#### REGULAR MEETING FIRST 5 ORANGE COUNTY, CHILDREN & FAMILIES COMMISSION

Wednesday, December 4, 2019, 9:00 A.M.

Orange County Transportation Authority Conference Center 550 South Main Street Orange, California

#### MARIA E. MINON, MD

Chair

RAMIN BASCHSHI, MD
Vice Chair
Chair Pro Tem

DEBRA BAETZDOUG CHAFFEECommissionerCommissioner

JACKIE FILBECK
Commissioner

KENN MCFARLAND
Commissioner

Commissioner

SANDRA PIERCE
Commissioner

RICHARD SANCHEZ
Commissioner

ATTENDANCE: Commissioners Barry, Baschshi, Filbeck, McFarland, Minon, Light (Alternate for Baetz) and Nunez (Alternate for Sanchez)

EXCUSED: Commissioners Baetz, Chaffee, Pierce and Sanchez

PRESENT: EXECUTIVE OFFICER Kimberly Goll

COMMISSION COUNSEL Cassie Trapesonian CLERK OF THE COMMISSION Jamie Ross, Deputy

#### **PLEDGE OF ALLEGIANCE**

Pledge of Allegiance led by Commission Counsel Cassie Trapesonian

**PRESENTATION**: (Item 1)

1. Receive Presentation on the CHOC Children's Thompson Autism Center **PRESENTED** 

#### **CONSENT CALENDAR:** (Items 2 - 4)

### 6 10 12345789 11 APPROVED AS RECOMMENDED

- 2. Approve the First 5 Orange County Children and Families Commission and Technical Advisory Committee Meeting Calendars for 2020 and 2021
- 3. Adopt Fiscal Year 2020/2021 employer and employee retirement contribution rates as established and adopted by the Orange County Employees Retirement System
- 4. Approve amendment to Conflict of Interest Code *RESO*: 19-021 C&FC

#### **PUBLIC HEARING**: (Item 5)

- 5. Conduct public hearing and authorize Executive Director to submit the Comprehensive Annual Financial Report to First 5 California and the State Controller's Office and adopt resolution approving the Fiscal Year 2019/2020 Amended Budget
- C.O. <u>CLOSED PUBLIC HEARING</u>

521346789 10 11 **APPROVED AS RECOMMENDED** 

#### **REGULAR ITEMS:** (Items 6 - 12)

6. Receive Long-Term Financial Plan Update and approve directing revenue above budget to System-Building investment reserves

231456789 10 11 APPROVED AS RECOMMENDED

7. Appoint new Technical Advisory Committee Members

531246789 10 11 APPROVED AS RECOMMENDED
x x x xx

- 8. Adopt resolution authorizing new agreement with the Regents of the University of California to provide operational funding for the Center for Autism and Neurodevelopmental Disorders for 36 months
- 6 10 12345789 11 **APPROVED AS RECOMMENDED**

x x axx (Commissioner Minon abstained from discussion and vote on this matter and declared her affiliation with Children's Hospital Orange County)

RESO: 19-023 C&FC

9. Received funding from First 5 California and adopt resolutions authorizing amendments to agreements with Orange County Department of Education for the Quality Early Learning Program

10. Adopt resolution authorizing agreement with Child Guidance Center for development of pediatric obesity prevention training program

11 312456789 10 **APPROVED AS RECOMMENDED** 

x x xx RESO: 19-026 C&FC

- 11. Adopt resolution to enter into an agreement with the University of Southern California School of Social Work, Children's Data Network, for principal investigator support
- 5 10 12346789 11 **APPROVED AS RECOMMENDED**

x x xx *RESO: 19-027 C&FC* 

12. Receive Conditions of Children in Orange County Report Presentation

#### **RECEIVED**

#### **EXECUTIVE OFFICER REPORT**: (Item 13)

- 13. Receive the Executive Officers Report
  - a. Update Implementation Plan
  - b. Strategic Communications Report
  - c. Census 2020 Update
  - d. Organizational Update
  - e. Consultant RFO

#### **RECEIVED**

**CLOSED SESSION**: (Item 14)

- 14. Pursuant to Government Code Section 54957(b) to evaluate the performance of the Commission Executive Director, Kimberly Goll
- C.O. COMMISSION COUNSEL READ: THE MEMBERS PRESENT AT THE CLOSED SESSION MEETING WERE COMMISSIONERS FILBECK, LIGHT, BASCHSHI, MINON, BARRY, AND MCFARLAND. THE REPORT OUT IS THAT BY UNANIMOUS VOTE, THE COMMISSION HAS DETERMINED THAT THE EXECUTIVE DIRECTOR HAS MET ALL EXPECTATIONS IN HER PERFORMANCE AS THE EXECUTIVE DIRECTOR

#### **PUBLIC & COMMISSION COMMENTS:**

PUBLIC COMMENTS: None

COMMISSION COMMENTS: None

ADJOURNED: 10:46 A.M.

\*\*\* KEY \*\*\*

#### Left Margin Notes

1 Debra Baetz	A = Abstained
2 Sandra Barry	X = Excused
3 Ramin Baschshi, MD	N = No
4 Doug Chaffee	C.O. = Commission Order
5 Jackie Filbeck	
6 Kenn McFarland	
7 Maria E. Minon, MD	Reso = Resolution
8 Sandra Pierce	Ord = Ordinance
9 Richard Sanchez	
10 Anne Light, MD (Alternate)	
11 David Nunez, MD, MPH (Alternate)	

(1st number = Moved by; 2nd number = Seconded by)

/s/

MARIA E. MINON, MD Chair

/s/

Jamie Ross, Deputy Clerk of the Commission



Agenda Item 1 December 4, 2019 PRESENTATION

**DATE:** November 12, 2019

**TO:** First 5 Orange County Children and Families Commission

FROM: Kimberly Goll, Executive Director Timbelly Doll

**ACTION:** Receive Presentation on the CHOC Children's Thompson Autism Center

The William and Nancy Thompson Family Foundation collaborated with CHOC Children's to build a new 20,000 square foot facility to expand capacity to serve children with autism spectrum disorders and their families. The CHOC Children's Thompson Autism Center will open at its new location in early 2020 to provide services to evaluate children as early as possible to promote better outcomes; engage children whose behaviors diminish quality of life for them and their families; and establish a long-term support system for children with complex care needs. The Thompson Autism Center is named in honor of the \$10 million founding gift and is located a few blocks from CHOC Children's main campus in Orange.

Jonathan Megarian, MD is the Autism Center's Medical Director and will provide an update on the operations and progress, to date. Dr. Megarian has served as the attending neurologist in CHOC Children's Department of Neurology since 2016. He practices behavioral neuropharmacology and has vast clinical experience with Attention Deficit Disorders, Autism Spectrum Disorders, Neurocognitive Disability, Obsessive Compulsive Disorders, Anxiety and Mood Disorders. Dr. Megarian is also an Associate Clinical Professor of Pediatrics with the UCI School of Medicine. His prior medical experience includes Massachusetts General Hospital for Children, Boston Children's Hospital, UMass Memorial Medical Center, and Harvard Medical School.

#### ATTACHMENT:

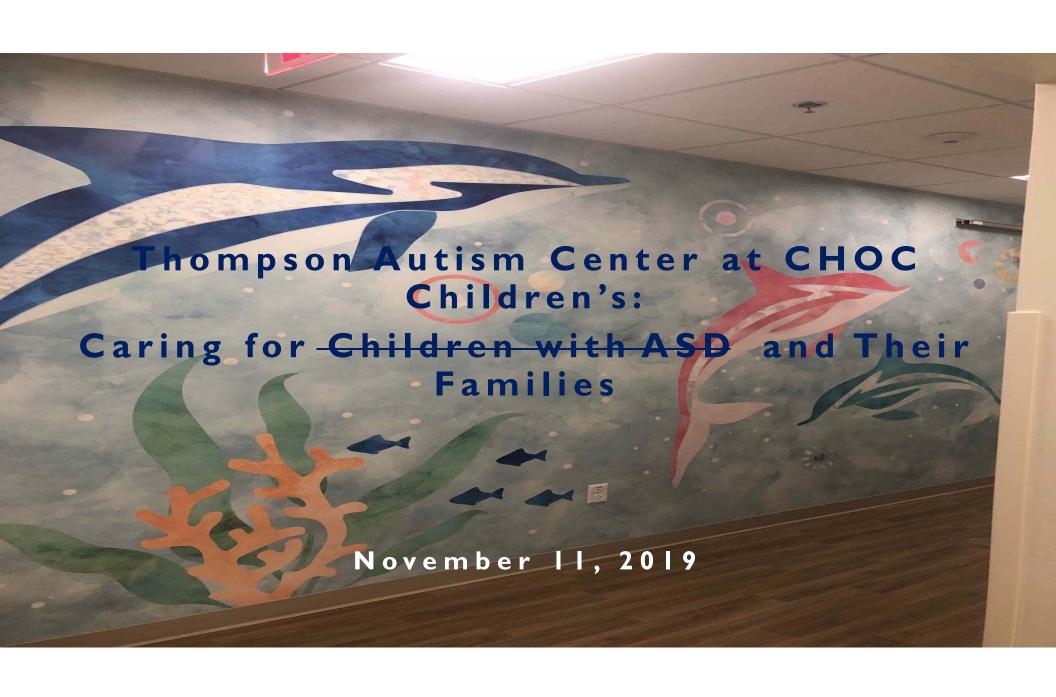
1. CHOC Children's Thompson Autism Center presentation

Contact: Ilia Rolon

telephone

714 834 5310





## Overview

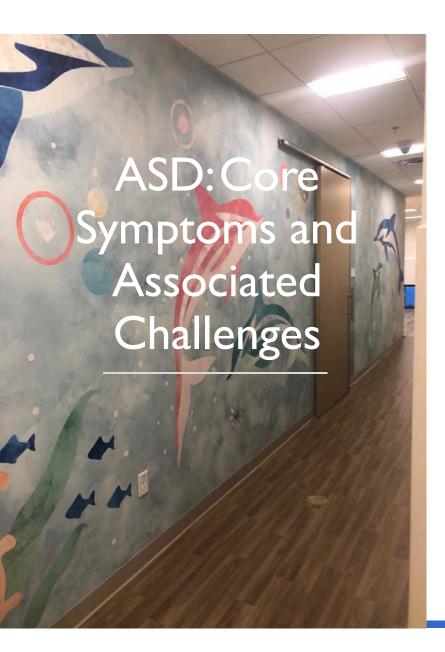
- ASD Defined
- Prevalence and need for services
- Filling the service gap through the Thompson Autism Center

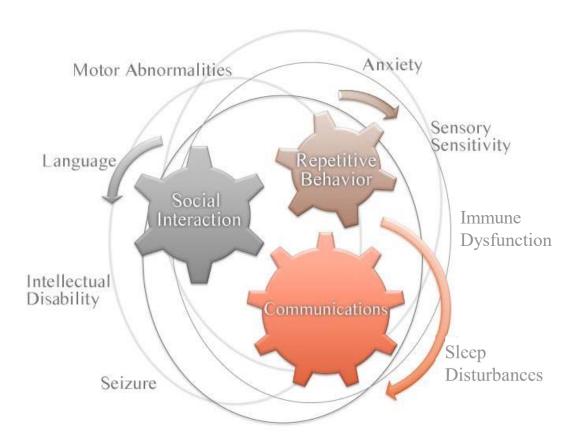


# Autism Defined: Core Symptoms

- Deficits in social communication and social interaction
- Restrictive or repetitive patterns of behavior, interests, or activities
- Symptoms must be present during the developmental period
- Symptoms cause clinically significant impairment
- Symptoms not better explained by intellectual disability or global developmental delay







## Nationwide Prevalence

- ASD prevalence rate: I in 59 children
- ASD occurs in all racial, ethnic, and socioeconomic groups.
- ASD is about 4 times more common among boys than among girls.
- About I in 6 children in the United States had a developmental disability in 2006-2008.
  - From: https://www.cdc.gov/ncbddd/autism/data.html; KidsData.org and the California Department of Education, 2018





## Orange County Prevalence

Highest rate in the state

1.5% of children enrolled in public schools.

I in 5 children in Special Education

## Percentage of Special Education Students Diagnosed with Autism by County, 2018





# The Service Gap

## Time to diagnosis

- Reliable diagnosis possible by age 2
- Average age of diagnosis is 4 years

### Managing challenging behavior

High rates of emergency department referrals

### Co-Morbid Conditions

- Lack of specialists that specialize in autism
- Need for interdisciplinary care

## Thompson Autism Center

Aiming to fill service gaps for children with ASD and their families in 3 key areas

- Access to diagnostic evaluations
  - Assessment Clinic
- Managing difficult behaviors
  - Challenging Behavior Unit
- Comprehensive care for comorbid conditions
  - Co-Occurring Clinic



## Assessment Clinic

Using multi-disciplinary teams to conduct best-practice assessment and expedite access to early intervention

- Serving children 6 and younger
  - Family receives diagnostic impressions and recommendations same day
- ComprehensiveAssessment
  - Psychologist-led
  - Full day evaluation
  - Team includes psychologist, psychological assistant, specialized physician, speech-language pathologists, occupational therapists, and BCBA (as appropriate)
- Confirmatory Assessment
  - Physician-led
  - Brief evaluation to reduce wait time for assessment when diagnosis is clear
  - Team includes specialized physician, psychologist, and other members as appropriate





## Challenging Behavior Unit

Addressing the needs of children and families with refractory disabilities or challenging behaviors

- Treatment of challenging behaviors that cannot be safely managed in other settings
  - Property destruction, self-injury, aggression
- Toilet training
  - Promote the acquisition of this crucial adaptive skill by supporting families in implementing evidence-based toilet training interventions
- Consultation services for community-basedABA providers
  - Ensure children have access to effective ABA-services by partnering with current providers and developing effective programming for children who aren't progressing

## Co-Occurring Clinic

Become a medical home for children with ASD by meeting their medical, emotional, and behavioral needs

- Consultation and treatment with specialized physicians with expertise in ASD
  - GI, neurology, psychiatry, sleep
- Evidence-based psychological services for children in need of individual or group therapy
  - Treating common mental health concerns including ADHD, depression, anxiety, and OCD
- Providing targeted social skills groups to promote the development of healthy social relationships in children and teens with ASD



## Clinical Research Center of Excellence

The Thompson Autism Center at CHOC will partner with institutions, government, non-profit and industry to bring about innovative diagnostics and treatments for ASDs and related disorders.

Clinicians will engage in research designed to develop and study optimal behavioral treatments and programs that will improve outcomes for children, adolescents and young adults with ASDs.

Research will also involve partnerships with schools, public and private organizations with the goal of optimizing strategies to help individuals with ASDs and their families reach their maximal potential for integration into the community.





Agenda Item 2 December 4, 2019

**DATE:** November 19, 2019

**TO:** First 5 Orange County Children and Families Commission

**FROM:** Kimberly Goll, Executive Director

**ACTION:** Approve the First 5 Orange County Children and Families Commission and

Technical Advisory Committee Meeting Calendars for 2020 and 2021

Timbely Dorl

#### **SUMMARY:**

The First 5 Orange County Children and Families Commission and the Technical Advisory Committee conduct regularly scheduled meetings throughout the year. This item recommends approval for meeting dates for the next two-years, 2020 and 2021.

#### **DISCUSSION:**

#### First 5 Orange County Children and Families Commission Meetings

First 5 Orange County commission members are appointed by the Board of Supervisors to direct the policy, funding and business to improve outcomes for children prenatal to age five. First 5 Orange County currently meets on the first Wednesday of the months of February, April, June, August, October and December. The meetings are held at 9:00 a.m. at the Orange County Transportation Authority Conference Center located at 550 South Main Street in Orange. Continuing this meeting schedule is recommended for the next two years, 2020 and 2021.

February is typically reserved for the annual, half-day planning meeting. This special meeting allows extended time for planning and discussion prior to the annual public hearing that is held each April to approve the strategic plan and the fiscal year budget. In lieu of the 2020 planning meeting, the time will be dedicated to the program renewal process. The next planning meeting will be held in February 2021.

#### **Technical Advisory Committee**

The Technical Advisory Committee members are appointed by First 5 Orange County and are responsible for advancing systems change, focusing on shifting the conditions that hold persistent barriers to serving young children and families, and providing advisory information as requested by the Commission members.

The TAC meets three times per year. Proposed meetings for 2020 are February, June and October. The proposed meetings for 2021 are April, August and December, as well as the February planning meeting. The TAC meets on the first Wednesday of the designated month at 10:00 a.m. or immediately following the regular Commission meetings at the Orange County Transportation Authority Conference Center.

Approval is recommended for the First 5 Orange County Children and Families Commission and Technical Advisory Committee proposed calendars and meeting dates for 2020 (Attachment 1) and 2021 (Attachment 2).

#### STRATEGIC PLAN & FISCAL SUMMARY:

The recommended actions have been reviewed in relation to the Strategic Plan and are consistent with all goal areas. There is no funding action proposed for this item.

#### PRIOR COMMISSION ACTION:

• December 2018 - Approved the 2019 meeting calendars for the Children and Families Commission of Orange County and Pediatric Health Services Committee as submitted

#### **RECOMMENDED ACTION:**

Approve the 2020 (Attachment 1) and 2021 (Attachment 2) First 5 Orange County Children and Families Commission and Technical Advisory Committee meeting calendars.

#### **ATTACHMENTS:**

- 1. First 5 Orange County Children and Families Commission 2020 Meeting Calendar
- 2. First 5 Orange County Children and Families Commission 2021 Meeting Calendar

**Contact:** Rhonda Esera



## FIRST 5 ORANGE COUNTY, CHILDREN AND FAMILIES COMMISSION 2020 MEETING CALENDAR

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Regular Commission meetings are held at 9:00 a.m. at the Orange County Transportation Authority Conference Center 550 South Main Street, Orange, California 92868



County Holiday Observed



Technical Advisory Committee



## FIRST 5 ORANGE COUNTY, CHILDREN AND FAMILIES COMMISSION 2021 MEETING CALENDAR

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	November								
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DECEMBER						
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Regular Commission meetings are held at 9:00 a.m. at the Orange County Transportation Authority Conference Center 550 South Main Street, Orange, California 92868





Agenda Item 3 December 4, 2019

**DATE:** November 7, 2019

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

**FROM:** Kimberly Goll, Executive Director

**ACTION:** Adopt Fiscal Year 2020/2021 employer and employee retirement contribution rates

as established and adopted by the Orange County Employees Retirement System

Timbely Doll

#### **SUMMARY:**

First 5 Orange County Children and Families Commission, is a participant of the Orange County Employees Retirement System (OCERS). This item requests approval for the annual adoption of the employer and employee retirement contribution rates as required by Assembly Bill 538 (effective January 1, 2006).

#### **DISCUSSION:**

On June 17, 2019, the OCERS Board of Trustees adopted new employer and employee retirement contribution rates for Fiscal Year 2020/2021. These rates are based on a comprehensive actuarial study of the Retirement System performed by The Segal Company. The December 31, 2018 Actuarial Valuation Report presents the OCERS funding requirements for Fiscal Year 2020/2021 and is located on the OCERS website at www.ocers.org.

Attachment 1 presents the employer and employee contribution rates for the Commission that was recommended and adopted by the OCERS Board for Fiscal Year 2020/2021. The adopted rates consist of two components, the Normal Retirement Rate which covers retirement costs going forward, and the Unfunded Accrued Actuarial Liability (UAAL) rate which covers retroactive retirement costs. The Fiscal Year 2020/2021 employer Normal Rate for Plan I and J members of 14.36% represents a slight decrease from 14.39%. Employer rates for Plan U members will remain the same at 8.78%. Plan I and J includes retirement system members starting employment before January 1, 2013, and Plan U includes all members starting after January 1, 2013. Rate changes are due to the actual contributions and other experience factored into the December 31, 2018 actuarial valuation. There were no actuarial assumption or plan provision changes reflected in the valuation.

The Commission paid off its current UAAL on November 15, 2017, and the Fiscal Year 2020/2021 rates reflect that payment. The rate without the payoff adjustment would have been close to 24.3% instead of 3.26% current adopted rate.

The employee Normal Rate is determined by employee age at entry to OCERS, and will experience an increase of .56% for Fiscal Year 2019/2020 for Plan I and J members and Plan U members an increase of .61% at the average entry age of 33. Approval is recommended to adopt the employer and employee retirement contribution rates as recommended and adopted by OCERS for Fiscal Year 2019/2020, as shown in Attachment 1.

CA 92705

#### STRATEGIC PLAN & FISCAL SUMMARY:

The Fiscal Year 2020/2021 retirement contribution rate schedule recommended and adopted by OCERS has been reviewed in relation to the Strategic Plan and is consistent with prior practice and supports all goal areas of the Strategic Plan. The Fiscal Year 2020/2021 retirement contribution rates will be incorporated into the Fiscal Year 2020/2021 budget.

#### PRIOR COMMISSION ACTIONS:

- October 2018 Adopted implementation of employer and employee retirement contribution rates as recommended and adopted by OCERS for FY 2019/20
- December 2017 Adopted implementation of employer and employee retirement contribution rates as recommended and adopted by OCERS for FY 2018/19
- October 2017 Authorized payment of the Children and Families Commission of Orange County's Unfunded Actuarial Accrued Liability to OCERS in an amount not to exceed \$1,800,000.

#### **RECOMMENDED ACTION:**

Adopt implementation of Fiscal Year 2020/2021 employer and employee retirement contribution rates as established and adopted by the Orange County Employees Retirement System (OCERS) on June 17, 2019.

