County and commitments to further action to ensure progress toward improvement in the identified milestones. The Commission will continue to provide leadership to ensure progress on the action items related to children from birth through age five.

**Exhibit:**

- A. Quarterly Investment Report

**Attachments:**

1. Financial Highlights
2. Senate Bill 1540
3. Call to Action Report

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**Quarterly Investment Report  
January 1, 2008 through March 31, 2008**

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**OVERVIEW**

Pursuant to California Government Code Section 53646, and the Commission's Investment Policy Statement adopted on May 2, 2007, the Treasurer submits the Quarterly Investment Report to the Commission. The Investment Report summarizes investment activities for the Commission for the three-month period from January 1 through March 31, 2008.

Currently the Commission invests solely in the 1) Orange County Investment Pool's Money Market Fund ("Money Market Fund") and 2) the Sustainability Fund invested in a Specific Long-Term Investment Program ("SLP"). All funds are managed by the Orange County Treasurer's Office.

The funds invested in the Money Market Fund are invested for liquidity. The funds invested in the Sustainability Fund invested in a SLP are invested in specific U.S. Treasury Notes, with maturities not to exceed three years. The U.S. Treasury Notes are invested in a "laddered" maturities approach.

The ongoing monitoring of the Commission's investment program by staff and Sperry Capital Inc., the Commission's independent investment advisor, indicates that the investments are in compliance with the Commission's adopted Investment Policy Statement as well as with the California Government Code.

The overall performance of the Orange County Investment Pool's Money Market Fund has tracked with money market benchmark indices. In addition, the Commission appears to have sufficient liquidity together with anticipated revenues to meet the Commission's budgeted expenditures over the next six months.

**MONEY MARKET FUND**

The Commission's investment in the Orange County Money Market Fund on March 31, 2008 totaled \$119,297,214.

## **SPECIFIC LONG-TERM INVESTMENT PROGRAM**

The market value (i.e. the price of each security at the close of the market on the last trading day of the month) of the U.S. Treasury Notes in the SLP was \$40,481,810 on March 31, 2008, with an average yield of 4.8%. As the individual U.S. Treasury Notes mature, the proceeds are reinvested by the Orange County Treasurer. Two of the U.S. Treasury Notes will mature on April 30, 2008. The proceeds will be reinvested by the Orange County Treasurer.

## **MARKET CONDITIONS**

**U.S Treasury Yields:** Due in large part to the continuing concern over subprime mortgage securities, the first quarter witnessed a flight to quality as investors sought the protection of U.S. Treasury securities investments. The yield on the 10-year Treasury began the quarter at 3.91% and closed at 3.45%.

**Yield Curve:** The U.S. Treasury yield curve reflected uncertainty at the end of the first quarter of 2008. On March 31, three month U.S. Treasury Bills yielded 1.38%, the 10 year U.S. Treasury yielded 3.45% and the 30 year U.S. Treasury yielded 4.30%.

**Markets & Rates:** In an aggressive response to the growing credit and liquidity crunch, the Federal Open Market Committee (FOMC) lowered the Fed Funds rate three times in the first quarter (between January 22, 2008 and March 18, 2008) from 4.25% to 2.25%.

The first quarter was another difficult period for the capital markets. The biggest areas for concern for the Federal Reserve and the capital markets continued to be credit and liquidity. Bear Stearns suffered a lack of investor confidence and faced bankruptcy due to liquidity concerns. On March 16, under the supervision of the Federal Reserve, Bear Stearns signed a merger agreement with JP Morgan Chase under which JPMorgan Chase would assume the counterparty risk and exercise management control over Bear Stearns pending shareholder approval. The Federal Reserve issued a non-recourse loan of \$30 billion which would cover any losses in Bear Stearns' investments in mortgage-backed and related structured securities.

American, European and Asian commercial and investment banks were forced to write off tens of billions of dollars of subprime mortgage and corporate bonds. Due to the massive write-offs, many domestic and European banks and investment firms were forced to raise billions of new equity investments.

## **STRUCTURED INVESTMENT VEHICLES (“SIVs”)**

In December, the Orange County Treasurer advised the Board of Supervisors that Moody's Investors Service placed four of the AAA-rated SIVs held by the OCIP on Credit Watch. The Board of Supervisors retained an investment advisor to review the OCIP's investment policies, assess the impact of the SIV investments on the OCIP, and report back to the Board in January 2008. The consultant's report was released January 29. The consultant agreed with the County Treasurers strategy to hold the SIVs until they mature. The last of the SIVs will mature in the

OCIP in September 2009. The consultant also made several suggestions for changes in the management of investments which are currently under review.

The County Treasurer’s action plan and timeline to implement the consultant’s recommendations are tentatively scheduled to be reviewed by the County Treasurer’s oversight committees and submitted to the Board of Supervisors some time after the Commission’s May 2008 meeting. The Commission’s Investment Oversight Committee will review the Commission’s Investment Policy Statements and provide recommendations when new information becomes available from the County Treasurer’s office. Staff will continue to monitor OCIP investments and provide updates to the Commission on further developments.

**COMPLIANCE MONITORING**

During January, February and March, the funds in the OCIP and the Commission’s SLP were invested with the statements of investment policy and were free of non-compliance incidents.

**PORTFOLIO PERFORMANCE SUMMARY**

The following table presents an overview of the Orange County Investment Pool’s Money Market Fund for the months ending January, February and March 2008.

Orange County Pool - Money Market Fund					
Period Ending	Total Pool Market Value	Average Yields			AVG Days to MAT
		Month	Net	MMF AVG	
March 31, 2008	\$2,015,431,220	2.34%	3.71%	4.79%	23 Days
February 29, 2008	\$2,058,205,103	3.66%	4.10%	4.94%	34 Days
January 31, 2008	\$1,977,674,788	4.56%	4.65%	5.05%	29 Days

**SUMMARY STATEMENTS**

Attached for further information and reference are three statements from the March 31, 2008 Orange County Treasurer’s Investment Management Report.

- A. Investment Balances Statement: The balances for all funds managed by the Treasurer are reported on this Statement. The March 31, 2008 balance of the Commission’s SLP (\$39,119,309), expressed as book value (i.e. cost of the investment), can be found under “Non-Pooled Investments” on page two of the Statement.
- B. Statement of Activity: This Statement reports the beginning and ending balances of the Commission’s funds in the Money Market Fund. All deposits, withdrawals, investment earnings, and administrative fees for the reporting period are also posted. The Commission’s March 31, 2008 ending balance was \$119,297,214.

- C. Investment Portfolio Report: This Report presents detailed information for each of the U.S. Treasury Securities that comprise the Commission's SLP. The March 31, 2008 book value was \$39,119,309 and the market value was \$40,481,810.

The Orange County Treasurer apportions interest earnings in the commingled pools to all investors each month. According to the Treasurer's forecast, apportionment of the Commission's interest earnings for the period ended February 29, 2008 will be posted to the Commission's cash account in the County general ledger by late April, 2008. The interest earnings for the month ended March 31, 2008 are expected to be posted by late May, 2008.

**Attachments:**

- A. Investment Balances Statement
- B. Statement of Activity
- C. Investment Portfolio Report