#### ATTACHMENT:

1. Fiscal Year 2020/2021 Orange County Employees Retirement System (OCERS) Employee Contribution Rates

**Contact**: Michael Garcell



#### **Orange County Children and Families Commission Employer / Employee Contribution Rates** Effective Pay Period 15, July 3, 2020

#### **Employer Contribution Rates**

Rate Group	Plan	Rate	
#2	I & J *	Normal	14.36%
		UAAL	3.26%
		Total	17.62%
#2	U – PEPRA	Normal	8.78%
		UAAL	3.26%
		Total	12.04%

\*Reverse Pickups: OCCFC bargaining units under the 2.7% at 55 plans are subject to an employee-paid reverse pickup which has not been accounted for in the employer rate above. Any reverse pickup arrangements are between the plan sponsors and employee bargaining units. The reverse pickup rate schedule is available online at:

https://www.ocers.org/sites/main/files/file-attachments/reversepickups.pdf

#### **Employee Contribution Rates**

			PEPRA
	Plan I	Plan J	Plan U
Entry Age	(2.7% @ 55)	(2.7% @ 55)	(2.5% @ 67)
15	10.52%	10.07%	7.59%
16	10.52%	10.07%	7.59%
17	10.69%	10.23%	7.24%
18	10.86%	10.39%	6.88%
19	11.03%	10.56%	6.99%
20	11.21%	10.73%	7.10%
21	11.39%	10.90%	7.22%
22	11.57%	11.07%	7.34%
23	11.76%	11.25%	7.46%
24	11.95%	11.43%	7.58%
25	12.14%	11.62%	7.70%
26	12.34%	11.80%	7.82%
27	12.54%	11.99%	7.95%
28	12.74%	12.19%	8.08%
29	12.95%	12.39%	8.21%
30	13.16%	12.59%	8.34%
31	13.38%	12.79%	8.47%
32	13.60%	13.01%	8.61%
33	13.83%	13.22%	8.75%
34	14.07%	13.45%	8.89%
35	14.31%	13.68%	9.03%
36	14.56%	13.92%	9.18%
37	14.83%	14.14%	9.32%



#### Orange County Children and Families Commission Employer / Employee Contribution Rates Effective Pay Period 15, July 3, 2020 (continued)

## Employee Contribution Rates (continued)

			PEPRA
	Plan I	Plan J	Plan U
Entry Age	(2.7% @ 55)	(2.7% @ 55)	(2.5% @ 67)
38	15.10%	14.35%	9.47%
39	15.31%	14.55%	9.63%
40	15.53%	14.75%	9.79%
41	15.75%	14.97%	9.95%
42	15.99%	15.19%	10.11%
43	16.25%	15.42%	10.28%
44	16.52%	15.66%	10.45%
45	16.81%	15.88%	10.63%
46	17.10%	16.08%	10.81%
47	17.34%	16.22%	11.00%
48	17.57%	16.30%	11.19%
49	17.69%	16.29%	11.38%
50	17.77%	16.19%	11.55%
51	17.73%	15.97%	11.71%
52	17.58%	15.59%	11.88%
53	17.27%	16.09%	12.06%
54	16.62%	16.62%	12.24%
55	16.62%	16.62%	12.44%
56	16.62%	16.62%	12.64%
57	16.62%	16.62%	12.83%
58	16.62%	16.62%	13.00%
59	16.62%	16.62%	13.13%
60	16.62%	16.62%	13.22%
61	16.62%	16.62%	13.24%
62	16.62%	16.62%	13.20%
63	16.62%	16.62%	13.07%
64	16.62%	16.62%	12.84%
65	16.62%	16.62%	13.25%
66 and	16.62%	16.62%	13.69%
thereafter			

Average entry age and discounted percentages applicable to employee contributions paid under Section 31581.1 are:

Rate Group	Plan	Discounted Percentage	Average Entry Age
#2	Plan I (General)	99.38%	27
#2	Plan J (General)	98.45%	27



Agenda Item 4 December 4, 2019

**DATE:** December 4, 2019

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

FROM: Kimberly Goll, Executive Director Timelely Holl

**ACTION:** Approve amendment to Conflict of Interest Code

#### **SUMMARY:**

The Political Reform Act requires every agency to adopt a Conflict of Interest Code that identifies all officials and employees within the agency who make governmental decisions based upon their positions. These individuals must disclose their financial interests as specified in the Conflict of Interest Code. In August of 2018, the Children and Families Commission of Orange County ("First 5 Orange County") performed the required biennial review to ensure the Conflict of Interest Code ("Code") was current and accurate. Although First 5 Orange County is not scheduled to perform the next biennial review until the Fall of 2020, recent organizational changes must be incorporated into the Code and approved by First 5 Orange County. This item requests approval of updates to the Code based upon recent restructuring of staff positions and the renaming of the Pediatric Health Services Committee to the Technical Advisory Committee.

#### **DISCUSSION:**

The Orange County Board of Supervisors is the code reviewing body for County boards and commissions, which includes First 5 Orange County. Their responsibilities include the review and approval of local agency conflict of interest codes and code amendments. The amendments are processed through the eDisclosure System.

First 5 Orange County performed its biennial review and approved the Code at the August 2018 meeting. Thereafter, First 5 Orange County amended the Code in October 2018 to include certain clerical revisions to the eDisclosure System reflecting the updated laws and regulations. First 5 Orange County staff recommends additional revisions to the Code at this time to incorporate recently restructured staff positions and the change from the Pediatric Health Services Committee to the Technical Advisory Committee, as further described below.

In August 2019, First 5 Orange County approved the amended Administrative Policies and Procedures, which included the renaming of the Pediatric Health Services Committee to the Technical Advisory Committee. As the prior Code required Pediatric Health Services Committee members to publicly disclose their financial interests, the Code must be revised to require the Technical Advisory Committee members to make the same disclosures.

Additionally, in October 2018, First 5 Orange County received a progress update on the revisions to the staff organizational chart. Various positions have been restructured to more closely align with First 5 Orange County's Strategic Plan. Based upon this restructuring, the Code must be amended to reflect this new organizational chart. The chart is attached for reference.

Commission Counsel has reviewed First 5 Orange County's Conflict of Interest Code and recommends approval of the amendments. The Clerk of the Commission will submit the revisions upon approval.

#### STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action has been reviewed in relation to the Strategic Plan and is consistent with all goal areas. There is no funding action proposed for this item.

#### PRIOR COMMISSION ACTIONS:

- October 2018 Adopted resolution approving the amended Conflict of Interest Code
- August 2018 Received report confirming the status of the Conflict of Interest Code
- September 2016 Adopted resolution approving the amended Conflict of Interest Code
- September 2014 Adopted resolution approving the amended Conflict of Interest Code
- October 2012 Received report confirming the status of the Conflict of Interest Code
- November 2011 Adopted Resolution approving amended Conflict of Interest Code to reflect the new name for the Community Advisory Committee
- November 2010 Adopted Resolution approving amended Conflict of Interest Code
- May 2008 Approved the amended Conflict of Interest Code for the 2008 Conflict of Interest Code Biennial Review

#### **RECOMMENDED ACTION:**

Adopt Resolution approving the amended the Conflict of Interest Code.

#### ATTACHMENT:

- 1. Resolution
- 2. First 5 Orange County organization chart

**Contact**: Rhonda Esera

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY RESOLUTION NO. 18-\_\_\_\_ C&FC

**December 4, 2019** 

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AMENDING THE CONFLICT OF INTEREST CODE AS REQUESTED BY THE CLERK OF THE BOARD OF SUPERVISORS

**WHEREAS**, the Political Reform Act of 1974, Government Code Section 81000, et seq., ("the Act"), requires a local government agency to adopt a Conflict of Interest Code pursuant to the Act; and

**WHEREAS**, the Children and Families Commission of Orange County has previously adopted a Conflict of Interest Code and that Code now requires updating; and

WHEREAS, amendments to the Act have in the past and in the foreseeable future will require conforming amendments to be made to the Conflict of Interest Code; and

WHEREAS, the Fair Political Practices Commission has adopted a regulation, Title 2, California Code of Regulations, Section 18730, which contains terms for a standard model Conflict of Interest Code, which, together with amendments thereto, may be adopted by public agencies and incorporated by reference to save public agencies time and money by minimizing the actions required of such agencies to keep their codes in conformity with the Political Reform Act.

#### NOW THEREFORE, BE IT RESOLVED:

Section 1 The terms of Title 2, California Code of Regulations, Section 18730 (Attachment A) and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference and, together with Exhibits A and B in which members and employees are designated and disclosure categories are set forth, constitute the Conflict of Interest Code of the Children and Families Commission of Orange County.

<u>Section 2</u> The provisions of all Conflict of Interest Codes and amendments thereto previously adopted by the Children and Families Commission of Orange County are hereby superseded.

Section 3 The Filing Officer is hereby authorized to forward a copy of this Resolution to the Clerk of the Orange County Board of Supervisors for review and approval by the Orange County Board of Supervisors as required by California Government Code Section 87303. Subject to approval by the Orange County Board of Supervisors, it is intended that this Resolution become operative December 4, 2019.

Families Comm	nission of Orange County of	n Decembe	er 4, 2019 to wit:
AYES	Commissioners:		
NOES:	Commissioner(s):		
EXCUSED:	Commissioner(s):		
ABSTAINED:	Commissioner(s)		
		CHAI	R
STATE OF C	ALIFORNIA )		
COUNTY OF	ORANGE )		
that a copy of th	nis document has been deliv lution was duly and regula	ered to the	on of Orange County, California, hereby certify Chair of the Commission and that the above and d by the Children and Families Commission of
IN WI	TNESS WHEREOF, I hav	e nereto se	t my nand and sear.
		Clerk o	N STIELER f the Commission, Children and Families Commission ge County, County of Orange, State of California
Resolution No	o:18-C&FC		
Agenda Date	December 4, 2019		
Item No			
			I certify that the foregoing is a true and correct copy of the Resolution adopted by the  Robin Stieler, Clerk of the Commission
			By:

The foregoing resolution was passed and adopted by the following vote of the Children and

## CONFLICT OF INTEREST CODE FOR THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

The Political Reform Act, Government Code Sections 81000, et seq., requires state and local government agencies to adopt and promulgate Conflict of Interest Codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. Section 18730) which contains the terms of a standard Conflict of Interest Code, which may be incorporated by reference in an agency's code. After public notice and hearing it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730 and any amendments to it duly adopted by the Fair Political Practices Commission are hereby incorporated by reference. This regulation and the attached Exhibits designating officials and employees and establishing disclosure categories shall constitute the Conflict of Interest Code of the Children and Families Commission of Orange County.

#### **DESIGNATED EMPLOYEES**

Designated employees shall file Statements of Economic Interests with the Clerk of the Orange County Board of Supervisors who will make the statements available for public inspection and reproduction (Government Code Section 81008).

#### **GOVERNMENT CODE SECTION 87200 FILERS**

Public officials enumerated in Government Code Section 87200, including officials who manage public investments as defined by 2 California Code of Regulations Section 18700.3(b), are NOT subject to the Commission's code, but are subject to the disclosure requirements of the Act (Government Code Section 87200, et seq.). [Regs. §18730(b)(3)] These positions are listed here for informational purposes only.

For purposes of the Commission's Code, the positions listed below are Commission officials enumerated in Government Code Section 87200:

**Executive Director** 

**Commission Counsel** 

These positions shall also file original Statements of Economic Interests with the Clerk of the Orange County Board of Supervisors.

The disclosure categories and requirements for these positions are set forth in Article 2 of Chapter 7 of the Political Reform Act, Government Code Section 87200, et seq. They generally

require the disclosure of interests in real property in the agency's jurisdiction, as well as investments, business positions and sources of income (including gifts, loans and travel payments).

## CONFLICT OF INTEREST CODE FOR THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY LIST OF DESIGNATED POSITIONS

<b>Designated Positions</b>	<b>Disclosure Category</b>
Commissioners	OC-48
Alternate Commissioners	OC-48
Members of the Commission Technical Advisory Committee	OC-48
Vice President Learning and Integration	OC-48
Vice President Programs	OC-48
Director of Partnerships and Government Affairs	OC-48
Director of Administration	OC-48
Senior Manager, Contracts and Administration	OC-48
Senior Finance Analyst	OC-48
Program Manager	OC-48
Consultants (*See Note below)	OC-48

## \*Consultants shall be included in the list of designated employees and shall disclose <u>pursuant</u> to disclosure category OC-48 in the code subject to the following limitation:

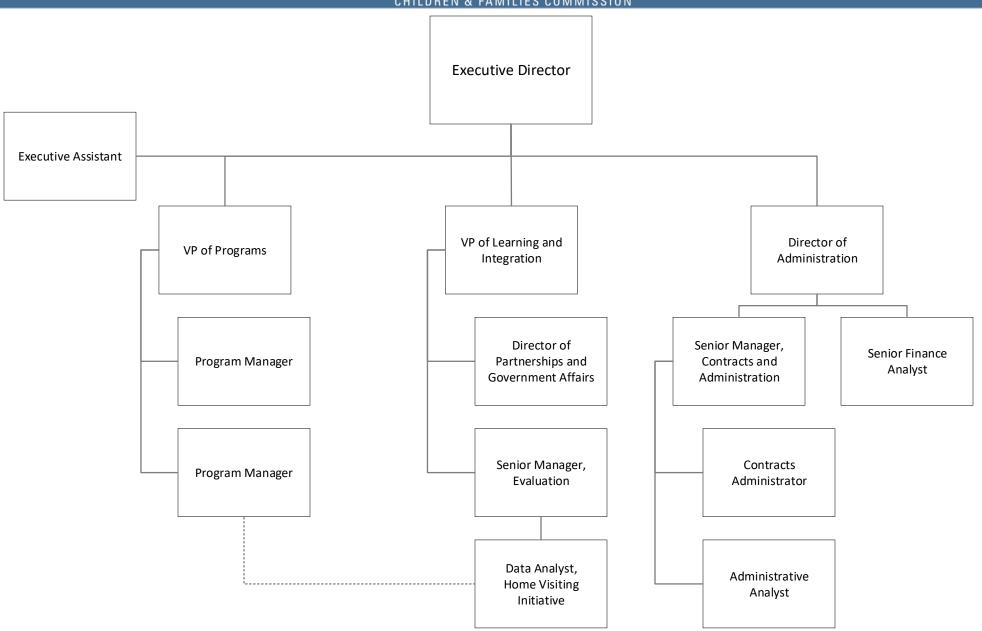
The Executive Director of the Commission (or the Commission, as requested by the Executive Director) may determine in writing that a particular consultant, although a "designated position," is hired to perform a range of duties or provide certain services that are limited in scope, term of service, or amount of compensation and that do not involve direct participation in the making of decision(s) which may foreseeably have a material financial effect on a personal financial interest, and thus such consultant is not required to comply with the disclosure requirements set forth herein. Such written determination by the Executive Director (or, as applicable, the Commission) shall explain the basic reason(s) for excluding a particular consultant. The Executive Director's (or, as applicable, the Commission's) determination is a public record and shall be retained for public inspection by the Commission filing officer with an information copy provided to the Commissioners.

## CONFLICT OF INTEREST CODE FOR THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DISCLOSURE CATEGORIES / DESCRIPTIONS

#### **Disclosure Category Disclosure Description**

OC-48

All interests in real property in Orange County, as well as all investments in, business positions with, and income (including gifts, loans, and travel payments) from sources engaged in the direct or indirect provision of early development services to or for children. As used herein, "early development services" means the services, which the Commission is authorized by statute to promote, support or improve.





Agenda Item 5 December 4, 2019

**DATE:** November 18, 2019

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

**FROM:** Kimberly Goll, Executive Director

**ACTION:** Conduct public hearing and authorize Executive Director to submit the

Comprehensive Annual Financial Report to First 5 California and the State Controller's Office and adopt resolution approving the Fiscal Year 2019/2020

Timbely Dorl

Amended Budget

#### **SUMMARY:**

First 5 Orange County Children and Families Commission is required to conduct a public hearing to approve the annual audit that is then submitted to First 5 California and the State Controller's Office. This item presents the annual independent audit report conducted by Eide Bailly LLP (formerly Vavrinek, Trine, Day & Co., LLP).

#### **DISCUSSION:**

The California Children and Families Act of 1998 (Health and Safety Code Sections 130140 & 130150) requires that each county commission complete an annual audit and program report of the preceding fiscal year, conduct a public hearing on the audit and program reports, and submit both to the First 5 California Commission and the audit report to the State Controller's Office on or before November 1st of each year. The annual program report was provided and approved at the October 2019 meeting. Due to circumstances beyond the control of the Commission, an extension was requested and granted by the California State Controller's Office until December 31, 2019, for the submission of the annual audit report for Fiscal Year 2018/2019.

As a participant in the County of Orange Retiree Medical Plan, the Commission is required to report following accounting standards related specifically to other post-employment benefits. In order to report under the standard, County of Orange auditors conducted test work and verified a report detailing Retiree Medical Plan information relevant to the Commission. This process created the delay, and the deadline to submit the annual audit to the California State Controller's Office and First 5 California was extended. The audit of the Retiree Medical Plan is finished, and the Comprehensive Annual Financial Report is now complete and has been reviewed by an ad-hoc committee of Commission member representatives.

#### Comprehensive Annual Financial Report (CAFR)

Eide Bailly LLP performed an independent annual audit of Commission financial statements for Fiscal Year 2018/2019 that included the expanded audit compliance requirements mandated by AB109/SB35. The auditors conducted their audit work in accordance with all standards applicable to financial audits including generally accepted auditing standards, standards and procedures issued by the California State Controller's Office, and Government Auditing Standards issued by the Comptroller General of the United States. The Comprehensive Annual Financial Report for the Year Ended

CA 92705

*June 30, 2019* (Attachment 1) was prepared in compliance with the most up to date guidelines issued by the State Controller.

The independent auditors found no instances of noncompliance with state or federal laws and regulations concerning financial matters. The auditors found no significant deficiencies, material weaknesses involving internal controls over financial reporting, or audit adjustments, and rendered an unmodified opinion on the *Commission's Comprehensive Annual Financial Report for Year End June 30, 2019.* Eide Bailly states these same results in the following reports:

Independent Auditor's Report: "In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and general fund of the Commission, as of June 30, 2019, and the respective changes in financial position thereof and budgetary comparison for the general fund for the year then ended, in accordance with accounting principles generally accepted in the United States of America."

Auditors' Report on State Compliance: "In our opinion, the Commission compiled, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2019."

#### Amendments to Fiscal Year 2019/2020 Approved Operating Budget

The Fiscal Year 2019/2020 Budget was approved in April 2019. A proposed Amended Annual Operating Budget for Fiscal Year 2019/2020 was developed following the analysis of current program allocations and encumbrances. The amended operating budget includes both previously approved contracts recommended to be carried forward into the current year and amendments to reallocate savings into program funding.

#### Revenue

No changes are recommended at this time for budgeted Fiscal Year 2019/2020 tobacco tax revenue. After three years of volatility, tobacco tax revenue is expected to decline at the same 3.5% annual rate that has been assumed for years. Due to delays at the State level, revenue amounts for the first quarter have not yet been provided by First 5 California. At this time, there is no information that would require amending budgeted tobacco tax revenue.

#### Program Funding

Program funding has been increased by carryover amounts, and other program expenses are offset by unspent Fiscal Year 2018/2019 administrative balances. Attachment 3 presents a summary of the amended budget, and specific requests are detailed below.

- \$485,000 in carryover of one-time funding has been transferred for the Pediatric Loan Repayment Program. Funding for this program will continue to be carried forward until fully expended.
- \$219,500 in carryover funding from the prior-year unspent administrative budget is being transferred to fund consultant contracts consistent with Commission action taken this past June.
- A net increase of \$231,490 has been incorporated to follow the October 2019 action authorizing a staff reorganization. All positions have been analyzed and are allocated to the

direct program/project budget area that best represents the roles and responsibilities of the position. Salary and benefit allocations are listed as program support line items in the budget.

#### STRATEGIC PLAN & FISCAL SUMMARY:

The report and recommended action presented in this report have been reviewed in relation to the Commission's Strategic Plan and are consistent with applicable goals. There is no funding action proposed for this item.

#### PRIOR COMMISSION ACTIONS:

- October 2019 Conducted Public Hearing on Fiscal Year 2018/2019 Annual Report
- April 2019 Conducted the Public Hearing to receive and file the First 5 California 2017/2018
   Annual Report and Audit Results Excerpts
- December 2018 Conducted Public Hearing and authorized the Executive Director to submit the Annual Financial Report to First 5 California and the State Controller's Office

#### **RECOMMENDED ACTIONS:**

- 1. Conduct Public Hearing
- 2. Receive the Comprehensive Annual Financial Report for Year Ended June 30, 2019, including State Compliance Report, (Attachment 1) and authorize the Executive Director to submit the Annual Financial Audit Report, along with any supporting materials, to First 5 California and the State Controller's Office.
- 3. Approve Amendments to Fiscal Year 2019/2020 Operating Budget (Attachment 3) and adopt resolution (Attachment 4) approving the Amended Annual Operating Budget for Fiscal Year 2019/2020.

#### **ATTACHMENTS:**

- 1. Comprehensive Annual Financial Report for Year Ended June 30, 2019
- 2. Audit Conclusion Communication Letter
- 3. Fiscal Year 2019/2020 Amended Budget
- 4. Resolution approving Fiscal Year 2019/2020 Amended Budget

Contact: Michael Garcell

### CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

(a Component Unit of the County of Orange, California)

#### COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

Prepared by:

Michael Garcell, CPA

Finance Manager

#### CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY FOR THE YEAR ENDED JUNE 30, 2019

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October 30, 2019

Board of Commissioners Children and Families Commission of Orange County 1505 East 17<sup>th</sup> Street, Suite 230 Santa Ana, CA 92705

Dear Commissioners,

The Comprehensive Annual Financial Report (CAFR) of the Children and Families Commission of Orange County (the Commission) is hereby submitted. This report contains financial statements that have been prepared in conformity with United States Generally Accepted Accounting Principles (GAAP) prescribed for governmental entities. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Commission. To the best of our knowledge and belief, the enclosed data is accurate in all material aspects and is reported in a manner that presents fairly the financial position and changes to the financial position of the Children and Families Commission of Orange County. All disclosures necessary to enable the reader to gain an understanding of the Commission's financial activities have been included.