**ORANGE COUNTY TREASURER-TAX COLLECTOR  
INVESTMENT BALANCES  
FOR THE MONTH AND QUARTER ENDED: MARCH 31, 2008**

INVESTMENT POOL STATISTICS*						
DESCRIPTION	CURRENT BALANCES	Average Days to Maturity	Current Yield	MONTH Average Yield	QUARTER Average Yield	Current NAV
<b><u>O.C. Investment Pool</u></b>						
<i>Money Market Fund</i>						
	MARKET Value \$ 2,015,431,220	23	2.83%			1.000
	BOOK Value (Capital) \$ 2,011,940,353					
	MONTHLY AVG Balance \$ 1,914,691,221			2.34%		
	QUARTERLY AVG Balance \$ 2,028,211,401				3.52%	
	NET BOOK Value \$ 2,014,869,865					
<b><u>O.C. Educational Investment Pool</u></b>						
<i>Money Market Fund</i>						
	MARKET Value \$ 1,952,925,095	42	2.75%			1.000
	BOOK Value (Capital) \$ 1,949,247,130					
	MONTHLY AVG Balance \$ 2,005,981,585			3.03%		
	QUARTERLY AVG Balance \$ 2,057,185,524				3.77%	
	NET BOOK Value \$ 1,952,840,300					
<b><u>Extended Fund</u></b>						
	MARKET Value \$ 2,298,149,876	465	4.21%			0.999
	BOOK Value (Capital) \$ 2,298,515,874					
	MONTHLY AVG Balance \$ 2,286,713,902			5.77%		
	QUARTERLY AVG Balance \$ 2,183,783,052				5.36%	
	NET BOOK Value \$ 2,299,563,624					
<b><u>Allocation of Extended Fund</u></b>						
<i>County's Share of X Fund</i>						
	MARKET Value \$ 1,248,317,070	465	4.21%			0.999
	BOOK Value (Capital) \$ 1,248,515,874					
	MONTHLY AVG Balance \$ 1,236,713,902			5.79%		
	QUARTERLY AVG Balance \$ 1,133,783,052				5.36%	
	NET BOOK Value \$ 1,249,084,995					
<i>Schools' Share of X Fund</i>						
	MARKET Value \$ 1,049,832,806	465	4.21%			0.999
	BOOK Value (Capital) \$ 1,050,000,000					
	MONTHLY AVG Balance \$ 1,050,000,000			5.75%		
	QUARTERLY AVG Balance \$ 1,050,000,000				5.36%	
	NET BOOK Value \$ 1,050,478,629					
<b><u>COMBINED INVESTMENT POOL BALANCES</u></b>						
<i>County Investment Pool</i>						
	MARKET Value \$ 3,263,748,290	193	3.37%			1.000
	BOOK Value (Capital) \$ 3,260,456,227					
	MONTHLY AVG Balance \$ 3,151,405,123			3.69%		
	QUARTERLY AVG Balance \$ 3,161,994,453				4.21%	
	NET BOOK Value \$ 3,263,954,860					
<i>Educational Investment Pool</i>						
	MARKET Value \$ 3,002,757,901	190	3.25%			1.000
	BOOK Value (Capital) \$ 2,999,247,130					
	MONTHLY AVG Balance \$ 3,055,981,585			3.97%	4.31%	
	QUARTERLY AVG Balance \$ 3,107,185,524					
	NET BOOK Value \$ 3,003,318,929					

**ORANGE COUNTY TREASURER-TAX COLLECTOR**  
**INVESTMENT BALANCES**  
**FOR THE MONTH AND QUARTER ENDED: MARCH 31, 2008**

NON POOLED INVESTMENTS **				
DESCRIPTION	CURRENT BALANCE		BOOK BALANCE BY INVESTMENT TYPE	
Specific Investment Funds: 100, 112, 161, 225, 283, 480, 482, 483, 494, 497, 505, 510, 514 532, 546, 650	MARKET Value	\$ 147,455,585	Interest Bearing Accounts	\$ 32,399
	BOOK Value (Capital)	\$ 145,977,335	Money Market Funds	48,722,406
	MONTHLY AVG Balance	\$ 145,830,792	Repurchase Agreements	1,081,500
			Children and Families Commission Investment Pool - Treasuries	39,119,309
			John Wayne Airport Investment Pool	57,021,721
			<b>\$ 145,977,335</b>	

MONTH END TOTALS			
INVESTMENTS & CASH		FUND ACCOUNTING & SPECIFIC INVESTMENTS	
County Money Market Fund	\$ 2,011,940,353	County Funds	\$ 3,306,490,414
County Cash	46,034,187	School Funds	3,002,720,588
School Money Market Fund	1,949,247,130	Specific Investments	145,977,335
Extended Fund	2,298,515,874		
School Cash	3,473,458		
Non Pooled Investments @ Cost	145,977,335		
	<b>\$ 6,455,188,337</b>		<b>\$ 6,455,188,337</b>

\* Net Book Value is computed as Book Value reduced by amortization of premium and increased by the accretion of discount of the Investment Portfolio. Net Asset Value (NAV) is equal to Market Value divided by Net Book Value.

\*\* Specific non pooled investments are reported in compliance with Government Code Section 53646 (b)(1). Detailed descriptions are included in the inventory listing in Section VII.



COUNTY OF ORANGE  
**OFFICE OF THE TREASURER-TAX COLLECTOR**  
 HALL OF FINANCE & RECORDS  
 12 CIVIC CENTER PLAZA, ROOM G76  
 P. O. BOX 4515  
 SANTA ANA, CA 92701

April 22, 2008

**STATEMENT OF ACTIVITY**  
**For the Month Ended March 31, 2008**

Orange County Children and Families Commission  
 c/o Michael Ruane, Executive Director  
 17320 Redhill Ave #200  
 Irvine, CA 92614

<u>Cash in Treasury - Fund 225</u>						
<u>Date / Description</u>	<u>Beginning Balance</u>	<u>Deposits</u>	<u>Withdrawals</u>	<u>Investment Income</u>	<u>Treasury Admin Fee</u>	<u>Ending Balance</u>
3/03/08, February Admin Fee	\$118,293,836.49	\$3,251,902.47	(\$2,732,972.46)	494,210.12	(9,762.50)	
3/24/08, January Interest	\$118,293,836.49	\$3,251,902.47	(\$2,732,972.46)	\$494,210.12	(\$9,762.50)	\$119,297,214.12
<u>Accrued Investment Income - Fund 225</u>						
<u>Date / Description</u>	<u>Beginning Balance</u>	<u>Accrual</u>	<u>Payment</u>	<u>Ending Balance</u>	<u>Apportionment Annualized Yield (Gross)</u>	
3/24/08, January Interest	\$899,082.16	372,903.93	(494,210.12)			
4/01/08, March Interest	\$899,082.16	\$372,903.93	(\$494,210.12)	\$777,775.97	3.649%, March	

**Children and Families Commission of Orange County  
Investment Portfolio Report  
As of March 31, 2008**

Issuer	Purchase Date	Maturity Date	Days to Maturity	Yield (%)	CUSIP	Cost	Market Value	Unrealized Gain (Loss)	Accrued Earnings	
									For Month	To Date
<b>Treasury Bill (issued at a discount)</b>										
U.S. Treasury Security	1/31/2008	7/31/2008	182	2.0100	912795F71	\$ 4,949,191.67	\$ 4,977,125.00	\$ 27,933.33	\$ 8,654.17	\$ 17,029.17
<b>Subtotal for: Treasury Bill</b>										
<b>Treasury Bond (semi-annual coupons)</b>										
U.S. Treasury Security	8/25/2006	4/30/2008	614	4.9197	912828FC9	4,996,093.75	5,013,280.00	13,464.50	20,842.71	105,617.24
U.S. Treasury Security	9/6/2006	4/30/2008	602	4.8511	912828FC9	5,001,562.50	5,013,280.00	13,204.73	20,565.03	100,408.26
U.S. Treasury Security	9/15/2006	10/15/2008	761	4.7986	912828BM1	4,835,937.50	5,046,875.00	89,345.84	19,917.52	193,739.88
U.S. Treasury Security	9/26/2006	1/15/2009	842	4.5856	912828BV1	4,855,468.75	5,071,095.00	120,702.52	19,160.51	129,298.73
U.S. Treasury Security	10/2/2006	4/15/2009	926	4.6332	912828CE8	4,821,484.40	5,085,155.00	158,219.16	19,210.51	177,599.66
U.S. Treasury Security	10/11/2006	7/15/2009	1008	4.7447	912828CN8	4,856,445.30	5,135,155.00	202,090.23	19,851.00	114,960.82
U.S. Treasury Security	10/16/2006	10/15/2009	1095	4.8011	912828CX6	4,803,125.00	5,139,845.00	240,889.52	19,866.66	173,750.56
<b>Subtotal for: Treasury Bond</b>						<b>34,170,117.20</b>	<b>35,504,685.00</b>	<b>837,916.50</b>	<b>139,413.94</b>	<b>995,375.15</b>
<b>Grand Total</b>						<b>\$39,119,308.87</b>	<b>\$40,481,810.00</b>	<b>\$ 865,849.83</b>	<b>\$ 148,068.11</b>	<b>\$ 1,012,404.32</b>

All of the above investments and any investment decisions made for the month March 31, 2008 were in full compliance with the Commission's investment policy as adopted on May 2, 2007.