The CAFR has been audited by the independent certified public accounting firm of Eide Bailly, LLP. The goal of the independent audit was to provide reasonable assurance about whether the basic financial statements of the Commission for the year ended June 30, 2019, are free of material misstatement. The independent certified public accounting firm has issued an unmodified ("clean") opinion on the Commission's financial statements as of and for the year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

This letter of transmittal is designed to complement and should be read in conjunction with the Management's Discussion and Analysis (MD&A) that immediately follows the independent auditor's report. The MD&A provides a narrative introduction, overview, and an analysis of the basic financial statements.

#### **Profile of the Commission**

The Commission was established by the Orange County Board of Supervisors in September 1999 following the passage of Proposition 10, through which California voters made an unprecedented investment in early childhood development. The Commission's activities have been built to develop, adopt, promote and implement programs to support early childhood development. Since inception, the Commission has made a lasting positive impact in Orange County through its expenditures of approximately \$805 million toward grants, programs and operations that improve the well-being of young children and families in Orange County.

#### Relevant Financial Policies

#### Financial Plan

In December 2018, the Board of Commissioners reviewed the updated Long-Term Financial Plan (LTFP). The LTFP, which is reviewed annually to incorporate the prior year-end financials as well as updated revenue projections, continues to anticipate annual decreases in Proposition 10 tobacco tax collections. Since its peak in 2000, the Commission has had an overall reduction of over 45% in revenue, and tobacco revenue is projected to continue to decline at a rate of 3% to 4% annually.

Legislation and voter initiatives passed that directly affect tobacco tax sales and tax revenue. An increase to the legal age for the purchase of tobacco products from 18 to 21, a new licensing fee administered by the Board of Equalization to cover administrative costs previously charged to First 5's, and the passage of Proposition 56, a \$2.00 tax increase, all have varying degrees of impact on tobacco tax revenue.

After a significant decline in tobacco tax revenue for Fiscal-Year 2017-2018 due to the lag in implementing the backfill provision of Proposition 56 passed in November 2016. An overall increase in tobacco tax revenue occurred in Fiscal Year 2018-2019 due in part to the first full year of Proposition 56 backfill. Given this overall volatility, the Board of Commissioners directed staff to develop three-year funding renewal recommendations, working under the direction of Commissioner-led funding renewal panels. Fiscal-Year 2018-2019 was the second of the three-year cycle.

Under the direction of Commissioner-led program review teams, staff developed three-year funding renewal recommendations which were presented and approved by the Board of Commissioners at their February 2017 meeting. The program review teams used core program criteria to review the portfolio of programs funded by the Commission to determine which programs align with the Commission's mission and operations. Core programs were those that met one or more of the following criteria:

- 1. Aligns outcome-oriented goals with the Commission's Strategic Plan
- 2. Provides a financial or social Return on Investment
- 3. Pursues leveraging or sustainability strategies
- 4. Provides a critical partnership to advancing the Commission's goals
- 5. Serves an extremely vulnerable population

#### Strategic Plan

The Proposition 10 initiative requires that each county Commission review its Strategic Plan on at least an annual basis and revise the plan as necessary or appropriate. The Strategic Plan addresses the health and early education needs of young children and their families and identifies program specific measures that accurately reflect the diverse services the Commission funds. The Strategic Plan focuses on Orange County's priorities and initiatives in the goal areas of Healthy Children, Early Learning, Strong Families, and Capacity Building. The vision and mission that children are healthy and ready to learn remains the overall goal of all Commission-funded programs. The Strategic Plan was reviewed and updated for Fiscal Year 2018/2019. The vision, mission, and goals remain the same, and approval of the reviewed Strategic Plan is recommended.

During Fiscal Year 2018/2019 the Commission conducted a planning process to update the Strategic Plan. The steps in the process began with targeted community outreach and public study sessions that included one-on-one meetings with key stakeholders and Commission members to develop measurable objectives in three goal areas: Resilient Families, Quality Early Learning, and Comprehensive Health and Development. The new Strategic Plan concepts were presented in an open

house format in November 2018 at the Delhi Center in Santa Ana. More than 150 people attended representing community organizations, elected leaders, school districts, businesses, non-profit organizations, universities and philanthropic foundations. Updates on the Strategic Planning Process and opportunities for public comment were provided at the Commission meetings in August, October, and December. The February 2019 planning meeting was dedicated as a comprehensive review of the draft Strategic Plan. The final Strategic Plan was adoption at the April 2019 Commission meeting.

#### Other Financial Information

#### Internal Control

The management of the Commission is responsible for establishing and maintaining internal controls designed to ensure that the assets of the public entity are protected from loss, theft, or misuse. Management is also responsible for ensuring that adequate accounting data are compiled to allow for the preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America. Internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

#### **Budgetary Control**

The objective of budgetary control is to ensure that spending is limited to the total amount authorized by the Board of Commissioners. The initial budget for Fiscal Year 2018-2019 was adopted on April 4, 2018 with subsequent adjustments approved on October 3, 2018 and April 3, 2019. The Executive Director has the discretion to adjust the budget as defined within the budget policy of the Board of Commissioners. Monthly financial highlights are provided to the Board of Commissioners.

#### Risk Management

The Commission manages its risk exposure in part through the purchase of Workers Compensation, Property, General Liability, Auto, Crime and Directors and Officers insurance through the County of Orange.

#### Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Commission for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2018. This was the tenth consecutive year that the Commission has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Commission must publish an easily readable and efficiently organized CAFR. This report must satisfy both accounting principles generally accepted in the United State of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. I believe that the current CAFR continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

I would like to express my sincere appreciation to Commission staff and the staff of the certified public accounting firm of Eide Bailly, LLP. I hope this report will be of interest and use to those in the County of Orange, other governmental agencies, and the public interested in the financial activity of the Commission.

Sincerely,

Kimberly Goll

Executive Director

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY BOARD OF COMMISSIONERS FOR THE FISCAL YEAR ENDED JUNE 30, 2019

#### **COMMISSION BOARD MEMBERS (9)**

Maria E. Minon, M.D. (A)

Chair

Ramin Baschshi, M.D. (A) Vice Chair

**Debra Baetz** (M) Social Services Agency Sandra Barry (A)

**Doug Chaffee** (M)

Board of Supervisors

Jackie Filbeck (A)

Kenneth McFarland (A)

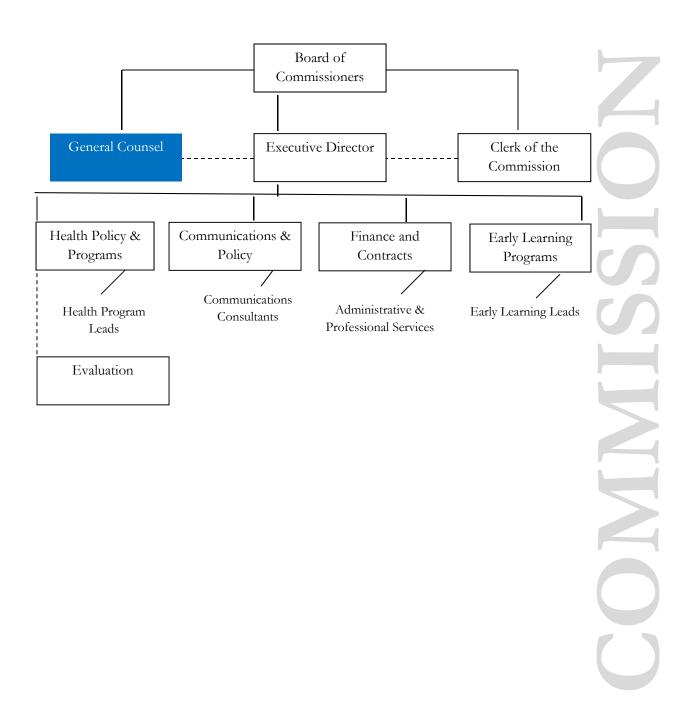
Sandra Pierce (A)

Richard Sanchez (M)

Health Care Agency

- (M) Mandatory members
- (A) At-large members

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY ORGANIZATION CHART FOR THE FISCAL YEAR ENDED JUNE 30, 2019





Government Finance Officers Association

### Certificate of Achievement for Excellence in Financial Reporting

Presented to

Children and Families Commission of Orange County, California

> For its Comprehensive Annual Financial Report for the Fiscal Year Ended

> > June 30, 2018

Executive Director/CEO

Christopher P. Morrill



#### **CPAs & BUSINESS ADVISORS**

#### **Independent Auditor's Report**

To the Board of Commissioners
Children and Families Commission of Orange County

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities and the general fund of the Children and Families Commission of Orange County (Commission), a component unit of the County of Orange, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Commission, as of June 30, 2019, and the respective changes in financial position thereof and the budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Other Matters**

#### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability and net OPEB liability and schedule of the Commission contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of First 5 California funding is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of First 5 California funding is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

#### Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 30, 2019, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Laguna Hills, California
October 30, 2019

As management of the Children and Families Commission of Orange County (Commission), we offer readers of the Commission's Comprehensive Annual Financial Report this overview and analysis of the financial activities for the fiscal year ended June 30, 2019. Please read in conjunction with the Commission's basic financial statements and accompanying notes.

#### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of the Commission as reported on the Statement of Net Position exceeded its liabilities and deferred inflows of resources by \$40.7 million at the end of the current fiscal year, an increase of \$3.2 million (8.7%) from the prior fiscal year. The increase in Net Position is primarily due to the receipts of program reimbursement revenues along with the planned decrease in overall program spending.
- As of June 30, 2019, the Commission's governmental fund statements reported an ending fund balance totaling \$37.3 million, a slight increase of \$.15 million (0.41%).
- The total ending fund balance of \$37.3 million was classified into the following categories: \$3.9 million as non-spendable, \$14.5 million as committed, and \$19 million as assigned.

#### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This comprehensive annual financial report consists of two parts, this management's discussion and analysis and the basic financial statements, including government-wide financial statements, governmental fund financial statements and notes to the basic financial statements. The Commission's financial statements, prepared in accordance with generally accepted accounting principles (GAAP), offer key, high-level financial information about the activities during the reporting period.

#### **Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the Commission's finances and activities. These statements are prepared using the full accrual basis of accounting and a total economic resource measurement focus, in order to provide both long-term and short-term information about the Commission's overall financial status. A detailed definition of these methods is described in Note 1 of the basic financial statements.

The Statement of Net Position presents information on all of the Commission's assets, deferred outflows of resources, liabilities and deferred inflows of resources with the difference reported as net position. Changes in net position may serve as a useful indicator of whether the financial position of the Commission is improving or declining.

The Statement of Activities presents changes in the Commission's net position during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but not received, unused vacation leave, net pension liability).

Fund Financial Statements - A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related and legal requirements. All of the Commission's activities are accounted for in the general fund.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on *balances of spendable resources available at the end of the year*. Such information may be useful in evaluating the Commission's near-term financing requirements.

Because the focus of government funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Commission's near-term financial decisions. Reconciliations are presented for the Balance Sheet of governmental funds and the Statement of Revenues, Expenditures and Changes in Fund Balances of governmental funds to facilitate comparison between governmental funds and governmental activities.

Governmental Fund Financial Statements are prepared on a modified accrual basis, which means that they measure only current financial resources and uses. Capital assets and long-term liabilities are not presented in the Governmental Fund Financial Statements, as they do not represent current available resources or obligations. The Commission adopts an annual appropriated budget for the general fund. A budgetary comparison statement for the general fund is presented in the basic financial statements to demonstrate compliance with the adopted budget.

#### Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

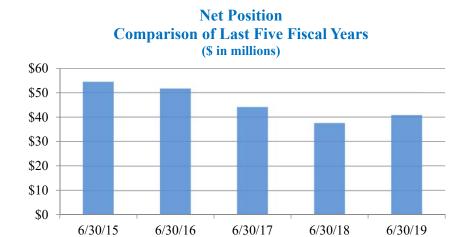
#### ANALYSIS OF THE COMMISSION'S GOVERNMENT-WIDE FINANCIAL STATEMENTS

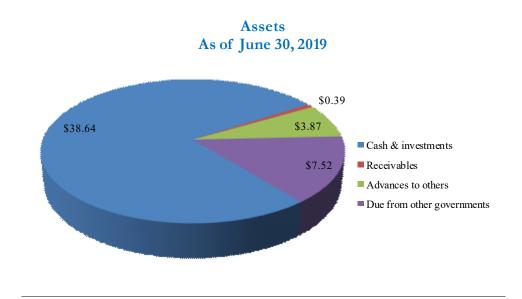
#### **Net Position**

Net position may serve over time as a useful indicator of a government's financial position. In the case of the Commission, net position was \$40.7 million at the end of the current fiscal year, an 8.7% increase from the prior fiscal year's restated net position. Following is a summary of the government-wide Statement of Net Position comparing balances at June 30, 2019 and June 30, 2018.

The Commission's net position as of June 30, 2019 is considered unrestricted because their use is not for a purpose narrower than the Commission's purpose and were comprised of the following:

	FY 2018-19	FY 2017-18	Percent Increase (Decrease)
Assets:			
Cash and investments	\$ 38,633,125	\$ 37,027,415	4.3%
Imprest cash	10,000	10,000	0.0%
Interest receivable	253,633	145,324	74.5%
Due from County of Orange	134,181	33,034	306.2%
Due from other governments	7,520,655	7,056,854	6.6%
Advances to others	3,870,545	4,472,194	-13.5%
Total assets	50,422,139	48,744,821	3.5%
Deferred Outflows of Resources:			
Pension related amounts	124,083	195,932	-40.5%
OPEB related amounts	32,000	18,000	77.8%
Total deferred outflows of resources	156,083	213,932	-30.5%
Liabilities:			
Accounts payable and accrued liabilities	2,301,929	3,329,998	-30.9%
Due to County of Orange	1,814	4,294	-57.8%
Due to other governments	4,210,732	3,965,257	6.2%
Retentions payable	1,227,891	1,595,761	-23.1%
Accrued wages and benefits	31,429	33,053	-4.9%
Compensated absences:			
Payable within one year	63,780	47,134	35.3%
Payable after one year	4,657	5,988	-22.2%
Net Pension Liability	630,611	962,203	-34.5%
Net OPEB Liability	290,000	276,000	5.1%
Total liabilities	8,762,843	10,219,688	-14.3%
Deferred Inflows of Resources:			
Pension related amounts	1,131,282	1,282,535	-11.8%
OPEB related amounts	-	10,000	-100.0%
Total deferred inflows of resources	1,131,282	1,292,535	-12.5%
Net Position:			
Unrestricted	40,684,097	37,446,530	8.7%
Total net position	\$40,684,097	\$37,446,530	8.7%



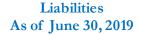


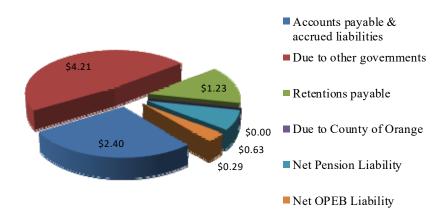
#### Assets, Current and Other

- Cash and investments totaled \$38.6 million. All \$38.6 million was invested in the Orange County Investment Pool (OCIP), except for a small petty cash fund held at the Commission. The investments in OCIP are managed by the County Treasurer and reviewed for compliance with the Commission's Annual Investment Policy. Cash and investments increased by 4.3% due to receipts of payments for program reimbursements.
- Due from other governments totaled \$7.5 million. Of this amount, \$5.1 million is Prop 10 tobacco tax revenue due from the State of California for April, May, and June 2019 allocations and \$1.2 million for the First 5 California IMPACT and Hubs Programs and the California Department of Health Care Services Dental Transformation Initiative.
- Advances to others totaled \$3.9 million and represents funds advanced to contractors for services not provided by June 30, 2019. Another \$3 million was remaining as an advance for Emergency Shelter Catalytic programs and \$0.5 million for Early Literacy and Math programs. The advances cover future periods up to Fiscal Year 2020.
- Other current assets consist of \$0.40 million in interest and miscellaneous reimbursements.

#### **Deferred Outflows of Resources**

- The Commission participates in a cost-sharing multiple-employer pension plan, the Orange County Employees Retirement System, and the cost-sharing multiple-employer County of Orange Retiree Benefit Plan. As a participant, the Commission is required to report its proportionate share of deferred outflows of resources related to pensions and other post-employment benefits.
- Commission early payment contributions of \$18,488 of the collective net pension liability are required to be reported as deferred outflows of resources related to pensions. Deferred outflows of resources also include \$53,458 for changes of assumptions over the measurement period ending December 31, 2018.
- Government Accounting Standards Board Statement No. 75 requires deferred outflows of resources related to other postemployments benefits (OPEB) be recognized in the Commission financial statements. Total deferred inflows related to OPEB of \$32,000 is for OPEB contributions subsequent to the measurement date of December 31, 2018.
- Note 8 and 12 to the Commission financial statements provides further detail of all deferred outflows of resources reported in Fiscal Year 2018-2019.





#### **Liabilities**

- Accounts payable and due to other governments totaling \$6.5 million. Payables to grantees services not yet billed at June 30, 2019 are based on established contract terms. This balance represents a decrease of 10.7% from the prior year due to both timing of invoices for program partners and the increased program activity for First IMPACT and Hubs and California Department of Health Care Services Dental Transformation Initiative.
- Retentions payable totaling \$1.2 million. Retentions payable are held until end of contract audits are completed and received by the Commission to ensure compliance with contract terms.
- Other current liabilities totaling \$0.1 million consisting of amounts due to the County of Orange and accrued wages, benefits and compensated absences.
- Net pension liability of \$.63 million is reported and represents a decrease of \$.33 million or 34.5% from the
  liability for the prior year. Some contributing factors to the decrease were the change in proportionate share,
  the difference in actual and projected earnings on pension plan investments, and the difference between
  expected and actual experience.

#### **Deferred Inflows of Resources**

- The Commission participates in a cost-sharing multiple-employer pension plan, the Orange County Employees Retirement System, and the cost-sharing multiple-employer County of Orange Retiree Benefit Plan. As a participant, the Commission is required to report its proportionate share of deferred inflows of resources related to pensions and other post-employment benefits.
- Governmental Accounting Standards Board Statement No. 68 requires deferred inflows of resources related to
  pensions be recognized in the Commission financial statements. Total deferred inflows of resources of \$1.1
  million is the result of the net difference between projected and actual earnings on pension plan investments,
  differences between expected and actual experience, changes of assumptions, and changes in the Commission's
  proportionate share occurring over the measurement period ending December 31, 2018.
- Note 8 and 12 to the Commission financial statements provides further detail of all deferred inflows of resources recognized in Fiscal Year 2018-2019.

#### Changes in Net Position

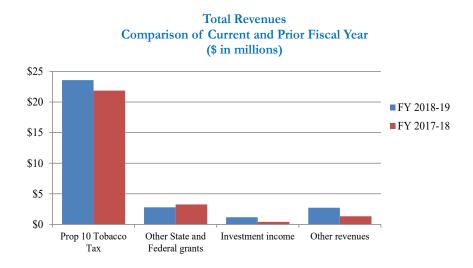
For the year ended June 30, 2019, current year operations increased the Commission's net position by \$3.2 million. The increase is due to both the timing of revenues from outside program funding and the overall planned reduction of program expenditures. The following is a summary of the Commission's Statement of Activities comparing revenues, expenses and changes in net position for the fiscal years ended June 30, 2019 and June 30, 2018.

Percent

	FY 2018-19	FY 2017-18	Increase (Decrease)
Revenues:			
Program Revenues			
Tobacco taxes	\$23,573,280	\$21,867,232	7.8%
Other State and Federal operating grants and contributions	2,795,566	3,265,713	-14.4%
Interest income earned on tobacco taxes			
at the State	64,514	31,875	102.4%
Total program revenues	26,433,360	25,164,820	5.0%
General Revenues			
Investment income	1,188,495	431,764	175.3%
Other revenues	2,680,689	1,300,246	106.2%
Total general revenues	3,869,184	1,732,010	123.4%
Total revenues	30,302,544	26,896,830	12.7%
Expenses:			
0-5 Child development programs	26,092,909	32,076,788	-18.7%
Salaries and benefits	972,068	1,149,376	-15.4%
Total expenses	27,064,977	33,226,165	-18.5%
Change in net position:	3,237,564	(6,329,335)	
Net position – July 1	37,446,530	43,775,865	-14.5%
Net position – June 30	\$40,684,097	\$37,446,530	8.7%

#### Total revenues

The Commission's total revenues are comprised of both program revenues, which are restricted to one or more specific program uses, and general revenues.



#### Program revenues

The Commission's program revenues totaled \$26.4 million in Fiscal Year 2018-2019 and accounted for 87.2% of total revenues. This represented an increase of \$1.3 million (5.0%) from Fiscal Year 2017-2018 program revenues.