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

Signed by: \_\_\_\_\_  
Director of Finance

# FINANCIAL HIGHLIGHTS

## March 31, 2008

### Investment Update

The Children and Families Commission of Orange County investment portfolio consisting of U.S. Treasury bills is **\$40,481,810** with laddered maturities extending through October 2009. 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 received and recorded **\$29,633,095** in total revenues year to date. The detail of all revenues received is included in Attachment 1B.

- \$23,974,339 – Tobacco Tax Revenues for July 2007 through February 2008. As reported by the state, Prop 10 revenues for July 2007 through February 2008 were approximately -\$25,661 or 0.11% lower than the year to date estimated budget plan of \$24,000,000. Commission cash receipts for tobacco tax revenue include payments through January totaling \$21,141,452 as included in Attachment 1B.
- \$6,035,276 – Interest Revenues received for July 2007 through March 2008 are approximately \$785,276 or 15% higher than the year to date estimated budget plan of \$5,250,000. 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 **\$64,366,048**. Overall budgeted expenditures and encumbrances were approximately \$9,555,305 or 17% higher than the year to date current operating budget plan of \$54,810,742. This variance is due to timely contract executions resulting in encumbrance reservations against the fiscal year 2007-2008 budget.

The following is an overview of the actual operating expenditures and encumbrances for the year to date ended March 31, 2008:

- \$64,366,048 – Total Year To Date Actual Operating Expenditures and Encumbrances
  - \$59,515,421 for Children's Programs
    - \$33,381,906 – Healthy Children Programs
    - \$5,400,238 – Strong Families Programs
    - \$15,464,357 – Ready to Learn (School Readiness) Programs
    - \$5,268,921 – Quality Services including Capacity Grants, AmeriCorps/VISTA, POMS (Evaluation costs of \$1,942,573)
  - \$4,850,627 for Administrative Functions

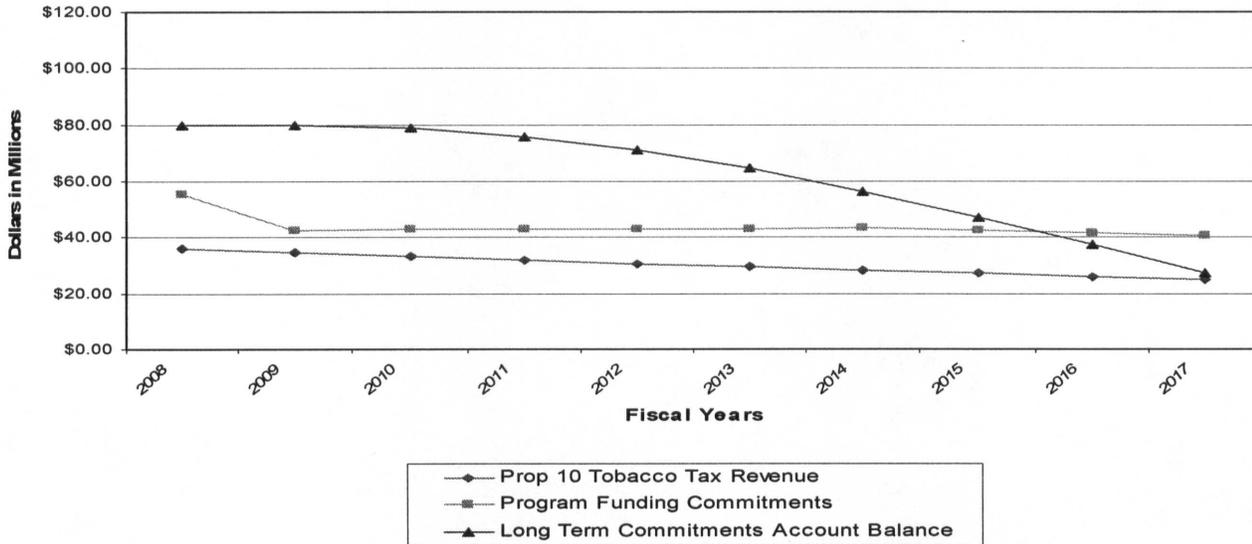
Administrative costs and functions are defined by State Commission guidelines (Fiscal Memorandum No. 05-01, dated April 14, 2006) pursuant to Chapter 284, Statutes of 2005 (AB 109). Actual Administrative expenditures and encumbrances of \$4,850,627 were 5% of the year to date ended March 31, 2008 Operating Budget of \$107,708,288.