- Tobacco Tax revenue includes revenues from taxes levied on tobacco products by the State of California and distributed amongst all counties based on the percentage of county birthrates as established in Proposition 10. This revenue increased by \$1.7 million (7.8%) from the prior fiscal year.
  - The California Children and Families Commission (First 5 California) forecasted an increase for Fiscal Year 2018-2019 in the tobacco tax revenue allocation models. These models are calculated using birthrate data and tobacco sales and usage provided by the California Department of Finance. The increase in revenue is due to the first full year of backfill under Proposition 56 which increased sales tax of an additional \$2.00 per pack approved by voters.
- Other State and Federal operating grants and contributions for Fiscal Year 2018/2019 includes revenue from the state-wide IMPACT and Hubs program reimbursement, Dental Transformation Initiative, and the CalWorks Home Visiting Initiative program.

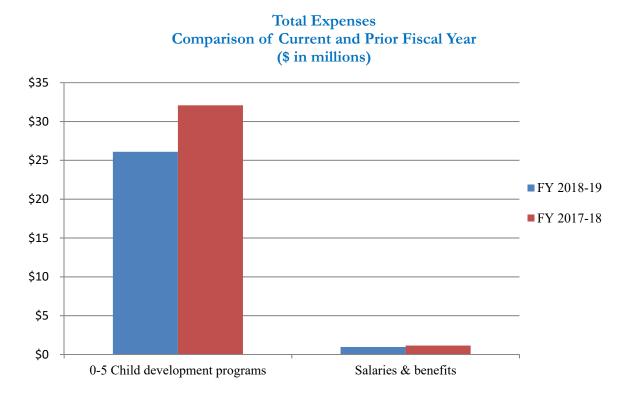
#### • General revenues

The Commission's general revenues totaled \$3.9 million in Fiscal Year 2018-2019 and accounted for 12.8% of total revenues. General revenues include all revenues that do not qualify as program revenues, such as investment income and other miscellaneous revenues.

• Investment income increased by \$0.76 million from the prior fiscal year. The increase in investment income from the Orange County Investment Pool (OCIP), which is administered by the County Treasurer, is due to the overall higher investment returns on cash balances maintained by the Commission.

#### **Governmental Activities Expenses**

Total expenses decreased by \$6.2 million (18.5%) from the prior fiscal year. The decrease is due to one-time payments for the Catalytic IGT program and Commission's unfunded pension liability along with planned reductions in overall program expenses. Fiscal Year 2018-2019 was the sixth year for Round 1 and 2 Catalytic funding.



- Zero-to-five child development programs decreased by \$6 million (-18.7%) from the prior fiscal year to fund programs serving children and families within the Commission's four strategic goal areas of Healthy Children, Ready to Learn, Strong Families and Capacity Building. The decrease is due to the previously mentioned one-time-payments and overall lower program funding. Overall, reduced program spending is a component of the Commission's long-term financial plan. Prop 10 tobacco tax revenue has been and will continue as a declining revenues source. To focus on sustainability and service delivery while allowing for decreased revenue, the long-term financial plan incorporates a step-down approach to annual program funding over the next ten years.
- Salaries and benefits decreased by \$1.8 million (-55.4%) from the prior fiscal year due to vacant staff positions during the year.

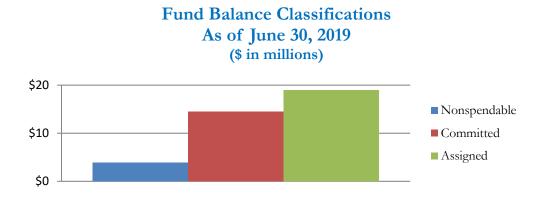
#### ANALYSIS OF THE COMMISSION'S GOVERNMENTAL FUND STATEMENTS

As noted earlier, the Commission uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **Governmental Funds**

The activities are contained in the general fund of the Commission. The focus of the Commission's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Commission's financing requirements. In particular, fund balance may serve as a useful measure of a government's net resources, both committed and available for future operational needs. Proposition 10 Tobacco Tax revenue for May and June in the amount of \$3.6 million, First 5 California and California Department of Healthcare Services program revenues of approximately \$1.76 million were not received within the Commission's period of availability and, as such, are recorded as deferred inflows on the Governmental Fund Balance Sheet.

As of the end of the current fiscal year, the Commission's general fund reported total ending fund balance of \$37.3 million, an increase of \$0.15 million (.41%) in comparison with the prior fiscal year.



General Fund Budgetary Highlights

#### **Budget Amendments**

The budget amendments are approved during each fiscal year for the General Fund in order to reflect the most current revenue trends and to account for shifts in funding objectives.

- Total budgeted revenues were increased by \$2.9 million. The amendments were based on additional funding Dental Transformation Initiative reimbursements and budget carryovers for the First 5 IMPACT and Hubs programs.
- Total budgeted appropriations were increased by \$3.1 million in the 0-5 child development program
  expenditures line items not including amounts budgeted for Catalytic programs. The increases are due mostly
  to the addition of expenses related to new and carryover funding for grants funded by outside organizations.

#### **Budget to Actual Comparisons**

This section contains an explanation of the significant differences between the Commission's Final Budget amounts and actual amounts recorded for revenues and expenditures for Fiscal Year 2018-2019 as detailed on the Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual.

- Total actual revenues were below budgeted revenues in Fiscal Year 2018-2019 by over \$3.7 million mostly due to the timing of revenue recognition. Tobacco revenues reported are \$3.1 million under budget and actual revenue for the period July 2018 to June 2019 was under budget by \$3.8 million. Revenue that is not received within sixty days of the fiscal year-end is not recognized as revenue and is deferred until the next year. Because the May and June tobacco tax revenue payments were delayed past the sixty-day period, these amounts are not reported as revenue in the current year.
- Total budgeted appropriations exceeded actual expenditures in Fiscal Year 2018-2019 by \$6.5 million due to underspending in different program areas as well as salary and benefits.
  - O-5 child development program expenditures were less than budgeted appropriations by \$4.6 million. The underspend due mostly to the timing of expenditures related to the Dental Transformation Initiative, First 5 MPACT & Hubs, and the CalWorks Home Visitation Initiative. The original appropriations for these programs represent total funds available through each program award, but each program has unique scheduling and timelines that guide when funds are expended. Typically, the awarding agencies allow for the carryover of unspent funds into the following year. When appropriate and approved by the awarding agency, the appropriations in future years will be revised to include the carryover funds.
  - o Salaries and benefits actual expenditures were less than budgeted appropriations by \$0.22 million due to two vacant staff positions and underspending projections for different benefits.
  - O Catalytic expenditures were \$4.5 million compared to the final budget of \$6.2 million. Fiscal Year 2018-2019 was the seventh year of Round 1 and 2 catalytic funds were disbursed. The total funding amount of approximately \$56.3 million was approved by the Commission as detailed below. Expenditures will be recognized as services are provided and deliverables met for each separate Catalytic program. At budget adoption, the timing of Fiscal Year 2018-2019 distributions and expense recognition were not known. Each Catalytic program has a unique scope and budget. Final payment terms are included in the contracts approved by the Commission for each Catalytic program. Remaining Catalytic funding will be included in future year budgets as defined in the related Catalytic contract payment and deliverable schedules.

#### Commission Catalytic funding

Round 1:	
Children's Dental Programs	\$20,000,000
Early Developmental Services / Autism Program	7,000,000
Year-Round Emergency Shelter	7,000,000
Early Literacy and Math	5,000,000
Healthy Child Development	5,500,000
VISTA / AmeriCorps transition feasibility	25,000
	\$44,525,000

Round 2:	
Capacity Building	\$3,000,000
Partnership for Children's Health	3,825,552
Prevention Services	500,000
Nutrition and Fitness	500,000
Pediatric Vision Services	1,500,000
Catalytic Unallocated and Matching Funds	2,400,000
	\$11,725,552

#### **CURRENTLY KNOWN FACTS, DECISIONS OR CONDITIONS**

The State Department of Finance projects a continuing decrease of tobacco revenue even though revenue did increase. This was due solely to the first full year of implementing the Proposition 56 backfill. The rate of decline is caused by both intended and unintended factors, which include federal legislation, state initiatives, First 5 California's education and outreach efforts, and comprehensive smoking cessation programs to reduce tobacco use. Demographic factors, specifically birthrates, also have an impact on the individual county allocations of the statewide tobacco revenue. In May 2016, Governor Brown signed five of six bills related to tobacco products. Two of the bills had an immediate impact on the amount of tobacco tax allocated to the Commission. The legal age to purchase or consume tobacco was increased from 18 to 21, and an annual Board of Equalization (BOE) licensing fee of \$265 for tobacco retailers replaced the former one-time fee. The new fee will create savings in the BOE fees the Commission pays annually resulting in additional revenue.

In November 2016, voters approved Proposition 56 adding a \$2.00 tobacco tax and expending the definition of tobacco products. A backfill provision was included in Proposition 56. The Commission received backfill in the amount of \$2.3 million covering the period July 1, 2017 to June 30, 2018. The long-term outlook is still estimated at an annual decline in the 3.5% range. The same rate the Commission has used for financial planning for years.

The Commission's financial plan will continue to conservatively estimate future-year revenues and continue planned reductions in annual program funding to account for declining revenues. While the financial plan does assume portions of fund balance will be used in future years to bridge some of the gap between needed services and projected revenue.

#### REQUESTS FOR FINANCIAL INFORMATION

This comprehensive annual financial report is intended to provide the public with an overview of the Commission's financial operations and condition for the fiscal year ended June 30, 2019. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Executive Director, Children & Families Commission of Orange County, 1505 East 17th Street, Suite 230, Santa Ana, California 92705

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY STATEMENT OF NET POSITION JUNE 30, 2019

	GOVERNMENTAL ACTIVITIES	
ASSETS		
Cash and investments in County Treasury	\$ 38,633,125	
Imprest cash	10,000	
Interest receivable	253,633	
Due from County of Orange	134,181	
Due from other governments	7,520,655	
Advances to others	3,870,545	
Total Assets	50,422,139	
DEFERRED OUTFLOWS OF RESOURCES		
Pension related amounts	124,083	
OPEB related amounts	32,000	
Total Deferred Outflows of Resources	156,083	
LIABILITIES		
Accounts payable	2,301,929	
Due to County of Orange	1,814	
Due to other governments	4,210,732	
Retentions payable	1,227,891	
Accrued wages and benefits	31,429	
Compensated absences:		
Payable within one year	63,780	
Payable after one year	4,657	
Net pension liability	630,611	
Net OPEB liability	290,000	
Total Liabilities	8,762,843	
DEFERRED INFLOWS OF RESOURCES		
Pension related amounts	1,131,282	
Total Deferred Inflows of Resources	1,131,282	
NET POSITION		
Unrestricted	40,684,097	
TOTAL NET POSITION	\$ 40,684,097	

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## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

			Program Revenues		•	xpense) Revenue ges in Net Position
	Expenses		Operating Grants And Contributions		Govern	nmental Activities
Governmental Activities: Child development	\$	27,064,977	\$	26,433,360	\$	(631,617)
	Inve	al Revenues: estment income cellaneous				1,188,495 2,680,689
	Total General Revenues			3,869,184		
		Change in Net P	osition			3,237,567
	Net Pe	osition, July 1				37,446,530
	Net Pe	osition, June 30			\$	40,684,097

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY GOVERNMENTAL FUND BALANCE SHEET JUNE 30, 2019

	General Fund	
ASSETS		_
Cash and investments in County Treasury	\$	38,633,125
Imprest cash		10,000
Interest receivable		253,633
Due from County of Orange		134,181
Due from other governments		7,520,655
Prepaid Pensions		18,488
Advances to others		3,870,545
Total Assets	\$	50,440,627
LIABILITIES		
Accounts payable	\$	2,301,929
Due to County of Orange		1,814
Due to other governments		4,210,732
Retentions payable		1,227,891
Accrued wages and benefits		31,429
Total Liabilities		7,773,795
DEFERRED INFLOWS OF RESOURCES		
Deferred Inflows - unavailable revenue		5,373,644
Total Deferred Inflows of Resources		5,373,644
FUND BALANCES		
Nonspendable fund balance		3,889,033
Committed fund balance		14,472,082
Assigned fund balance		18,932,073
Total Fund Balances		37,293,188
Total Liabilities, Deferred Inflows of Resources		
and Fund Balances	\$	50,440,627

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET TO THE STATEMENT OF NET POSITION JUNE 30, 2019

Fund balances of governmental funds	\$ 37,293,188
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Prepaid expense included as a deferred outflow on the accrual basis used in the government-wide statements	(18,488)
Deferred outflows of resources:	
Pension related amounts	124,083
OPEB related amounts	32,000
Long-term liabilities, including Compensated absences, Net Pension Liability and Net OPEB Liability, are not due and payable in the current period and therefore are not reported in the funds.	(989,048)
Certain revenues in the governmental funds are deferred because	
they are not collected within the prescribed time period after year-	
end. However, the revenues are included on the accrual basis used in the government-wide statements.	5,373,644
used in the government-wide statements.	3,373,044
Deferred inflows of resources:	
Pension related amounts	(1,131,282)
Net Position of governmental activities	\$ 40,684,097

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY GOVERNMENTAL FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEAR ENDED JUNE 30, 2019

	General Fund	
REVENUES		
Prop 10 Tobacco Tax	\$	20,023,365
Other State operating grants and contributions		2,755,797
Federal operating grants		674,988
Investment income		1,188,495
Other revenue		3,031,940
Total Revenues		27,674,585
EXPENDITURES		
Current:		
Salaries and benefits		1,429,544
Expenditures related to the "Zero to Five" Programs		21,571,505
Catalytic Round 1 and 2 Program Funding		4,521,405
Total Expenditures		27,522,454
Change in Fund Balance		152,131
FUND BALANCE, July 1		37,141,057
FUND BALANCE, June 30	\$	37,293,188

#### CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF THE GOVERNMENTAL FUND TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2019

3,237,567

Net changes in fund balance - total governmental funds	\$ 152,131
Amounts reported for governmental activities in the statement of revenues, expenditures, and changes in fund balance differs from the amounts reported in the statement of activities because:	
Governmental funds report pension contributions and OPEB contributions as expenditures. However, in the Statements of Activities, pension and OPEB expense is measured as the change in the net pension and net OPEB liability and the amortization of deferred outflows and inflows related to pensions and OPEB. This amount represents the change in pension and OPEB related amounts.	
Pension related amounts OPEB related amounts	482,792 (10,000)
Compensated absences expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This amount represents the net change in the compensated absences liability.	(15,315)
Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, the revenues are included on the accrual basis used in the government-wide statements.	 2,627,959

Change in net position of governmental activities

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL GENERAL FUND FOR THE YEAR ENDED JUNE 30, 2019

								riance with
					Actual		Final Budget -	
	Budgeted Amouts			Positive				
	Original		Final		Amounts		(Negative)	
REVENUES								
Prop 10 Tobacco Tax	\$	23,146,372	\$	23,146,372	\$	20,023,365	\$	(3,123,007)
Other State operating grants and contributions		4,740,902		7,120,902		2,755,797		(4,365,105)
Federal operating grants		180,000		749,718		674,988		(74,730)
Investment income		150,000		150,000		1,188,495		1,038,495
Other revenue		212,600		287,600		3,031,940		2,744,340
Total Revenues		28,429,874		31,454,592		27,674,585		(3,780,007)
EXPENDITURES								
Current:								
Salaries and benefits		1,647,057		1,647,057		1,429,544		217,513
Expenditures related to the "Zero to Five" Program		22,903,213		26,165,759		21,571,505		4,594,254
Catalytic Round 1 and 2 Program Funding		6,215,968		6,215,968		4,521,405		1,694,563
Total Expenditures		30,766,238		34,028,784		27,522,454		6,506,330
Net Change in Fund Balance		(2,336,364)		(2,574,192)		152,131		10,286,337
FUND BALANCE, July 1		37,141,057		37,141,057		37,141,057		_
FUND BALANCE, June 30	\$	34,804,693	\$	34,566,865	\$	37,293,188	\$	10,286,337

#### CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

#### NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Reporting Entity

The Children and Families Commission of Orange County (the Commission) was established by the Orange County Board of Supervisors in 1999 under the provisions of the California Children and Families Act of 1998 (Act). The Commission is a public entity legally separate and apart from the County. The purpose of the Commission is to develop, adopt, promote and implement early childhood development and school readiness programs in the County of Orange consistent with the goals and objectives of the Act. The Commission's programs are funded primarily by taxes levied by the State of California on tobacco products.

A governing board of nine members, which are appointed by the County Board of Supervisors, oversees the Commission. Three members are considered Mandatory Members, comprised of representatives of the County Health Care Agency, Social Services Agency and Board of Supervisors. Other members are considered At-Large Members. The Board of Supervisors Mandatory Member serves for a one-year term without limitation on the number of terms he/she may serve. Other Mandatory Members serve until removed by the Board of Supervisors. At-Large Members serve for terms ranging from two to four years, not to exceed eight consecutive years. The County Board of Supervisors may remove any Commission Member at any time. The Commission is considered a discretely presented component unit of the County of Orange.

Upon termination of the commission, all assets of the Commission shall be returned to the State of California. The liabilities of the Commission shall not become liabilities of the County upon either termination of the Commission or the liquidation or disposition of the Commission's remaining assets.

#### Basis of Accounting and Measurement Focus

The basic financial statements of the Commission are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

#### Government-Wide Financial Statements

Government-wide financial statements consist of the statement of net position and the statement of activities. These statements are presented on an economic resources measurement focus. All economic resources and obligations of the reporting government are reported in the financial statements.

The government-wide financial statements have been prepared on the accrual basis of accounting. Under the accrual basis of accounting all assets, liabilities, deferred outflows and inflows of resources of the Commission are included on the statement of net position. The difference between the Commission's assets, liabilities, deferred outflows and inflows of resources is its net position. Net position represents the resources the Commission has available for use in providing services. The Commission's net position is classified as:

#### CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Government-Wide Financial Statements, (Continued)

<u>Unrestricted</u> – This category represents neither restrictions nor net investment in capital assets and may be used by the Commission for any purpose though they may not be necessarily liquid.

The statement of activities presents a comparison of the direct expenses and program revenues for the Commission's governmental activities. Program revenues include grants and contributions restricted for the operational requirements of a particular program. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Program revenues include tobacco taxes, First 5 California programs and federal revenues. General revenues are all revenues that do not qualify as program revenues and include investment income and miscellaneous income. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of GASB Statement No. 33.

#### Fund Financial Statements

The fund financial statements consist of the balance sheet, the statement of revenues, expenditures and changes in fund balance – budget and actual of the Commission's general fund. These statements are presented on a current financial resources measurement focus. Generally, only current assets, deferred inflows of resources, and current liabilities are included on the balance sheet. The statement of revenues, expenditures and changes in fund balance for the governmental fund generally presents increases (revenues) and decreases (expenditures) in net current resources. All operations of the Commission are accounted for in the general fund.

The fund financial statements have been prepared on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are considered available if they are received within 60 days after year-end. Revenues susceptible to accrual include tax revenues, grant revenues and investment income. Expenditures are recognized in the accounting period in which the fund liability is incurred except for compensated absences, which are recognized when due and payable at year-end.

#### Fair Value Measurement

The Commission categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Commission does not have any investments that are measured using Level 3 inputs.

#### CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY NOTES TO BASIC FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2019

### NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Deferred Outflows and Inflows of Resources

Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. A deferred outflow of resources is defined as a consumption of the net position by the Commission that is applicable to a future reporting period. The Commission has a deferred inflow, unavailable revenue, which occurs only under a modified accrual basis of accounting. Accordingly, the items are reported only in the governmental fund balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available. The Commission also recognizes deferred outflows and inflows related to pensions and other post-employment benefits under the accrual basis of accounting. These items are reported only in the government-wide Statement of Net Position.

#### Capital assets, net of accumulated depreciation

Capital assets are not considered to be a financial resource and therefore, is not reported as an asset in the fund financial statements. Capital assets are capitalized and reported at cost, net of accumulated depreciation in the government-wide financial statements. There were no additions to the capital assets in the current year.

Capital assets are recorded at historical cost. The Commission capitalizes assets with cost in excess of \$5,000 and a useful life greater than one year. The Commission depreciates capital assets using a straight-line method over the estimated useful life of each asset. The estimated useful life used for the capital assets, comprised only of equipment, ranges from 5 to 10 years.

#### Adjustments Between Fund Financial Statements and Government-Wide Financial Statements

#### Prepaid Pension

Prepaid pension contributions are reported as a prepaid asset in the fund financial statements and in the Statement of Net Position. The prepaid pension contributions, at the fund level, pertain to the contributions required for the related payroll periods of July 1, 2019 to June 30, 2020. Because the next actuarial valuation to determine the Commission's net pension liability will occur on December 31, 2019, \$18,488 of the prepaid contributions are recognized as a deferred outflow of resources on the government wide statements to account for the portion that will be applied to the calculation of net pension liability.

### NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Differences Between Fund Financial Statements and Government-Wide Financial Statements (Continued)

#### **Long-Term Liabilities**

Compensated absence obligations are considered long-term in nature and are reported in the fund financial statements as expenditures in the period paid or when due and payable at year-end under the modified accrual basis of accounting. Compensated absences have been accrued in the government-wide financial statements and are included in long-term liabilities. Compensated absences are liquidated by the general fund.

#### Pension Plan

In government-wide financial statements, retirement plans (pensions) are required to be recognized and disclosed using the accrual basis of accounting regardless of the amount recognized as pension expenditures on the governmental fund statements, which use the modified accrual basis of accounting.

In general, the Commission recognizes a net pension liability, which represents the Commission's proportionate share of the excess of the total pension liability over the fiduciary net position reflected in the actuarial report provided by the Orange County Employees Retirement System (OCERS). The net pension liability is measured as of OCERS' prior fiscal year end December 31, 2018. Changes in the net pension liability are recorded, in the period incurred, as pension expense or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change. The changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources (that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience) are amortized in the respective pension plan and are recorded as a component of pension expense beginning with the period in which they are incurred.