### Consistent with 10-Year Financial Plan

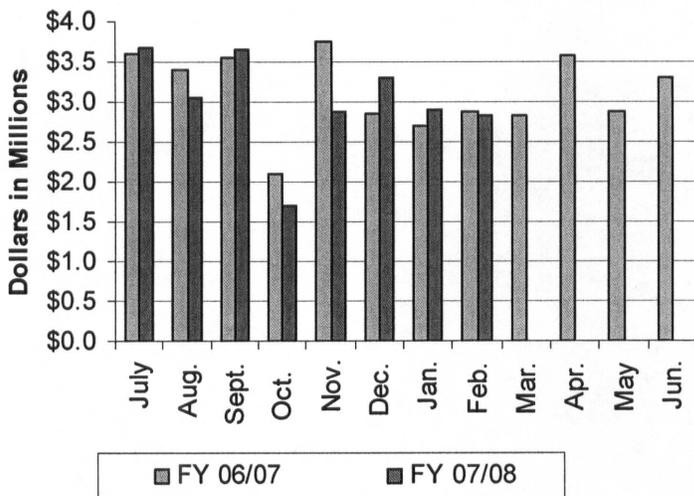
The Commission has dedicated funding for long-term support of programs consistent with the current Ten-Year Financial Plan.

# Children and Families Commission of Orange County Snapshot Period Ended March 31, 2008

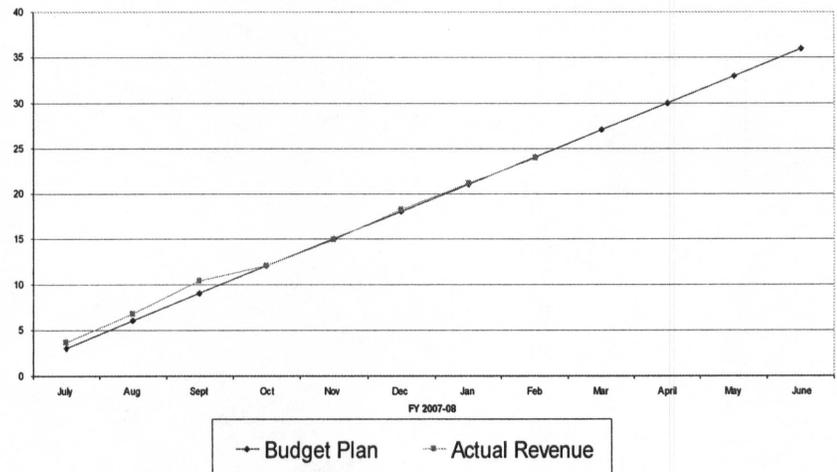
## 1) Ten-Year Financial Plan Projections