#### Other Postemployment Benefits ("OPEB")

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about fiduciary net position of the County of Orange Retiree Benefit Plan ("OPEB Plan") and additions to/deductions from OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are used for OPEB reporting:

**OPEB** 

Valuation Date June 30, 2017 Measurement Date December 31, 2018

Measurement Period January 1, 2018 to December 31, 2018

### NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources to OPEB and are to be recognized in future OPEB expense. The amortization period differs depending on the source of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over five years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

#### Due to other governments

Due to other governments represents amounts owed to grantees and governmental agencies for services provided to the Commission in accordance with the Commission's strategic plan.

#### Retentions payable

The Commission retains a percentage of amounts billed by grantees and vendors in accordance with executed contracts. Upon fulfilling the requirements of the grantee agreement or contract, the amounts are released.

#### Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates. Also, the preparation of the financial statements inherently requires the rounding of amounts and estimates.

#### **Budget and Budget Reporting**

The Commission is required by County ordinance to prepare a budget each year based on estimates of revenues and expected expenditures. The Commission's Board of Commissioners adopted an annual budget of expenditures for the year ended June 30, 2019, which is prepared on the modified accrual basis of accounting. The accompanying statement of revenues, expenditures and changes in fund balance – budget and actual includes the budgeted expenditures for the year, along with management's estimate of revenues for the year. The legal level of budgetary control is at the total fund level.

#### **Fund Balance**

Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Commission established the following classifications and definitions of fund balance for the year ended June 30, 2019:

Nonspendable – Resources that cannot be spent because they are not in an expendable form (e.g. prepaid asset, advances to others) or must be maintained intact (e.g. endowment principal).

Restricted - Resources that are constrained to specific purposes by an external provider (e.g. grantors, contributors, governmental laws and regulations) or by constitutional provisions or enabling legislation.

### NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Fund Balance (Continued)

Committed - Resources with self-imposed limitations and require both the approval of the highest level of decision-making authority (Board of Commissioners) and the same formal action to remove or modify the limitations. The formal action required by the Board of Commissioners for funds to be committed is action by the way of resolution allocating funding for a specific purpose, program or initiative.

Assigned - Resources with self-imposed limitations but do not require approval by the highest level of decision-making authority (may be a body, committee or individual designated by Board of Commissioners) or the same level of formal action to remove or modify limitations. Includes appropriation of a portion of existing fund balance sufficient to eliminate subsequent year's budget deficit, resources assigned to specific program for which there is an approved budget, and resources approved by the Commission for a long-range financial plan.

Unassigned - Resources that cannot be reported in any other classification.

Fund balance of governmental funds is reported in various categories based on the nature of the limitations requiring the use of resources for specific purposes. The Commission itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purpose determined by a formal action of the Commission. The Commission is the highest level of decision-making authority for the government that can, by adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (adoption of another resolution) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Commission for specific purposes but do not meet the criteria to be classified as committed. The Commission adopts an annual budget and gives authority to the Executive Director and staff to assign fund balance for approved contracts in force. Unlike commitments, an additional action does not normally have to be taken for the removal of an assignment.

The Commission's spending priority is to spend restricted fund balance first, followed by committed, assigned and unassigned fund balance.

Refer to Note 6 for additional details regarding the GASB 54 classification of fund balance.

#### Encumbrances

The Commission utilizes an encumbrance system as a management control technique to assist in controlling expenditures. Encumbrances of \$33.8 million represent Board-approved future year contracts for Catalytic Programs (\$6.3 million) and annual programs and operations (\$27.6 million). The most significant Catalytic Program encumbrance is for Children's Dental (\$4.8 million). The three largest program encumbrance balances are for the Dental Transformation Initiative (\$5.3 million), Bridges: Maternal Child Health Network (\$5.3 million each), and First 5 IMPACT and Hubs (\$5 million). Encumbrances for Catalytic Programs are reported in Committed fund balance and encumbrances for other programs are reported in Assigned fund balance.

### NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### **Pensions**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Children and Families Commission Orange County Employees Retirement System (OCERS) plan and additions to/deductions from OCERS' fiduciary net position have been determined on the same basis as they are reported by OCERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

#### Effect of New Governmental Accounting Standards Board (GASB) Pronouncements

Effective This Fiscal Year

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, Certain Asset Retirement Obligations. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital asset should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government's ARO, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The Commission has determined that this Statement does not have a material impact on the financial statements.

GASB Statement No. 88 – In April 2018, GASB issued Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements. The primary objective of this Statement is to improve the information that is disclosed in notes to governmental financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Statement is effective for the reporting periods beginning after June 15, 2018. The Commission has determined that this Statement does not have a material impact on the financial statements.

### NOTE 1 – ORGANIZATIONS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Effective in Future Fiscal Years

**GASB Statement No. 84** – In January 2017, GASB issued Statement No. 84, Fiduciary Activities. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The Commission has not determined the effect of this Statement.

**GASB Statement No. 87** – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement is effective for the reporting periods beginning after December 15, 2019. The Commission has not determined the effect of the Statement.

**GASB Statement No. 89** – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period.* The objective of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The Statement is effective for the reporting periods beginning after December 15, 2019. The Commission has not determined the effect of the Statement.

**GASB Statement No. 90** – In August 2018, GASB issued Statement No. 90, *Majority Equity Interests* – An Amendment of GASB Statements No. 14 and No. 61. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for the reporting periods beginning after December 15, 2018. The Commission has not determined the effect of the Statement.

**GASB Statement No. 91** – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. The Commission has not determined the effect on the financial Statement.

38,643,125

#### **NOTE 2 – CASH AND INVESTMENTS**

Cash and investments are classified in the financial statements as follows:

Cash and investments in County Treasury Imprest Cash	\$ 38,633,125 10,000
Total Cash and Investments	\$ 38,643,125
Cash and investments consisted of the following at June 30, 2019:	
Orange County Investment Pool: Equity in pooled Money Market fund Imprest Cash	\$ 38,633,125 10,000

Investments Authorized by the California Government Code and the Commission Investment Policy Statement

The list below identifies the investment types that are authorized by the California Government Code or the Commission Investment Policy Statement, where more restrictive.

Authorized investment instruments include:

Total Cash and Investments

- Certificates of Deposit (insured or collateralized)
- Orange County Investment Pool
- "AAA" rated Money Market Mutual Funds
- U.S. Treasury securities
- U.S. Government Agency securities: Debt securities issued by U.S. Government sponsored enterprises and federally related institutions. These government agencies include: Federal Home Loan Banks (FHLB), Federal Home Loan Mortgage Corporation (FHLMC or Freddie Mac), Federal National Mortgage Association (FNMA or Fannie Mae), Federal Farm Credit Banks (FFCB), Resolution Trust Corporation (RTC), and Tennessee Valley Authority (TVA).
- Municipal Debt
  - o Obligations of the State of California:
  - o Local Agency Obligations: These are bonds, notes, warrants or other evidences of indebtedness of any local agency or by a department, board or authority of any local agency within California.
  - o All Municipal Debt must be rated "AA" or better from at least two NRSROs.

#### NOTE 2 – CASH AND INVESTMENTS (Continued)

All Money Market Mutual Funds must be AAA rated by two NRSROs, invest only in direct obligations in US Treasury bills, notes, bonds, U.S. Government Agencies and repurchase agreements with a weighted average of 60 days or less, and have a minimum of \$500 million in assets under management.

The Commission is a participant in the County Treasurer's Orange County Investment Pool (OCIP). The OCIP is an external investment pool, is not rated and is not registered with the Securities Exchange Commission (SEC). The County Treasury Oversight Committee conducts OCIP oversight. Cash on deposit in the OCIP at June 30, 2019, is stated at fair value. The OCIP values participant shares on an amortized cost basis during the year and adjusts to fair value at year-end. For further information regarding the OCIP, refer to the County of Orange Comprehensive Annual Financial Report.

#### Fair Value Measurements

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2019, the Commission held no individual investments. All funds are invested in OCIP.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Commission's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals in the OCIP are made based on \$1 and not fair value. Accordingly, the Commission's proportionate share of investments in the OCIP at June 30, 2019 of \$38,633,125 is measured based on an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

#### **NOTE 3 – DUE FROM OTHER GOVERNMENTS**

The due from other governments account represents amounts due to the Commission from the California Children and Families Commission ("State Commission") for Prop 10 related revenues and other governmental agencies. The amounts due to the Commission at June 30, 2019, were as follows:

Due	from	State	Comn	nission	:

Prop 10 revenue for:	
April 2019	\$1,597,235
May 2019	1,889,706
June 2019	1,660,209
Surplus Money Investment Fund Allocations	64,514
First 5 IMPACT and Hubs Program	1,238,020
Due from other governmental agencies for:	
California Department of Healthcare Services	1,053,787
Misc. reimbursements	17,183
Total Due from Other Governments	\$7,520,655

#### NOTE 4 - DUE TO OTHER GOVERNMENTS

The due to other governments account represents amounts due to the Regents of the University of California, Orange County school districts, and other local governmental agencies. The amounts due to the other governments at June 30, 2019, were as follows:

-		
Due to	government	agencies:

FY 2018-2019 Contract Payment Accruals	\$ 4,210,732

Total Due to Other Governments \$ 4,210,732

#### **NOTE 5 – COMPENSATED ABSENCES**

The vested compensated absences liability balance at June 30, 2019 consists of the following activity:

Balance			Balance	Due Within
July 1, 2018	<u>Increases</u>	<u>Decreases</u>	June 30, 2019	One Year
\$53,122	<u>\$133,598</u>	<u>\$118,283</u>	\$68,437	\$63,780

#### NOTE 6 – FUND BALANCE

Fund balance is classified using a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance as of June 30, 2019 consists of the following:

	June 30, 2019
Nonspendable: Prepaids and Advances	\$3,889,033
Committed for: Catalytic Round 1 and 2 programs	14,472,082
Assigned for: Approved contracts	18,932,073
Total fund balance	\$37,293,188

#### Fund Balance Category Descriptions

Nonspendable – consists of prepaid retirement contributions for Fiscal Year 2018-2019. Refer to Note 8 for further details. Included in Nonspendable are Catalytic funding amounts advanced to grantees for project scopes not completed by June 30, 2019.

Committed for contractual obligations – consists of contract amounts approved by Commission action as of June 30, 2019 for Fiscal Year 2019-2020 and future years of Commission Round 1 and 2 Catalytic funding.

Assigned for approved contracts – consists of Fiscal Year 2019-2020 programs that were approved by Commission action and included in the Fiscal Year 2019-2020 Operating Budget.

#### **NOTE 7 – CONTINGENCIES**

The Commission is involved in various legal proceedings from time to time in the normal course of business. In management's opinion, the Commission is not involved in any legal proceeding that will have a material adverse effect on financial position or changes in financial position of the Commission.

#### **NOTE 8 – DEFINED BENEFIT PENSION PLAN**

#### General Information about the Pension Plan

Plan Description. All full-time employees of the Commission participate in the Orange County Employees Retirement System (OCERS). OCERS was established by the County of Orange in 1945. OCERS is administered by the Board of Retirement and governed by the County Employee's Retirement Law of 1937 California Government Code Section 31450 et. seq.). OCERS is a cost-sharing multiple employer public employee retirement system whose main function is to provide service retirement, disability, death and survivor benefits to the Safety and General members employed by the County of Orange. OCERS also provides retirement benefits to the employee members of the Orange County Courts, the Orange County Retirement System, two cities and twelve special districts.

The management of OCERS is vested with the Orange County Board of Retirement. The Board consists of nine members and one alternate. The County Treasurer is a member of the Board of Retirement by law. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two members are elected by the General membership; one member and one alternate are elected by the Safety membership, and one member is elected by the retired members of the System. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with her term as County Treasurer. OCERS issues a stand-alone annual financial report, which can be obtained at www.ocers.org.

Benefits Provided. OCERS provides service retirement, disability, death and survivor benefits to eligible employees. All regular full-time employees of the County of Orange or contracting agencies who work a minimum of 20 hours per week become members of OCERS effective on the first day of employment in an eligible position. There are separate retirement plans for General and Safety member employees. Safety membership is extended to those involved in active law enforcement, fire suppression, and certain probation officers. Any new Safety Member who becomes a member on or after January 1, 2013 is designated PEPRA Safety and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. All other employees are classified as General members. New General Members employed after January 1, 2013 are designated as PEPRA General subject to the provisions of California Government Code 7522 et seq.

#### General Information about the Pension Plan

General members prior to January 1, 2013, including all members of Plan T and Plan W hired on or after January 1, 2013, are eligible to retire once they attain the age of 50 and have acquired ten or more years of retirement service credit. A member with 30 years of service is eligible to retire regardless of age. General members who are first hired on or after January 1, 2013, excluding member of Plan T and Plan W, are eligible to retire once they have attained the age of 52, and have acquired five years of retirement service credit.

All General and Safety members can also retire at the age of 70 regardless of service.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

#### NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

#### General Information about the Pension Plan (Continued)

General member benefits are calculated pursuant to the provisions of Sections 31676.01, 31676.1, 31676.1, 31676.12, 31676.16, 31676.18 or 31676.19. For section 31676.01, the monthly allowance is equal to 1/90th of final compensation times years of accrued retirement service credit times age factor from that Section. For Section 31676.1, the monthly allowance is equal to 1/60th of final compensation times years of accrued retirement service credit times age factor from the Section. For Sections 31676.12, 31676.16, 31676.18 or 31676.19, the monthly allowance is equal to 1/50th of final compensation times years of accrued retirement service credit times age factor from the corresponding Section. General member benefits for those who are first hired on or after January 1, 2013, excluding members of Plan T, are calculated pursuant to the provision California Government Code Section 7522.20(a). The monthly allowance is equal to the final compensation multiplied by years of accrued retirement credit multiplied by the age factor from Section 7522.20(a).

For members with membership dates before January 1, 2013, including all members of Plan T and Plan W hired on or after January 1, 2013, the maximum monthly retirement allowance is 100% of final compensation. There is no maximum with membership dates on or after January 1, 2013, excluding members of Plan T and Plan W.

Final average compensation consists of the highest 12 consecutive months for a General Tier 1 or Safety Tier 1 member and the highest 36 consecutive months for a General Tier 2, General PEPRA, Safety Tier 2 or Safety PEPRA member.

The member may elect an unmodified retirement allowance or choose an optional retirement allowance. The unmodified retirement allowance provides the highest monthly benefit and a 60% continuance to an eligible surviving spouse or domestic partner is one married to or registered with the member one year prior to the effective retirement date. Certain surviving spouses or domestic partners may also be eligible if marriage or domestic partnership was at least two years prior to the date of death and the surviving spouse or domestic partner has attained age 55. There are four optional retirement allowances the member may choose. Each of the optional retirement allowances requires a reduction in the unmodified retirement allowance in order to allow the member the ability to provide certain benefits to a surviving spouse, domestic partner, or named beneficiary having an insurable interest in the life of the member.

OCERS provides an annual cost-of-living benefit to all retirees. The cost-of-living adjustments, based upon the Consumer Price Index for All Urban Consumers for the Los Angeles-Riverside-Orange County Area, is capped at 3.0%.

Contributions. The Commission contributes to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from OCERS' actuary after the completion of the annual actuarial valuation. The average employer contribution rate for the first six months of calendar year 2018 or the second half of fiscal year 2017-2018 (based on the December 31, 2015 valuation) was 37.25% of compensation. The average employer contribution rate for the last six months of calendar year 2018 or the first half of fiscal year 2018-2019 (based on the December 31, 2016 valuation) was 36.56% of compensation. Contributions recognized by the plan in FY 2018-19 were \$90,445.

#### NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

#### General Information about the Pension Plan (Continued)

All members are required to make contributions to OCERS regardless of the retirement plan or tier in which they are included. The average member contribution rate for the first six months of calendar year 2018 or the second half of Fiscal Year 2017-2018 (based on the December 31, 2015 valuation) was 12.21% of compensation. The average member contribution rate for the last six months of calendar year 2018 or the first half of Fiscal Year 2018-2019 (based on the December 31, 2016 valuation) was 12.01% of compensation.

Early payment of 2019-20 contributions. In July 2018, the OCERS Board of Retirement authorized the offer of a 4.50% discount to plan sponsors for the early payment of their employer contributions for Fiscal Year 2019-2020. Subsequently, the Commission authorized the early payment of \$11,056 in January 2019. Due to carryover balances from prior-years, \$18,488 remained in the account and will be applied towards the Commission's employer required OCERS contributions for Fiscal Year 2019-2020. At the fund level, the \$18,488 is reported as prepaid and the portion of the prepaid which will reduce the net pension liability at the next measurement date had been reclassified to deferred outflows of resources on the government wide financial statements.

### Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2019, the Commission reported a liability of \$630,611 for its proportionate share of the net pension liability. The Net Pension Liability (NPL) was measured as of December 31, 2018. Plan Fiduciary Net Position (plan assets) was valued as of the measurement date while the Total Pension Liability (TPL) was determined based upon rolling forward the TPL from actuarial valuation as of December 31, 2017. At December 31, 2018, the Commission's proportion was 0.010% percent allocated based on the actual employer contributions within the Commission's rate group. This represents a decrease from 0.019%, from the proportionate measured as of December 31, 2017.

For the year ended June 30, 2019, the Commission recognized pension expense of (\$285,793). As of June 30, 2019, the Commission reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	\$52,137	
Changes in proportion and differences between employer contributions and proportionate share of contributions		\$1,081,690
Changes of assumptions	53,458	8,177
Difference between expected and actual experience		41,415
Commission contributions subsequent to the measurement date	18,488	
Total	\$124,083	\$1,131,282

#### NOTE 8 - DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$18,488 of the amount reported as deferred outflows of resources related to pensions resulting from Commission contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2020. Additional contributions will be recognized as deferred outflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

#### Year ended June 30:

2020	\$ (342,726)
2021	(304,205)
2022	(221,833)
2023	(99,138)
2024	(57,785)
	\$ (1,025,687)

Actuarial assumptions. For the measurement period ended December 31, 2018 (the measurement date), total pension liability (TPL) was determined by rolling forward the December 31, 2017 (the valuation date) total pension liability. The actuarial assumptions used were based on the results of an experience study for the period from January 1, 2014 through December 31, 2016.

Net investment return: 7.00%

Inflation 2.75%

Salary Increases General: 4.25% to 12.25% and Safety: 4.75% to 17.25%, varying by service,

including inflation

Cost of Living Adjustments 2.75% of retirement income

Post – Retirement Mortality Rates:

Healthy: For General Members: Headcount-Weighted RP-2014 Healthy Annuitant Mortality

Table, projected generationally with the two-dimensional MP-2016 projection scale.

Disabled: For General Members: Headcount-Weighted RP-2014 Healthy Annuitant Mortality

Table set forward five years, projected generationally with the two-dimensional MP-2016

projection scale.

Beneficiaries: Headcount-Weighted RP-2014 Healthy Annuitant Mortality Table (separate tables for

males and females), projected 20 years with the two-dimensional mortality improvement

scale MP-2016, weighted 60% male and 40% female.

#### NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

### Pension Liabilities, Pension Expenses, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation but before deducting investment expenses are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the December 31, 2018 actuarial valuations. This information will change every three years based on the actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	35.0%	6.38%
Core Bonds	13.0%	1.03%
High Yield Bonds	4.0%	3.52%
Bank Loan	2.0%	2.86%
TIPS	4.0%	0.96%
Emerging Market Debt	4.0%	3.78%
Real Estate	10.0%	4.33%
Core Infrastructure	2.0%	5.48%
Natural Resources	10.0%	7.86%
Risk Mitigation	5.0%	4.66%
Mezzanine/Distressed Debts	3.0%	6.53%
Private Equity	<u>8.0%</u>	9.48%
Total	100.00%	

Discount rate. The discount rate used to measure the TPL was 7.00% as of December 31, 2018. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of December 31, 2018.

#### NOTE 8 – DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the Commission's proportionate share of the net pension liability to changes in the discount rate. The following presents the Commission's proportionate share of the Net Pension Liability (NPL) calculated using the discount rate of 7.00%, as well as what the Commission's NPL would be if it were calculated using a discount rate that is one-percentage-point lower (6.00%) or one-percentage-point higher (8.00%) than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)
Net pension liability	\$1,710,176	\$630,611	(\$246,960)

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in the separately issued OCERS financial report.

#### **NOTE 9 – COMMITMENTS**

The Commission leases office space from a third party under a long-term operating lease. The latest lease expires on October 31, 2021 (Fiscal Year 2021-2022) and is non-cancellable. The future minimum rental payments due under the lease are as follows.

Fiscal Year 2019-2020	\$ 72,844
Fiscal Year 2020-2021	74,708
Fiscal Year 2021-2022	<u>25,072</u>
	\$172,624

Rent expense was \$71,148 for the year ended June 30, 2019.

#### **NOTE 10 – RELATED PARTY TRANSACTIONS**

The Commission contracts with the County to provide accounting, banking and investment, purchasing, human resources, risk management and other administrative services. The Commission participates in the County's risk management programs (commercial and self-insurance programs) for general and automobile liability insurance, public official liability, rental interruption, personal property, worker's compensation, group health indemnified plans, group salary continuance plan, group dental plan and unemployment benefit plan. The Commission records its portion of related insurance premiums charged by the County as an expense. Insurance expense for the year ended June 30, 2019 was \$22,531. The Commission incurred expenses totaling \$375,325 for all other County services provided during the year ended June 30, 2019. The amount owed to the County of Orange for related party transactions at June 30, 2019 was \$1,814.

The Commission paid \$384,226 of service provider grants to organizations represented by a member of the Board of Commissioners, although both members abstain from all votes regarding funding to the organization represented. The Commission incurred a total of \$1,593,936 in expenses paid to the County of Orange for program services delivered by the Health Care Agency and Social Services Agency.

#### **NOTE 11 - PROGRAM EVALUATION**

In accordance with the Standards and Procedures for Audits of California Counties Participating in the California Children and Families Program, issued by the California State Controller, the Commission is required to disclose the amounts expended during the fiscal year on program evaluation. Program evaluation costs pertain to those activities undertaken to support the collection, production, analysis and presentation of evaluation information for Commission management, Commissioners and other interested parties. For the year ended June 30, 2019, the Commission expended \$713,163 for program evaluation.

#### NOTE 12 - OTHER POST EMPLOYMENT BENEFITS (OPEB) - RETIREE MEDICAL PLAN

At June 30, 2019, net OPEB liability and related deferred outflows of resources and deferred inflows of resources are as follows:

#### Deferred outflows of resources:

OPEB contributions subsequent to the measurement date	\$20,000
Net difference between projected and actual earnings on plan	\$8,000
investments	
Changes in proportion and differences between employer	4,000
contributions and proportionate share of contributions	
Net OPEB liabilities:	\$290,000

Plan Description. In accordance with the Commission's participation agreement entered into in July 2007, the Commission is a participant in the County of Orange Retiree Medical Plan (the Plan). The Plan is a cost-sharing multiple employer defined benefit retiree medical plan. The Plan provides a grant for medical benefits to eligible retirees and their dependents and lump-sum payments for employees separating from employment prior to being eligible for the grant. The County Board of Supervisors maintains the authority to establish and amend the Plan's benefit provisions. The financial statements and required supplementary information of the Plan are included in the County of Orange's fiscal year 2018-2019 Comprehensive Annual Financial Report (CAFR). The Commission is reported in the County's CAFR as a discretely presented component unit. That report may be obtained by contacting the County of Orange, Auditor Controller, 12 Civic Center Plaza, Room 200, Santa Ana, California 92702.

Eligibility. An employee who is credited with at least ten years of service at the time the employee becomes a retiree shall be eligible to receive a grant in accordance with the County of Orange Retiree Medical Plan. An employee who becomes a retiree eligible for the grant and does not immediately begin to receive a retirement allowance from OCERS is not eligible to participate in the plan until the employee's retirement allowance commences. In order to be eligible to receive the grant, a participant must be covered under a Qualified Health Plan and/or Medicare. Coverage in a Qualified Health Plan must be elected within 30 days of the commencement of retirement allowance from OCERS. A covered retiree or surviving dependent who is age 65 or older must be enrolled in Medicare Part A (if eligible for coverage without a premium) and Part B in order to be eligible for the grant. A Qualified Health Plan is defined as a health insurance plan made available to employees and/or retirees, including a County Health Plan or a plan administered by an Employee Organization that the County of Orange has agreed shall be a Qualified Health Plan. A lump sum payment is available under limited circumstances as defined in the plan for an employee whose employment terminates prior to becoming eligible for a grant.

### NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - RETIREE MEDICAL PLAN (continued)

Benefits Provided. The monthly benefit paid to an eligible retiree is equal to \$10 multiplied by the number of full years of credited service (with a maximum of 25 years). The monthly benefit shall not exceed the actual cost to the retiree for coverage under a qualified health plan and Medicare premiums. The benefit is reduced by 7.5% per year for each year the retiree is less than 60, based on the date the employee takes active retirement from OCERS. Conversely, the benefit is increased by 7.5% per year for each year the retiree is in excess of 60, and no adjustment is made for years of age after age 70. A 50% reduction adjustment applies to retirees and surviving dependents eligible for both Medicare Part A (without premium) and Part B. A surviving dependent of a retiree previously receiving a benefit is eligible to receive a monthly survivor benefit equal to 50% of the amount the retiree was eligible to receive. The monthly benefit is adjusted annually (not to exceed 3% per year) based on the average increase or decrease across all County retiree health plans.

**Contribution.** The Commission makes contributions to the plan equal to the actuarially determined contribution. The percentage contributions are established by a Participation Agreement with the County of Orange. All contributions are employer contributions and are made through the County of Orange payroll system. For the fiscal year ended June 30, 2019, the Commission's contributions were \$39,000.

At June 30, 2019, the Commission reported a liability of \$290,000 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2017. The Commission's proportion of the net OPEB liability was based on a projection of the Commission's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating member agencies, actuarially determined. At December 31, 2018, the Commission's proportion was 0.0698 percent, a decrease of .0009% from the prior measurement date.

For the fiscal year ended June 30, 2019, the Commission recognized OPEB expense of \$30,000. As of fiscal year ended June 30, 2019, the Commission reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources
OPEB contributions subsequent to the measurement date	\$20,000
Net difference between projected and actual earnings on plan investments	8,000
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,000
Total	\$32,000

### NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - RETIREE MEDICAL PLAN (continued)

The \$20,000 reported as deferred outflows of resources related to contributions subsequent to the December 31, 2018 measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year	Deferred Outflows
Ended June 30:	Of Resources
2020	1,000
2021	1,000
2022	1,000
2023	5,000
2024	-
2025+	4,000

Actuarial Assumptions: The total OPEB liability in the June 30, 2017 valuation date was determined using the following significant actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Funding Policy	Employer contributes full ADC		
Discount rate	7.00%		
Long-Term Expected Rate of Return on Investments	7.00%, net of investment expenses		
General Inflation	2.75% per annum		
Payroll Increases (1)	Aggregate Increases – 3.25%		
Grant Increase Rate	AFSCME – lesser of 5% and Medical Trend		
	Non-AFSCME – lesser of 3% and Medical Trend		
Mortality, Disability, Termination, Retirement	OCERS 2014-2016 Experience Study		
Montality Improvement	Mortality projected fully generational with Society of		
Mortality Improvement	Actuaries mortality improvement Scale MP-16		
Medical Trend	Pre-Medicare – 7.5% for 2019, decreasing to 4.0% for		
	2076 and later		
	Medicare – 6.25% for 2019, decreasing to 4.0% for 2076		
	and later		
Cost Sharing (2)	The Grant increase rate limits specified in the plan		
	document (3% or 5%, depending on bargaining group) are		
	assumed to remain applicable in the future with no		
	charges		

- (1) Merit Increases OCERS 2014-2016 Experience Study
- (2) Negotiated contributions for active safety employees are assumed to continue if no end date is specified in the current bargaining agreement

**Discount Rate.** The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

### NOTE 12 – OTHER POST EMPLOYMENT BENEFITS (OPEB) - RETIREE MEDICAL PLAN (continued)

The target asset allocation and long-term rates of return for each asset class are summarized in the following table.

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return		
Global Equity	35.0%	6.38%		
Core Bonds	13.0%	1.03%		
High Yield Bonds	4.0%	3.52%		
Bank Loan	2.0%	2.86%		
TIPS	4.0%	0.96%		
Emerging Market Debt	4.0%	3.78%		
Real Estate	10.0%	4.33%		
Core Infrastructure	2.0%	5.48%		
Natural Resources	10.0%	7.86%		
Risk Mitigation	5.0%	4.66%		
Risk Mezzanine/Distressed Debts	3.0%	6.53%		
Private Equity	8.0%	9.48%		
Total	100.00%			

<sup>-</sup>Assumed Long-Term Rate of Inflation – 2.75%

#### Sensitivity of the Net OPEB Liability to Changes in the Discount Rate.

The following presents the Commission's proportionate share of the net OPEB liability, as well as what the Commission's proportionate share of net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

		Current	
	1% Decrease	Discount Rate	1% Increase
	(6.00%)	(7.00%)	(8.00%)
Net OPEB Liability	\$350,000	\$290,000	\$239,000

#### Sensitivity of the Net OPEB Liability to Changes in the Health Care Cost Trend Rates.

The following presents the Commission's net OPEB liability, as well as what the Commission's proportionate share of the net OPEB liability would be if it were calculated using health care cost trend rate that are one percentage point lower or one percentage point higher than the current rate:

		Current	
		<b>Healthcare Cost</b>	
	1% Decrease	Trend Rate	1% Increase
Net OPEB Liability	\$281,000	\$290,000	\$298,000

<sup>-</sup>Long-Term Expected Rate of Return Net of Investment Expense – 7.00%

#### NOTE 13 – FIRST 5 CALIFORNIA IMPACT PROGRAM AND REGIONAL HUB

First 5 California funded a statewide program to implement the California Quality Rating and Improvement System (QRIS). The QRIS is a systemic approach to asses, improve, and communicate the level of quality in early education programs. The Commission received First 5 IMPACT funds that were contracted to the Orange County Department of Education (OCDE) as the local organization with expertise for implementing early education quality programs. First 5 California funding for IMPACT is \$5,109,491 for a five-year period that began July 1, 2015. Funds claimed for the period ending June 30, 2019 totaled \$1,146,978, and all IMPACT funds require a two to one program partner match of two dollars of First 5 funding to every dollar of local funding. Another component of the IMPACT program is Incentive Layer Funds. These funds are intended to help support ambitious achievement and associated costs. Allocations are based on availability and predefined priorities. Two incentive payments were released to the Commission in the current year totaling \$186,000.

First 5 California provided additional funding for regional coordination, training and technical assistance for the quality improvement of early education programs and systems. The Commission was selected as one of ten statewide hub region fiscal agents for the IMPACT Hubs program. OCDE was contracted to serve as the administrative lead for the regional hub with the purpose of developing and defining cost-effective, efficient, and impactful QRIS systems that address local needs and priorities. First 5 California funding for IMPACT Hubs is \$2,855,562 for a four-year period that began July 1, 2016. Funds claimed for the period ending June 30, 2019 totaled \$787,600.

#### **NOTE 14 – ADVANCES TO OTHERS**

Advances to others as of June 30, 2019 were \$3,870,545. Advances to others include Catalytic Round 1 and 2 funds advanced to service providers. The Commission invested in Catalytic programs expanding the service capacity of service providers in both Early Learning and Homeless Prevention. In August 2012, the Commission advanced \$5,000,000 to Think Together. The purpose of the advance was to develop a strategic partnership to develop early literacy and math programs and guide the implementation in Orange County, maintain early literacy programs and expand early math as programs become available, and create an opportunity to leverage other funding sources to support the material costs and sustain the program. In December 2013, the Commission advanced \$6,250,000 to HomeAid Orange County to construct emergency shelters to serve homeless families with young children, provide operational support for no less than five years, including staffing and direct services for additional emergency shelter beds, and leverages matching funds obtained by implementing agencies for continued operational support. The advanced funds are expensed as services are provided.



## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY LAST 10 YEARS\*

	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Proportion of the net pension liability	0.078%	0.071%	0.061%	0.019%	0.010%
Proportionate share of the net pension liability	\$3,957,426	\$4,066,522	\$3,158,290	\$962,203	\$630,611
Covered payroll	\$1,043,030	\$1,042,786	\$925,031	\$849,266	\$966,061
Proportionate share of the net pension liability as a percentage of covered payroll	379.42%	389.97%	341.43%	113.30%	65.28%
Plan fiduciary net pension as a percentage of the total pension liability	67.15%	64.73%	71.16%	74.93%	70.03%
Measurement date	12/31/2014	12/31/2015	12/31/2016	12/31/2017	12/31/2018

<sup>\*</sup> Fiscal Year 2014-2015 was the first year of implementation, therefore only five years are shown from the information available.

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY SCHEDULE OF COMMISSION CONTRIBUTIONS - PENSION LAST 10 YEARS\*

	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Contractually required contribution (actuarially determined)	\$319,651	\$333,800	\$245,077	\$266,614	\$90,445
Contributions in relation to the actuarially determined contributions	(319,651)	(333,800)	(245,077)	(266,614)	(90,445)
Contribution deficiency (excess)	-	-			-
Covered payroll	\$1,005,475	\$1,001,202	\$821,497	\$864,802	\$1,050,566
Contributions as a percentage of covered payroll	31.79%	33.34%	29.83%	30.83%	8.61%

<sup>\*</sup> Fiscal Year 2014-2015 was the first year of implementation, therefore only five years are shown from the information available.

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY SCHEDULE OF CHANGES IN COMMISSION NET OPEB LIABILITIES LAST 10 YEARS\*

	2018	2019
Commission's proportion of the net OPEB liability	\$276,000	\$290,000
Commission's proportionate share of the net OPEB liability	0.0689%	0.0698%
Commission's covered payroll	819,000	930,000
Commission's proportionate share of the net OPEB liability as a percentage of its covered payroll	33.70%	31.18%
Plan fiduciary net position as a percentage of the total OPEB liability	42.30%	42.56%
Measurement Date	December 31, 2017	December 31, 2018

<sup>\*</sup> Fiscal Year 2017-2018 was the first year of implementation, therefore only two years are shown from the information available.

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY SCHEDULE OF COMMISSION CONTRIBUTIONS - OPEB LAST 10 YEARS\*

Fiscal Year Ended June 30	2018	2019
Actuarially Determined Contribution (ADC) Contribution in relation to the ADC	\$34,000 (34,000)	\$39,000 (39,000)
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll	877,000	975,000
Contributions as a percentage of covered payroll	3.90%	4.00%

<sup>\*</sup> Fiscal Year 2017-2018 was the first year of implementation, therefore only two years are shown from the information available.



## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY SUPPLEMENTARY INFORMATION SCHEDULE OF FIRST 5 CALIFORNIA FUNDING YEAR ENDED JUNE 30, 2019

#### First 5 California Funding

	-	Beginning Program Balance	Revenue*		Ending Program Balance
Program Title		(As of July 1)	F5CA Funds	Expenditures	(As of June 30)
IMPACT	F5CA Program Funds		\$1,146,978	\$1,146,978	\$2,210,113
	County, Local Funds			\$829,221	
IMPACT Hub	F5CA Program Funds	\$1,757,546	\$787,600	\$787,600	\$969,946
IMPACT	Incentive Layer Funds		\$21,000		
	Incentive Layer Funds	17/18	\$165,000		

<sup>\*</sup> For the purpose of this schedule, the revenue and expenditures reported, in amount of \$1,146,978 for IMPACT and \$787,600 for IMPACT Hub represents the amount claimed by the Commission. For governmental fund or modified accrual financial reporting purposes, \$1,238,020 of this amount was identified as unavailable revenue as it was not received within the Commission's period of availability to recognize revenue as described in Note 1.

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY STATISTICAL SECTION (UNAUDITED)

The information in this section is not covered by the Independent Auditor's Report, but it is presented as supplemental data for the benefit of the readers of the comprehensive annual financial report. The objectives of statistical section information are to provide financial statement users with additional detailed information as a context for understanding what the financial statements, notes to financial statements, and required supplementary information say about the Commission's economic condition.

	Page(s,
Financial Trends	50
These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time. (Schedules 1 - 4)	
Revenue Capacity	58
These schedules contain trend information to help the reader assess the Commission's most significant revenue base. (Schedules 5 - 7)	_
Domo overhio Information	62
Demographic Information  These schedules offer economic and demographic indicators to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs. (Schedules 8 - 10)	0.2
Operating Information	66
This schedule contains infrastructure data to help the reader understand how the information in the Commission's financial report relates to the services the Commission performs. (Schedules 11 - 13)	_
Sources: Unless otherwise noted, the information in these schedules is derived formprehensive annual financial reports for the relevant years.	rom the

(1) Since certain data (i.e. total personal income, per capita personal income and unemployment) are not considered relevant to Commission operations, substitute information specific to the Commission is presented.

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY FINANCIAL TRENDS NET POSITION BY COMPONENT SCHEDULE 1

#### NET POSITION BY COMPONENT

#### LAST TEN FISCAL YEARS

#### Fiscal Year

	2019			2019 2018*			2017		2016		
Net investment in capital assets Unrestricted	\$	- 40,684,097	\$	37,44	-6,530	\$ - 44,034,865	<del>.</del>	\$ - 51,621,511			
Total net position	\$	40,684,097	\$	37,44	6,530	\$ 44,034,865		\$ 51,621,511			

<sup>\*</sup> First year of implementation for GASB No. 75

<sup>\*\*</sup> First year of implementation for GASB No. 68

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY FINANCIAL TRENDS NET POSITION BY COMPONENT SCHEDULE 1 (CONTINUED)

Schedule 1

#### Fiscal Year

2015**	2014		2013			2012		2012		2011	2010
\$ -	\$	-	\$	-	\$	-	\$	235	\$ 798		
54,471,707		64,690,535		72,411,134		78,984,810		30,063,595	102,842,804		
\$ 54,471,707	\$	64,690,535	\$	72,411,134	\$	78,984,810	\$	30,063,830	\$ 102,843,602		

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY FINANCIAL TRENDS CHANGES NET POSITION SCHEDULE 2

#### CHANGES IN NET POSITION

#### LAST TEN FISCAL YEARS

		Fisca	l Yea	ar			
	2019	2018		2017		2016	
Expenses: Governmental activities: Salaries and benefits Expenses related to "Zero to Five" Services and supplies for State School	972,068 26,092,909	1,149,377 32,076,788		1,215,649 33,178,190		1,727,197 30,870,890	
Extraordinary Item: Accrual of AB99 liability							
Total expenses	27,064,977	33,226,165		34,393,839		32,598,087	
Program revenues: Governmental activities: Program revenues Prop 10 Tobacco taxes Operating grants and contributions Prop 10 State School Readiness First 5 CARES Plus First 5 Child Signature Program First 5 IMPACT and Hubs Other State operating grants and Federal operating grants Investment income earned on tobacco taxes at the State Level (SMIF)	\$ 23,573,280 2,120,578 3,009,855 64,514	\$ 21,867,232 2,745,724 1,628,595 31,875	\$	24,790,836 976,964 445,121 20,192	\$	25,879,036 246,281 2,042,528 696,686 12,315	
General revenues Investment income Other revenue  Extraordinary Item: Reversal of AB99 liability	1,188,495 345,822	431,764 191,640		343,403 230,677		441,810 429,235	
Total revenues	\$ 30,302,544	\$ 26,896,830	\$	26,807,193	\$	29,747,891	
Net (expense) revenue	\$ 3,237,567	\$ (6,329,335)	\$	(7,586,646)	\$	(2,850,196)	

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY FINANCIAL TRENDS CHANGES NET POSITION SCHEDULE 2 (CONTINUED)

#### Schedule 2

Fiscal Year												
	2015		2014		2013		2012		2011		2010	
	1,689,772		1,747,564		1,704,815		2,094,872		2,290,308		2,415,467	
	34,608,366		36,672,235		33,341,947		31,129,369		49,431,678		46,836,184 6,844,534	
									51,369,439			
	36,298,138		38,419,799		35,046,762		33,224,241		103,091,425		56,096,185	
			, ,		, ,		, ,		, ,		, ,	
\$	25,943,624	\$	26,395,725	\$	27,024,505	\$	28,988,350	\$	28,809,921	\$	29,706,126	
											4,349,489	
	575,300 3,350,818		269,033 2,719,243		237,504 90,171		435,487					
											145,834	
	260,297 8,082		902,242 7,071		668,105 9,588		592,725 11,612		641,124 15,331		752,152 82,000	
	0,002		7,071		2,500		11,012		13,331		02,000	
	206,029		349,366		122,358		481,976		818,294		1,141,118	
	151,086		56,520		320,180		265,632		26,983		40,509	
							51,369,439					
\$	30,495,236	\$	30,699,200	\$	28,472,411	\$	82,145,221	\$	30,311,653	\$	36,217,228	
\$	(5,802,902)	\$	(7,720,599)	\$	(6,574,351)	\$	48,920,980	\$	(72,779,772)	\$	(19,878,957)	

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY FINANCIAL TRENDS FUND BALANCES – GENERAL FUND SCHEDULE 3

#### FUND BALANCES - GENERAL FUND

#### LAST TEN FISCAL YEARS

	Fiscal Year									
	2019*		2018*		2017*		2016*			
FUND BALANCES										
Nonspendable fund balance	\$ 3,889,033	\$	4,542,478	\$	5,566,849	\$	7,277,958			
Restricted fund balance										
Committed fund balance	14,472,082		18,596,717		21,769,602		26,486,583			
Assigned fund balance	18,932,073		14,001,862		19,957,923		20,866,371			
Unassigned fund balance										
Total fund balances	\$ 37,293,188	\$	37,141,057	\$	47,294,374	\$	54,630,912			

#### Reserved

Reserved for encumbrances

Reserved for contractual obligations

Reserved for capital projects

Reserved for First 5 California initiatives

#### Unreserved

Designated for program operations Designated for future funding cycles and operating budget

Unreserved

Total fund balances

<sup>\*</sup> Fund Balance presentation changed in fiscal year 2010-11 due to the implementation of GASB 54.