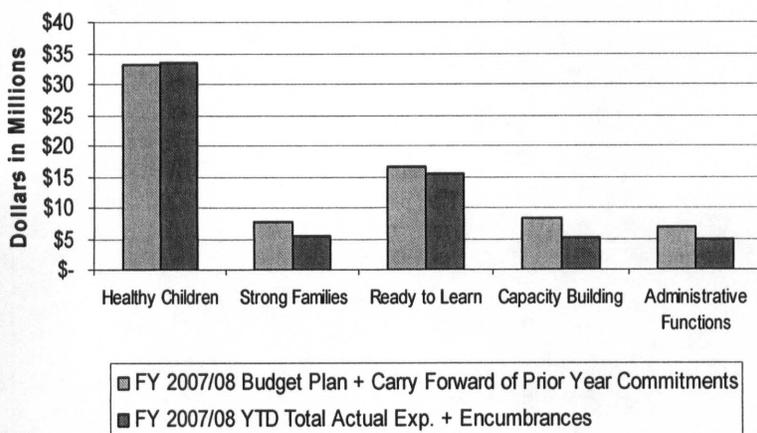
## 2) FYS 06/07 & 07/08 Tobacco Monthly Revenues \*



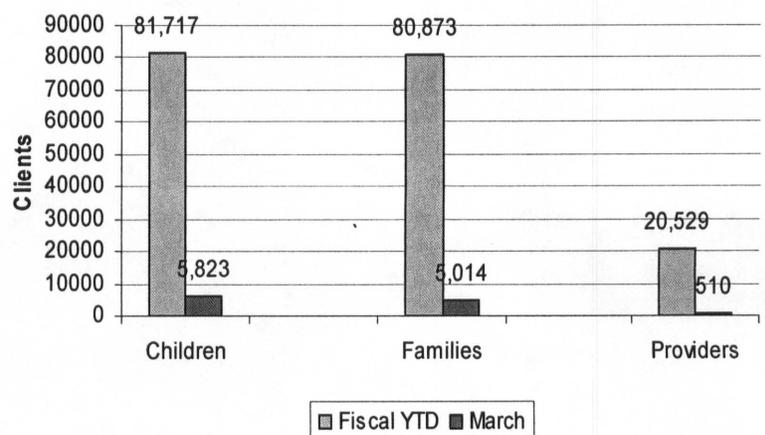
## 3) FY 2007-08 Cumulative Tobacco Tax Revenue Budget Plan Vs. Actuals To Date \*



## 4) FY 2007-08 Budget Plan Vs. YTD Total Actuals



## 5) Clients served in March and Fiscal YTD



\* SOURCE: County Funds Distribution Report (July 07 – February 08) First 5 California

**Children and Families Commission of Orange County  
Comparison of FY 2007-08 Budget vs. Actuals - Unaudited  
Period Ended 3/31/08**

**High Level Summary**

	FY 2007-08 (budget + carry forward for prior year commitments)	FY 2007-08 YTD Total Actual Expend. & Encumb. Thru 3/31/08	Budget vs. Actuals	Actuals % of Final Budget Amount
<b>FINANCING</b>				
<u>General Purpose Revenues</u>				
Tobacco Tax Revenue	36,000,000	21,141,452	-14,858,548	59%
All Other General Purpose Revenues	8,070,000	6,423,513	-1,646,487	80%
General Purpose Revenues Subtotal	44,070,000	27,564,965	-16,505,035	63%
Special Purpose Revenues	5,649,564	2,068,130	-3,581,434	37%
<b>TOTAL REVENUES</b>	49,719,564	29,633,095	-20,086,469	60%
Multi-Year Commitments - Operating Budget	0	0		
Fund Balance Available	46,500,000	43,587,439		
PY Carry forward Encumbrances	11,488,724	14,087,217		
<b>TOTAL FINANCING</b>	107,708,288	87,307,751	-20,086,469	81%
<b>REQUIREMENTS</b>				
<u>PROGRAM SERVICES</u>				
Healthy Children	33,059,512	33,381,906	322,393	101%
Strong Families	7,632,423	5,400,238	-2,232,186	71%
Ready to Learn	16,643,485	15,464,357	-1,179,128	93%
Capacity Building	8,395,398	5,268,921	-3,126,477	63%
<b>TOTAL PROGRAM SERVICES</b>	65,730,819	59,515,421	-6,215,397	91%
Administrative Functions	6,850,172	4,850,627	-1,999,545	71%
Contingency Funding	500,000	0	-500,000	0%
<b>TOTAL OPERATING EXPENSES</b>	73,080,990	64,366,048	-8,714,943	88%
Transfer to Long Term Commitments Account	10,000,000	0	-10,000,000	0%
Undesignated/Unreserved	24,627,298			
<b>TOTAL REQUIREMENTS</b>	107,708,288	64,366,048	-18,714,943	60%
<b>FINANCES LESS EXPENSES</b>	0	22,941,703	22,941,703	