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY FINANCIAL TRENDS FUND BALANCES – GENERAL FUND SCHEDULE 3 (CONTINUED)

Schedule 3

#### Fiscal Year

2015*	2014*		2014*		2013*		2012*	2011*	2010
\$ 9,340,291	\$	10,782,162	\$ 5,624,041	\$	65,657	\$ 399,279			
30,112,816		34,561,184	44,990,092		45,090,000	35,123,581			
15,589,112		16,374,998	21,350,266		33,560,512				
						 (5,547,385)			
\$ 55,042,219	\$	61,718,344	\$ 71,964,399	\$	78,716,169	\$ 29,975,475			

\$ 43,044,502 24,677,280 2,500,050 2,495,502 30,006,543

\$ 102,723,877

#### CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY FINANCIAL TRENDS CHANGES IN FUND BALANCES – GENERAL FUND SCHEDULE 4

#### CHANGES IN FUND BALANCES - GENERAL FUND

#### LAST TEN FISCAL YEARS

		Fisca	l Ye	ar	
	2019	2018		2017	2016
Revenues:					
Prop 10 Tobacco taxes	\$ 20,023,365	\$ 21,867,232	\$	24,790,836	\$ 25,879,036
Prop 10 State School Readiness					
First 5 CARES Plus					320,200
First 5 Child Signature Program					4,451,854
First 5 IMPACT and Hubs	2,755,797	977,176		1,419,176	
Investment income earned on tobacco taxes at the State Level (SMIF)	-	31,875		20,192	12,315
Other State and Federal operating grants and contributions	674,988	1,628,595		445,121	696,686
Investment income	1,188,495	431,764		343,403	441,810
Other revenue	3,031,940	 191,640		230,677	429,236
Total revenues	27,674,585	 25,128,282		27,249,405	32,231,137
Expenditures: Current:					
Salaries and benefits	1,429,544	3,204,810		1,407,753	1,771,554
Expenditures related to "Zero to Five" Program	21,571,505	26,410,285		26,146,461	24,621,958
Catalytic Round 1 and 2 Program Funding Services and supplies for State School Readiness program Capital outlay	4,521,405	5,666,504		7,031,729	6,248,932
Total expenditures	27,522,454	35,281,599		34,585,943	32,642,444
Excess (deficiency) or revenues over (under) expenditures	152,131	(10,153,317)		(7,336,538)	(411,307)
Other Financing Sources (uses):  Extraordinary Item: Accrual of AB99 liability  Extraordinary Item: Reversal of AB99 liability		 			
Total changes in fund balance	\$ 152,131	\$ (10,153,317)	\$	(7,336,538)	\$ (411,307)

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY FINANCIAL TRENDS CHANGES IN FUND BALANCES – GENERAL FUND SCHEDULE 4 (CONTINUED)

#### Schedule 4

Fiscal Year												
2015		2014		2013		2012		2011		2010		
\$ 25,943,624	\$	26,395,725	\$	27,024,505	\$	28,988,350	\$	28,809,921	\$	29,706,126		
										4,349,489		
272,815		306,465		217,258		145,487						
2,666,529		117,853										
8,082		7,071		9,588		11,612		15,331		82,000		
420,247		741,798		603,957		903,770		686,722		986,261		
206,029		349,365		122,358		481,976		818,294		1,141,118		
151,086		282,705		320,180		90,786		26,983		40,509		
29,668,412		28,200,982		28,297,846		30,621,981		30,357,251		36,305,503		
1,736,171		1,774,802		1,708,344		2,094,972		2,320,099		2,409,027		
28,193,233		31,347,721		28,712,645		31,155,080		49,431,115		46,834,681		
6,415,133		5,324,514		4,629,302								
										6,844,534		
36,344,537		38,447,037		35,050,291		33,250,052		51,751,214		56,088,242		
(6,676,125)		(10,246,055)		(6,752,445)		(2,628,071)		(21,393,963)		(19,782,739)		
								(51,369,439)				
	. —	_				51,369,439						
\$ (6,676,125)	\$	(10,246,055)	\$	(6,752,445)	\$	48,741,368	\$	(72,763,402)	\$	(19,782,739)		

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY REVENUE CAPACITY TAX REVENUE CAPACITY SCHEDULE 5

Actual Tobacco Tax Revenues Received (1)	Orange County	State Total
2009/2010	\$29,706,126	\$381,995,574
2010/2011	\$28,809,921	\$374,284,018
2011/2012	\$28,988,350	\$377,690,133
2012/2013	\$27,024,505	\$360,434,399
2013/2014	\$26,395,725	\$347,802,124
2014/2015	\$25,943,624	\$342,274,305
2015/2016	\$25,879,036	\$341,825,349
2016/2017	\$24,790,836	\$322,951,561
2017/2018	\$21,867,232	\$285,852,695
2018/2019	\$23,573,280	\$302,205,278

#### Projected Tobacco Tax Revenues (2)

2019/2020	\$21,681,524	\$287,114,000
2020/2021	\$21,071,165	\$280,059,000
2021/2022	\$20,361,808	\$273,180,000
2022/2023	\$19,620,021	\$266,472,000
2023/2024	\$18,901,935	\$259,933,000

<sup>(1)</sup> Historical data and projected revenues are presented to communicate tax revenue capacity as a declining revenue source

<sup>(2)</sup> Source: First 5 California County Tax Revenue Projections for 2018/19 to 2023/24 (Updated 5/20/19 utilizing DOF May Revise 2019 Tobacco Tax Projections and DOF Birth Projections for California State and Counties 1990-2040)

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY REVENUE CAPACITY SURTAX REVENUE SCHEDULE 6

#### STATE OF CALIFORNIA - CIGARETTE TAXES AND OTHER TOBACCO PRODUCTS SURTAX REVENUE

FY 1959-60 TO 2016-1

		Cig	arette tax		Other tobacco p	roducts surtax
		Distributors'	Gross value of			
Fiscal year	Revenue a/	discounts b/	tax indicia c/	Refunds	Revenue	Rate (%)
2016-17	948,636,000 d/	8,133,000 d/	956,769,000 d/	1,185,000	95,330,000	65.08%
2015-16	741,937,000	6,360,000	748,297,000	1,262,000	101,427,000	28.13%
2014-15	748,022,000	6,413,000	754,434,000	837,000	86,949,000	28.95%
2013-14	751,513,000	6,443,000	757,956,000	600,000	86,424,000	29.82%
2012-13	782,115,000	6,705,000	788,820,000	498,000	82,548,000	30.68%
2011-12	820,322,000	7,032,000	827,355,000	1,017,000	80,424,000	31.73%
2010-11	828,831,000	7,105,000	835,937,000	1,308,000	77,016,000	33.02%
2010-11	828,831,000	7,105,000 7,187,000	845,896,000	1,583,000	84,617,000	33.02% 41.11%
2009-10	912,724,000	7,187,000	920,543,000	626,000	85,506,000	45.13%
2008-09	955,030,000	8,185,000	963,215,000	727,000	85,929,000	45.13%
2007-08	998,723,000	8,558,000	1,007,281,000	1,330,000	79,946,000	46.76%
2005-06	1,026,497,000	8,795,000	1,035,293,000	1,707,000	67,348,000	46.76%
2003-00	1,024,272,000	8,778,000	1,033,051,000	1,653,000	58,441,000	46.76%
2003-04	1,021,366,000	8,755,000	1,030,121,000	4,721,000	44,166,000	46.76%
2002-03	1,031,772,000	8,845,000	1,040,617,000	13,248,000	40,996,000	48.89%
2001-02	1,067,004,000	9,146,000	1,076,150,000	10,774,000	50,037,000	52.65%
2000-01	1,110,692,000	9,503,000	1,120,195,000	8,741,000	52,834,000	54.89%
1999-00	1,166,880,000	9,980,000	1,176,859,000	9,413,000	66,884,000	66.50%
1998-99	841,911,000 f/	7,206,000	849,117,000	6,808,000	42,137,000 g/	61.53%
1997-98	612,066,000	5,244,000	617,309,000	5,448,000	39,617,000	29.37%
1996-97	629,579,000	5,394,000	634,973,000	5,060,000	41,590,000	30.38%
1995-96	639,030,000	5,469,000	644,499,000	6,193,000	32,788,000	31.20%
1994-95	656,923,000	5,628,000	662,551,000	11,159,000	28,460,000	31.20%
1993-94	647,993,000 h/	5,553,000	653,546,000	8,353,000	19,773,000	23.03%
1992-93	667,479,000	5,715,000	673,195,000	9,138,000	21,480,000	26.82%
1991-92	711,275,000	6,086,000	717,362,000	7,791,000	22,016,000	29.35%
1990-91	729,612,000	6,242,000	735,854,000	7,904,000	24,064,000	34.17%
1989-90	770,042,000 i/	6,581,000	776,623,000	11,615,000	24,956,000 h/	37.47%
1988-89	499,712,000 i/	4,273,000	503,984,000	4,968,000	9,994,000 h/	41.67%
1987-88	254,869,000	2,180,000	257,049,000	2,970,000		
1986-87	257,337,000	2,202,000	259,539,000	2,661,000		
1985-86	260,960,000	2,231,000	263,190,000	2,834,000		
1984-85	265,070,000	2,267,000	267,337,000	2,390,000		
1983-84	265,265,000	2,267,000	267,532,000	2,756,000		
1982-83	273,748,000	2,336,000	276,084,000	2,060,000		
1981-82	278,667,000	2,383,000	281,050,000	1,843,000		
1980-81	280,087,000	2,395,000	282,482,000	1,567,000		

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY REVENUE CAPACITY SURTAX REVENUE SCHEDULE 6 (CONTINUED)

#### STATE OF CALIFORNIA - CIGARETTE TAXES AND OTHER TOBACCO PRODUCTS SURTAX REVENUE

FY 1959-60 TO 2016-17

	Cigarette tax				Other tobacco p	roducts surtax
		Distributors'	Gross value of			
Fiscal year	Revenue a/	discounts b/	tax indicia c/	Refunds	Revenue	Rate (%)
1979-80	272,119,000	2,327,000	274,446,000	1,645,000		
1978-79	270,658,000	2,315,000	272,973,000	1,408,000		
1977-78	275,042,000	2,352,000	277,394,000	1,239,000		
1976-77	270,502,000	2,315,000	272,817,000	832,000		
1975-76	269,852,000	2,309,000	272,161,000	927,000		
1974-75	264,182,000	2,262,000	266,444,000	745,000		
1973-74	259,738,000	2,222,000	261,960,000	632,000		
1972-73	253,089,000	2,167,000	255,256,000	626,000		
1971-72	248,398,000	2,127,000	250,525,000	677,000		
1970-71	240,372,000	2,058,000	242,430,000	552,000		
1969-70	237,220,000	2,032,000	239,253,000	455,000		
1968-69	238,836,000	2,046,000	240,882,000	492,000		
1967-68	208,125,000 j/	1,862,000	209,987,000	328,000		
1966-67	75,659,000	1,543,000	77,202,000	129,000		
1965-66	74,880,000	1,528,000	76,407,000	88,000		
1964-65	74,487,000	1,520,000	76,007,000	61,000		
1963-64	71,530,000	1,459,000	72,989,000	71,000		
1962-63	70,829,000	1,445,000	72,274,000	79,000		
1961-62	68,203,000	1,390,000	69,593,000	47,000		
1960-61	66,051,000 k/	1,675,000 1/	67,726,000	76,000		
1959-60	61,791,000 m/	767,000 m/	62,558,000	67,000		

Source: State Board of Equalization 2016-2017 Annual Report: Cigarette Taxes and Other Tobacco Products Surtax Revenue, 1959-60 to 2016-17 Note: Detail may not compute to total due to rounding.

- a. Net of refunds for tax indicia on cigarettes that become unfit for use (See Refunds).
- A discount of .85 percent of gross value of tax indicia is granted to distributors for affixing the stamps. From July 1, 1960, until August 1, 1967, the discount rate
  was 2 percent.
- on credit.
- d. Effective April 1, 2017, the overall tax rate on cigarettes was increased from 87 cents to \$2.87 per pack.
- c. From July 1, 2001, through September 9, 2001, the surtax rate on smokeless tobacco ranged from 131 percent for moist snuff to 490 percent for chewing tobacco. Effective September 10, 2001, the surtax rate on smokeless tobacco was lowered to 52.65 percent.
  - Effective January 1, 1999, the overall tax rate on eigarettes was increased from 37 cents to 87 cents per pack under voter-approved Proposition 10. The additional 50-cent-per-pack tax was imposed to raise funds for early childhood development programs. Excludes \$87,978,766 in 1998-99 from the floor stocks taxes for both eigarettes and other tobacco products levied on January 1, 1999.
  - From July 1, 1998, through December 31, 1998, the surtax rate was 26.17 percent for other tobacco products. Effective January 1, 1999, the new surtax imposed under Proposition 10 raised the combined surtax rate to 61.53 percent for other tobacco products. The new surtax is equivalent (in terms of the wholesale costs of other tobacco products) to a 50-cent-per-pack tax on cigarettes.
- Effective January 1, 1994, the overall tax rate on cigarettes was increased from 35 cents to 37 cents per pack. The additional 2-cent-per-pack tax was imposed to raise funds for breast cancer research and education.

  i. Effective January 1, 1989, an additional 25-cent-per-pack surtax was imposed on cigarettes and a new 41.67 percent surtax was imposed on other tobacco products. Excludes \$57,927,856 in 1988-89 and \$595,000 in 1989-90 from the floor stocks tax levied on January 1, 1989.
  - Effective August 1, 1967, the tax rate was increased from 3 cents to 7 cents per pack. On October 1, 1967, the rate was further increased to 10 cents per pack, with the stipulation that 30 percent of the tax be allocated to cities and counties. Includes \$6,515,209 from the 4-cent-per-pack floor stocks tax levied on August 1, 1967; and \$4,889,485 from the 3-cent-per-pack floor stocks tax imposed October 1, 1967.
- k. Refunds made for distributors' discounts in the 1960-61 fiscal year on purchases made in the 1959-60 fiscal year have been deducted. Refunds amounted to \$324,000.
- 1. Effective July 1, 1960, a discount was allowed at the time tax indicia were purchased.

h.

m. Includes \$2,673,048 from the 3-cent-per-pack floor stocks tax imposed July 1, 1959; and also includes the amount of distributors' discounts which were refunded after purchase of indicia. During July and August of 1959, the tax was collected by invoice and no discount was allowed on these collections of \$8,123,700, nor on the \$2,673,048 tax on floor stocks.

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY REVENUE CAPACITY DISTRIBUTIONS AND PER CAPITA CONSUMPTION SCHEDULE 7

#### STATE OF CALIFORNIA - CIGARETTE DISTRIBUTIONS AND PER CAPITA CONSUMPTION, 1959-60 TO 2016-17

		Apparent per capita consumption (a.)		
Fiscal year	Total	(Millions of packages)  Tax paid	Tax exempt	(In packages)
1	2	3	4	5
2016-17	818	805	14	20.7
2015-16	875	860	15	22.3
2014-15	881	867	14	22.8
2013-14	889	871	18	23.2
2012-13	930	907	23	24.5
2011-12	972	951	21	25.8
2010-11	989	961	28	26.4
2009-10	1,002	972	30	26.9
2008-09	1,090	1,058	32	28.5
2007-08	1,131	1,107	24	29.9
2006-07	1,177	1,158	20	31.3
2005-06	1,209	1,190	19	32.5
2004-05	1,224	1,187	37	33.3
2003-04	1,234	1,184	50	34.0
2002-03	1,227	1,196	31	34.5
2001-02	1,271	1,237	34	36.3
2000-01	1,324	1,288	37	38.5
1999-00	1,390	1,353	38	41.2
1998-99	1,568	1,523	45	47.3
1997-98	1,717	1,668	48	52.6
1996-97	1,777	1,716	61	55.2
1995-96	1,811	1,742	69	56.9
1994-95	1,871	1,791	80	59.2
1993-94	1,903	1,824	79	60.6
1992-93	2,010	1,923	86	64.5
1991-92	2,144	2,050	94	69.8
1990-91	2,196	2,102	93	72.8
1989-90	2,311	2,219	92	78.2
1988-89	2,431	2,353	78	84.7
1987-88	2,657	2,570	87	94.9
1986-87	2,690	2,595	95	98.4
1985-86	2,730	2,632	98	102.3
1984-85	2,781	2,673	108	106.7
1983-84	2,792	2,675	117	109.9
1982-83	2,889	2,761	128	115.8
1981-82	2,947	2,811	136	120.4
1980-81	2,966	2,825	141	123.6
1979-80	2,892	2,744	148	122.9
1978-79	2,887	2,730	157	125.1
1977-78	2,940	2,774	166	130.0
1976-77	2,900	2,728	172	130.9
1975-76	2,909	2,722	187	133.7
1974-75	2,857	2,664	193	133.7
1973-74	2,827	2,620	207	134.4
1972-73	2,762	2,553	209	133.2
1971-72	2,720	2,505	215	132.9
1970-71	2,635	2,424	213	130.5
1969-70	2,594	2,424	201	130.2
1969-70	2,616	2,409	207	133.0
1968-69	2,596	2,383	213	134.0
1966-67	2,737	2,573	164	143.8
1965-66 1964-65	2,706	2,547	159	144.9
	2,679	2,534	145	146.7
1963-64	2,564	2,433	131	144.3
1962-63	2,545	2,409	136	147.9
1961-62	2,450	2,320	130	147.3
1960-61	2,382	2,258	124	147.8
1959-60	2,190	2,085	105	139.7

Source: State Board of Equalization 2016-2017: Annual Report Table 30B - Cigarette Distributions and Per Capita Consumption,1959-60 to 2016-17

Note: Detail may not compute to total due to rounding.

a. Based on reported distributions and latest estimate of January 1 population for each fiscal year.

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DEMOGRAPHIC INFOMATION DEMOGRAPHIC DATA SCHEDULE 8

#### ORANGE COUNTY DEMOGRAPHIC DATA

	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009*
Total Population**	3,216,817	3,205,855	3,181,654	3,164,230	3,139,814	3,115,335	3,084,336	3,049,097	3,014,684	2,998,820
White***	1,346,680	1,350,861	1,349,576	1,351,001	1,349,873	1,348,572	1,345,017	1,339,111	1,333,733	
Hispanic***	1,136,010	1,127,665	1,114,185	1,102,471	1,088,001	1,072,876	1,054,770	1,035,388	1,015,813	
Asian & Pacific Islander***	596,202	591,255	584,210	579,149	572,520	566,685	559,781	552,581	545,711	
Black***	48,783	48,552	48,141	47,785	47,440	46,894	46,283	45,495	44,730	
Other/Multi-Race***	89,142	87,522	85,542	83,824	81,980	80,308	78,485	76,522	74,697	
Female****	1,622,237	1,616,575	1,603,965	1,595,195	1,582,964	1,571,466	1,556,547	1,539,794	1,523,564	1,512,752
Male****	1,594,580	1,589,280	1,577,689	1,569,035	1,556,850	1,543,869	1,527,789	1,509,303	1,491,120	1,486,068
Under 5 years**	190,334	191,571	191,122	192,359	191,193	190,931	191,851	192,634	192,059	194,723
5-9 years**	196,457	198,591	200,237	200,947	202,172	202,961	201,546	199,231	199,146	200,944
10-14 years**	208,518	208,198	206,781	207,600	208,425	209,056	208,901	210,289	210,784	209,260
15-19 years**	226,068	226,785	230,425	231,778	232,724	233,662	236,046	232,582	224,679	222,780
20-24 years**	239,687	243,688	242,760	238,118	233,048	226,928	218,614	213,044	212,987	209,857
25-34 years**	390,991	392,660	394,942	400,857	406,502	413,811	411,744	412,885	413,811	411,027
35-44 years**	411,721	410,719	410,678	415,103	421,145	427,870	432,868	436,764	438,995	447,102
45-54 years**	460,383	465,002	464,079	463,118	459,437	455,609	451,961	448,369	445,239	443,950
55-59 years**	220,209	218,388	214,811	176,341	204,057	198,505	191,528	184,249	176,341	172,474
60-64 years**	189,588	183,790	176,974	169,996	163,804	159,196	155,045	152,866	147,593	142,894
65-74 years**	274,932	266,342	255,829	246,351	235,080	223,353	211,330	198,257	189,404	183,812
75-84 years**	145,582	138,823	133,187	129,454	125,532	122,426	118,916	115,821	113,491	111,930
85+**	62,347	61,298	59,829	58,298	56,695	55,012	53,986	52,103	50,155	48,067

Sources:

<sup>\*</sup> State of California, Department of Finance, Race/Ethnic Population with Age and Sex Detail, 2000–2060. Projections Prepared by Demographic Research Unit, California Department of Finance, January 2018

<sup>\*\*</sup> State of California, Department of Finance, Report P-2: Total Estimated and Projected Population for California Counties: July 1, 2010 to July 1, 2060 in 1-year Increments. Projections Prepared by Demographic Research Unit, California Department of Finance, May 2019

<sup>\*\*\*</sup> Race and Ethnicity Data available in 5-year increments before 2010

<sup>\*\*\*\*</sup> State of California, Department of Finance, Report P-3: State and County Male and Female Population Projections by Race/Ethnicity and Detailed Age, 2010-2060, January 2018