*The people of the State of California do enact as follows:*

1    SECTION 1. *The Legislature finds and declares all of the*  
2 *following:*

3    (a) *Dental health is often overlooked as a necessary component*  
4 *to the overall health of a child.*

5    (b) *The Children and Families Commission of Orange County*  
6 *has initiated a program to provide basic preventative dental*  
7 *diagnosis, including comprehensive education to families and*  
8 *providers including pediatricians, nurses, and preschool teachers.*

9    (c) *Orange County was selected as the only National Children's*  
10 *Study Vanguard Center in California and the commission is the*  
11 *local sponsor of a countywide network of programs serving the*  
12 *early childhood health and learning of the community. The*  
13 *National Children's Study is the largest long-term study of*  
14 *environmental and genetic effects on children's health and has*  
15 *the potential for researchers to better understand how children's*  
16 *genes and their environments interact to affect their health and*  
17 *development.*

18    (d) *The Kellogg Foundation selected the commission as one of*  
19 *eight national projects that will be highlighted in the final report*  
20 *entitled "Health Matters: The Role of Health in Place-Based*  
21 *Initiatives for Young Children" to identify and explore innovative*  
22 *and successful multisector initiatives that focus on young children,*  
23 *actively engage health and other sectors, and have the potential*  
24 *to serve as models and as a source of lessons learned.*

25    (e) *The commission has an existing, highly recognized*  
26 *infrastructure that could be used to facilitate and manage a pilot*  
27 *program that will focus on ensuring children from the prenatal*  
28 *stage to six years of age, inclusive, receive preventative health*  
29 *services to enhance early childhood development in the areas of*  
30 *dental health, developmental screenings, and immunizations.*

31    (f) *Providing a full range of testing and screenings for vision,*  
32 *speech, hearing, and other medical conditions to identify related*  
33 *developmental delays before a child is three years of age can result*  
34 *in earlier treatment and thus avoid potential learning delays and*  
35 *costly interventions if the health condition is diagnosed later.*

36    (g) *Increasing the number of children that are adequately*  
37 *immunized with four doses of DTP (diphtheria, tetanus, and*  
38 *pertussis/whooping cough); three doses of polio; and one dose of*

1 MMR (measles, mumps, and rubella) before their second birthday  
2 is a preventative health strategy for young children resulting in  
3 less susceptibility to childhood illnesses.

4 (h) The commission currently funds multiyear programs that  
5 provide children's dental, developmental screening, and  
6 immunization services with Proposition 10 tobacco tax revenues  
7 in conjunction with other public agencies, private foundations, or  
8 individuals who enter into a children's health care partnership.

9 SEC. 2. It is the intent of the Legislature to provide children  
10 in California with the opportunity to be healthy and to succeed in  
11 school. Recognizing that locally operated, innovative, and effective  
12 children's health care programs currently exist that could  
13 potentially be replicated statewide, it is further the intent of the  
14 Legislature that a pilot program be launched in Orange County  
15 to improve key health care services to children, beginning at the  
16 prenatal stage, to measure outcomes in three areas, including  
17 children's dental health, early developmental screenings and  
18 intervention, and increased immunization rates. The Legislature  
19 intends that the pilot project build on the work of the commission  
20 and encourage collaboration with health care providers in the  
21 state. The Legislature intends that this a pilot project be reviewed  
22 in order to assess any increased positive health status and school  
23 readiness of children under six years of age, as well as evaluating  
24 strategies and programs being utilized, for potential statewide  
25 replication.

26  
27  
28 **All matter omitted in this version of the bill**  
29 **appears in the bill as introduced in Senate,**  
30 **February 22, 2008 (JR11)**  
31