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DEMOGRAPHIC INFOMATION LIVE BIRTHS SCHEDULE 9

#### LIVE BIRTHS, CALIFORNIA COUNTIES, 2003-2016 (By Place of Residence)\*

0010777					YE	AR				
COUNTY	2018*	2017*	2016	2015	2014	2013	2012	2011	2010	2009
CALIFORNIA	482,467	485,901	488,490	491,789	502,973	494,392	503,788	502,023	509,979	526,774
ALAMEDA	19,410	19,551	19,559	19,442	19,657	19,248	19,550	19,002	19,302	20,320
ALPINE	5	5	4	3	6	5	8	6	4	4
AMADOR	314	309	308	305	291	261	285	269	272	295
BUTTE	2,438	2,430	2,493	2,442	2,482	2,415	2,397	2,392	2,454	2,439
CALAVERAS	388	381	373	380	348	337	347	326	346	338
COLUSA	310	311	315	298	285	313	314	302	338	361
CONTRA COSTA	13,096	12,927	12,342	12,599	12,560	12,149	12,061	12,057	12,352	12,680
DEL NORTE	318	315	308	300	324	315	302	337	372	333
EL DORADO	1,603	1,590	1,599	1,596	1,618	1,533	1,513	1,629	1,618	1,719
FRESNO	15,086	15,116	15,098	15,363	15,796	15,735	15,953	16,157	16,281	16,273
GLENN	388	380	379	376	416	399	368	391	434	424
HUMBOLDT	1,454	1,521	1,487	1,445	1,474	1,531	1,511	1,448	1,551	1,542
IMPERIAL	3,099	3,108	2,976	3,217	3,270	3,068	3,041	3,075	3,072	3,145
INYO	200	199	182	203	226	230	219	213	192	239
KERN	13,828	13,732	13,721	13,769	14,199	14,145	14,558	14,287	14,416	14,827
KINGS	2,215	2,216	2,247	2,275	2,342	2,394	2,357	2,565	2,507	2,644
LAKE	737	726	752	724	748	758	739	715	721	726
LASSEN	297	296	302	294	326	294	298	300	322	325
LOS ANGELES	119,336	121,413	122,958	124,438	130,150	128,523	131,697	130,312	133,160	139,679
MADERA	2,219	2,257	2,347	2,225	2,313	2,314	2,258	2,401	2,434	2,390
MARIN	2,174	2,239	2,258	2,288	2,403	2,320	2,306	2,385	2,368	2,495
MARIPOSA	157	157	148	166	138	134	161	132	145	155
MENDOCINO	993	994	1,023	1,052	1,020	1,014	1,153	1,061	1,059	1,100
MERCED	4,101	4,073	4,109	4,105	4,158	4,161	4,311	4,281	4,248	4,407
MODOC	88	88	105	80	90	63	76	87	119	85
MONO	135	134	132	152	149	150	131	156	151	139
MONTEREY	6,282	6,304	6,213	6,426	6,458	6,547	6,652	6,814	6,764	7,068
NAPA	1,484	1,441	1,408	1,456	1,478	1,449	1,431	1,572	1,525	1,653
NEVADA	835	823	776	876	817	816	810	761	793	758
ORANGE	36,300	36,693	38,107	37,622	38,610	37,256	38,186	38,100	38,237	40,431
PLACER	3,881	3,820	3,734	3,748	3,644	3,684	3,648	3,832	3,824	3,804
PLUMAS RIVERSIDE	176	172	172 30,629	163	147	152	151	165	170	154
SACRAMENTO	30,608 19,479	30,596 19,540	,	30,510 19,430	30,271 19,886	29,930 19,367	30,316 19,618	30,610 19,998	30,659	31,601 20,426
SAN BENITO	758	755	19,598 780	720	697	752	701	772	20,055 735	752
SAN BERNARDINO	30,084	30,217	31,120	30,619	31,306	30,201	30,691	30,573	31,367	31,984
SAN DIEGO	41,935	42,574	42,578	43,961	44,596	43,627	44,391	43,621	44,838	44,960
SAN FRANCISCO	9,131	9,077	9,065	8,972	9,102	8,807	9,070	8,813	8,800	8,807
SAN JOAQUIN	10,534	10,411	10,234	9,986	10,095	9,799	10,129	10,328	10,593	10,872
SAN LUIS OBISPO	2,655	2,749	2,574	2,668	2,595	2,650	2,580	2,632	2,736	2,614
SAN MATEO	8,836	8,975	8,961	9,040	9,098	8,821	9,182	9,047	9,193	9,452
SANTA BARBARA	5,462	5,396	5,493	5,673	5,829	5,753	5,584	5,803	5,819	6,039
SANTA CLARA	22,712	22,958	23,011	23,393	23,759	23,296	24,308	23,652	23,936	25,200
SANTA CRUZ	2,708	2,688	2,804	2,841	3,047	2,867	3,084	3,232	3,190	3,301
SHASTA	1,974	1,996	2,056	2,074	2,083	2,140	2,110	2,021	2,136	2,069
SIERRA	27	28	34	31	21	14	19	23	23	21
SISKIYOU	461	458	458	466	451	443	501	472	434	477
SOLANO	5,282	5,192	5,253	5,132	5,251	5,255	5,061	5,158	5,047	5,392
SONOMA	5,080	5,101	4,964	5,016	5,075	4,982	5,144	5,150	5,391	5,683
STANISLAUS	7,890	7,790	7,867	7,700	7,521	7,579	7,592	7,737	7,804	7,941
SUTTER	1,398	1,396	1,363	1,302	1,317	1,285	1,258	1,326	1,360	1,433
TEHAMA	858	840	787	828	787	753	767	728	767	814
TRINITY	105	104	115	102	112	100	125	123	107	116
TULARE	7,332	7,380	7,149	7,412	7,618	7,651	8,000	7,966	8,155	8,362
TUOLUMNE	448	441	456	466	454	475	459	430	487	425
VENTURA	9,814	9,975	9,580	10,062	10,471	10,441	10,641	10,656	11,147	11,353
YOLO	2,381	2,372	2,423	2,402	2,395	2,491	2,452	2,340	2,426	2,483
YUBA	1,168	1,171	1,238	1,155	1,193	1,200	1,213	1,282	1,223	1,245

Source: California Department of Finance. Demographic Research Unit. 2018. Historical and Projected Fertility Rates and Births, 1990-2040. Sacramento: California Department of Finance. January 2018.

<sup>\*2017</sup> and 2018 Projected

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DEMOGRAPHIC INFOMATION CHILDREN'S SCORECARD SCHEDULE 10

	2017	2016
GOOD HEALTH		
Total percentage of women who received early prenatal care*	***	87.60%
Newborns with low birth weight (less than 2,500 grams)*	***	2397
Percent of Infants with low birth weight*	***	6.3%
Infants taken into protective custody due to positive testing for alcohol/drug exposure at birth* (FY)	190	178
Children adequately immunized at age 2*	77.9%	78.5%
Infant Mortality Rate (per 1,000 live births)*	***	1.5
Birth rates per 1,000 females ages 15-19 in Orange County*	***	10.9
Breastfeeding Percentages (any)*	94.8%	95.0%
Breastfeeding Percentages (exclusive)*	65.8%	66.1%
ECONOMIC WELL-BEING		
Children receiving financial assistance though CalWORKS* (FY)	34,485	38,982
Percent of children receiving CalWORKS of total population under 18* (FY)	4.7%	5.5%
Number of students eligible for free and reduced lunch* (FY)	208,649	237,969
Percentage of students eligible for free and reduced lunch* (FY)	47.7%	49.1%
Number of participants served by the WIC program* (FY)	61,406	71,367
Total number of child support cases* (FY)	70,403	68,117
Total child support collections \$ (in millions)* (FY)	184.0	182.3
EDUCATIONAL ACHIEVEMENT		
Total public school enrollment* (FY)	489,791	492,886
Number of English leaner students* (FY)	119,315	123,001
Average \$ expenditure per pupil for grades K-12* (FY)	10,926	9,105
Total number of students K-12 receiving special education* (FY)	55,908	54,231
SAFE HOMES AND COMMUNITIES		
Average monthly number of children in out-of-home care* (FY)	2,134	2,107
Average monthly number of dependents of the court* (FY)	2,762	2,627
Total juvenile arrests for youth 10 to 17 years of age*	***	4,521
Total number of juveniles referred to probation, 10 to 18 years*	***	5,617

<sup>\*</sup> The 24th Annual Report on the Condition of Children in Orange County 2018 presents dates through calendar year 2017. Data through FY 2018-19 not yet available.

<sup>\*\*</sup> Methodologies used to collect data have been revised. 2009 data and prior years should not be compared.

<sup>\*\*\*</sup> Not yet available

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DEMOGRAPHIC INFOMATION CHILDREN'S SCORECARD SCHEDULE 10

2015	2014	2013	2012	2011	2010	2009	2008
85.20%	86.10%	88.30%	88.6%	88.7%	89.0%	88.2%	87.8%
2360	2433	2,330	2,401	2,550	2,462	2,670	2,705
6.3%	6.3%	6.3%	6.3%	6.7%	6.4%	6.6%	6.4%
121	110	98	82	128	89	81	107
75.5%	78.9%	73.6%	75.7%	78.1%	74.8%	76.6%	81.1%
2.7	3.0	3.3	3.4	4.2	4.0	4.1	4.8
12.0	14.8	16.7	19.2	20.2	22.5	25.3	27.7
95.1%	94.8%	94.0%	93.2%	93.2%	92.7%	88.0% **	
67.1%	64.6%	62.7%	62.1%	59.8%	55.6%	39.2% **	
42,345	42,877	43,916	45,950	46,809	42,793	35,962	31,932
6.0%	6.0%	6.1%	6.2%	5.9%	5.4%	4.5%	4.0%
250,408	243,432	238,891	226,854	228,121	227,820	211,179	197,671
49.0%	50.0%	47.9%	46.4%	45.4%	44.4%	42.3%	40.0%
78,856	87,408	92,303	98,219	103,563	100,434	104,622	117,188
67,732	68,635	70,608	77,582	89,852	100,056	103,598	94,860
178.8	177.9	178.6	180.1	177.4	177.2	180.3	179.6
407.117	E00 497	E01 901	E02 10E	E02 90E	F02 220	E04.127	503,255
497,116 129,390	500,487 130,570	501,801 123,390	502,195 130,076	502,895 126,226	502,239 141,605	504,136 140,887	142,833
· ·	,					· ·	
9,128	8,274	7,950	7,952	7,827	7,955	8,267	8,224
53,512	53,005	52,216	51,905	51,613	51,208	51,394	51,486
2,192	2,279	2,257	2,215	2,018	2,195	2,466	2,668
2,799	2,683	2,862	2,791	2,795	3,050	2,453	3,687
4,829	6,580	6,892	8,566	10,797	13,485	14,341	14,914
5,808	7,156	7,821	8,882	10,454	11,533	11,531	12,456

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY OPERATING INFOMATION CAPTIAL ASSETS STATISTICS SCHEDULE 11

#### CAPITAL ASSETS STATISTICS

Capital Assets (equipment) are used by the Commission for general operating and administrative functions. Proposition 10 funds (tobacco taxes) were not used to purchase any capital assets.

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY OPERATING INFOMATION PRINCIPLE EMPLOYERS SCHEDULE 13

#### PRINCIPAL EMPLOYERS

#### LAST YEAR AND NINE YEARS AGO

2019*							
Employer	Number of Employees	Rank	Percentage of Total County Employment				
The Walt Disney Co.	30,000	1	1.86%				
University of California, Irvine	23,884	2	1.48%				
County of Orange	17,271	3	1.07%				
St. Joseph Health	14,000	4	0.87%				
Kaiser Permanente	8,178	5	0.51%				
Albertsons Southern California Division	7 <b>,</b> 670	6	0.48%				
Target Corporation	6,300	7	0.39%				
Wal-Mart Stores Inc.	6,200	8	0.39%				
Hoag Memorial Hospital Presbyterian	6,100	9	0.38%				
Boeing Co.	6,000	10	0.37%				

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Employer	Number of Employees	Rank	Percentage of Total County Employment
University of California, Irvine	20,650	1	1.31%
The Walt Disney Co.	20,000	2	1.27%
County of Orange	17,324	3	1.10%
St. Joseph Health System	11,965	4	0.76%
Boeing Co.	8,060	5	0.51%
Bank of America Corp.	6,500	6	0.41%
Yum Brands Inc.	6,500	7	0.41%
Supervalu Inc.	5,900	8	0.37%
Kaiser Permanente	5,397	9	0.34%
Target Corporation	5,325	10	0.34%

<sup>\*</sup> Source: Orange County Business Journal, Book of Lists

<sup>\*\*</sup> Source: Orange County Business Journal, Book of Lists as reproduced in the 2011 County of Orange CAFR

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY OPERATING INFOMATION EMPLOYEES BY FUNCTION SCHEDULE 13

### EMPLOYEES BY FUNCTION LAST TEN FISCAL YEARS

Fiscal Year Number of Employees by Function General Administration Finance Contracts Administration Program Management & Evaluation Total Employees 

<sup>\*</sup> Table presents Regular and Limited-Term Employees



#### CPAs & BUSINESS ADVISORS

### Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Commissioners Children and Families Commission of Orange County

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Children and Families Commission of Orange County (Commission), a component unit of the County of Orange, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 30, 2019.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

#### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Laguna Hills, California

sde Sailly LLP



#### **CPAs & BUSINESS ADVISORS**

#### **Independent Auditor's Report on State Compliance**

To the Board of Commissioners Children and Families Commission of Orange County

#### **Compliance**

We have audited the Children and Families Commission of Orange County's (Commission), a component unit of the County of Orange, California, compliance with the requirements specified in the State of California's Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2019.

#### Management's Responsibility

Management is responsible for compliance with the requirements of the laws and regulations applicable to the California Children and Families Act.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Commission's compliance with the requirements referred to above based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the State of California's *Standards and Procedures* for Audits of Local Entities Administering the California Children and Families Act, issued by the State Controller's Office. Those standards and the State of California's *Standards and Procedures for Audits of Local Entities* Administering the California Children and Families Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the requirements referred to above that could have a direct and material effect on the statutory requirements listed below. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the Commission's compliance with those requirements. In connection with the audit referred to above, we selected and tested transactions and records to determine the Commission's compliance with the state laws and regulations applicable to the following items

Audit Guide <u>Procedures</u>	Procedures <u>Performed</u>
6	Yes
3	Yes
3	Yes
4	Yes
2	Yes
1	Yes
3	Yes
2	Yes
	Procedures  6 3 4 2 1 3

#### **Opinion**

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2019.

#### **Purpose of Report**

The purpose of this report on compliance is solely to describe the scope of our testing over compliance and the results of that testing based on the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office. Accordingly, this report is not suitable for any other purpose.

Laguna Hills, California
October 30, 2019



October 30, 2019

To the Board of Commissioners Children and Families Commission of Orange County

We have audited the financial statements of the Children and Families Commission of Orange County (Commission), a component unit of the County of Orange, as of and for the year ended June 30, 2019, and have issued our report thereon dated October 30, 2019. Professional standards require that we advise you of the following matters relating to our audit.

### Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards*

As communicated in our letter dated May 6, 2019, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Commission solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

#### **Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

#### **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

#### **Qualitative Aspects of the Entity's Significant Accounting Practices**

#### Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Commission is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive estimates affecting the Commission's financial statements were:

#### Management's estimate of the:

- Liabilities owed to grantees included in accounts payable and due to other governments are based on historical expenditures and provisions of the contract term.
- Amounts related to the net pension liability, related deferred inflows of resources and deferred outflows of resources, and disclosures are based on actuarial valuations and a proportionate share of the Orange County Employees Retirement System collective net pension liability.

We evaluated the key factors and assumptions used to develop the above estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole.

#### Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting Commission's financial statements relate to:

The disclosure of the Commission's defined benefit pension plan, net pension liability and related deferred inflows of resources and deferred outflows of resources in Note 8 to the financial statements. The valuation of the net pension liability and related deferred outflows (inflows) of resources are sensitive to the underlying actuarial assumptions used including, but not limited to, the investment rate of return and discount rate, and the Commission's proportionate share of the Plan's collective net pension liability. As disclosed in Note 8, a 1% increase or decrease in the discount rate has a significant effect on the Commission's net pension liability.

#### Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

#### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no corrected or uncorrected misstatements identified as a result of our audit.

#### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Commission's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

#### **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated October 30, 2019.

#### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

#### Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the Commission, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating conditions affecting the entity, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Commission's auditors.

This report is intended solely for the information and use of the Board of Commissioners, and management of the Children and Families Commission of Orange County and is not intended to be, and should not be, used by anyone other than these specified parties.

Ide Sailly LLP
Laguna Hills, California

### Children and Families Commission of Orange County Fiscal Year 2019/2020 Amended Budget

	Beginning FY 19/20 Budget	Carryover	Amendments	Amended FY 19/20 Budget
FINANCING				
Prop 10 Tax Allocations	22,336,249			22,336,249
Other Revenues				
Investment Earnings	100,000			100,000
MAA Revenue	180,000			180,000
First 5 IMPACT	2,469,616			2,469,616
Dental Transformation Initiative	6,158,789			6,158,789
CalWORKS Home Visitation Program	1,499,436			1,499,436
Other Revenue	223,000			223,000
	32,967,090	0	0	32,967,090
PROGRAM SERVICES				
Healthy Children				
Bridges: Maternal Child Health Network	4,443,000	0	35,000	4,478,000
CalWORKS Home Visitation	1,474,649	0	0	1,474,649
Community Health	520,091	45,000	(4,000)	561,091
Children's Dental (Dental Transformation Initiative)	6,158,789	0	0	6,158,789
Pediatric Health Services	1,647,240	485,000	40,000	2,172,240
School Readiness Nursing	3,070,000	0	25,000	3,095,000
Healhty Children Catalyic Funding	3,607,323	0	0	3,607,323
Healthy Children Program Support	459,116	0	354,435	813,551
Healthy Children subtotal	21,380,208	530,000	450,435	22,360,643
Strong Families				
Family Support Services	1,058,000	0	35,000	1,093,000
Homeless Prevention	910,000	0	(20,000)	890,000
Strong Families Catalytic Funding	5,000,000	0	0	5,000,000
Strong Families Program Support	57,265	0	72,940	130,205
Strong Families subtotal	7,025,265	0	87,940	7,113,205
Early Learning				
Early Learning Specialists	2,451,400	0	0	2,451,400
First 5 IMPACT and IMPACT Hub	2,469,616	0	0	2,469,616
Community Based Early Learning Programs	1,210,260	0	95,000	1,305,260
Early Learning Catalytic Funding	750,000	0	0	750,000
Early Learning Program Support	313,247	0	24,806	338,053
Early Learning subtotal	7,194,523	0	119,806	7,314,329

### Children and Families Commission of Orange County Fiscal Year 2019/2020 Amended Budget

	Beginning FY 19/20 Budget	Carryover	Amendments	Amended FY 19/20 Budget
Systems Building (Capacity Building)				
Performance Management	325,491	0	0	325,491
Performance Management Support	617,204	0	1,459	618,663
Systems Building	250,000	0	0	250,000
Systems Building Support	172,445	0	(13,684)	158,761
Systems Building subtotal	1,365,140	0	(12,225)	1,352,915
Total Program	36,965,136	530,000	645,956	38,141,092
Administrative Functions				
Administrative Staff Salary and Benefits	817,000		(209,466)	607,534
Strategic Communications	256,500	0	(1,500)	255,000
Professional and Technical Services	469,000	0	15,000	484,000
Office, Training & Operating Costs	319,220	0	0	319,220
Administrative Functions Subtotal	1,861,720	0	(195,966)	1,665,754
Total Annual Operating Budget	38,826,856	530,000	449,990	39,806,846

#### CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

#### RESOLUTION NO. -19-C&FC

#### **December 4, 2019**

## A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY ADOPTING THE AMENDED FISCAL YEAR 2019-20 OPERATING BUDGET

WHEREAS, at its meeting of April 3, 2019, the Commission conducted a public hearing and reviewed and adopted the following documents prepared and recommended by staff and identified in the staff report for the April 3, 2019 Commission meeting: The Strategic Plan and the Annual Operating Budget for the Fiscal Year 2019-20, including the Administrative Budget; and

**WHEREAS**, at its meeting of December 4, 2019, the Commission reviewed and adopted an Amended Annual Operating Budget for the Fiscal Year 2019-20 prepared and recommended by staff and identified in the staff report for the December 4, 2019 Commission meeting as Attachment 3.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

- **Section 1** The Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.
- **Section 2** The Commission hereby adopts the Amended Annual Operating Budget for Fiscal Year 2019-20.
- Section 3 Notwithstanding the approval of the amended budget, no expenditures from the line item categories for grant funding for Program Services (or any subcategory within such categories) is authorized or may be approved except by subsequent action of the Board of Commissioners; no category is required to be funded at any particular level; no grant funding decisions for individual applicants or types of applicant will be made except in connection with specific grant processes, and no ceiling or floor for such categories is established by this budget.
- Section 4 Approval by the Board of Commissioners is required to increase or decrease the existing total amount of budgeted appropriations, revenues, and/or reserves as adopted by the Board of Commissioners. The Executive Director, or designee, is authorized to transfer existing budgeted appropriations mid-fiscal year between existing budget categories and accounts in order to pay for required operating expenses. In accordance with the Commission's Budgetary Control policy, the Commission renews its delegation of authority to approve budgetary transfers to the Executive Director for Fiscal Year 2019-20.
- <u>Section 5</u> The Clerk of the Commission shall append to this Resolution a copy of the Amended Annual Operating Budget for Fiscal Year 2019-20, identifying it as Exhibit A, which shall correspond to Attachment 3 of the December 4, 2019 staff report. By this reference such exhibit is incorporated as though fully set forth herein.
- <u>Section 6</u> <u>Severability</u>. If any section, subsection, subdivision, paragraph, sentence, clause or phrase in this Resolution or any part thereof is for any reason held to be unconstitutional or

invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the remaining portions of this resolution or any part thereof. The Commission Board hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase thereof irrespective of the fact that any one (1) or more subsections, subdivisions, paragraphs, sentences, clauses of phrases be declared unconstitutional, or invalid, or ineffective.

Section 7 The Clerk of the Commission shall certify to the adoption of this Resolution.

Families Comn	nission of Orange Coun	ity on Decemb	per 4, 2019 to wit:
AYES	Commissioner(s):		
NOES	Commissioner(s):		
EXCUSED	Commissioner(s):		
ABSTAINED	Commissioner(s):		
		CHA	IR
STATE OF CA	LIFORNIA )		
COUNTY OF	ORANGE )		
that a copy of the	nis document has been of lution was duly and re	delivered to th	sion of Orange County, California, hereby certify the Chair of the Commission and that the above and the chair of the Children and Families Commission of
IN WI	TNESS WHEREOF, I	have hereto s	set my hand and seal.
		Clerk	IN STIELER of the Commission, Children and Families Commission of e County, County of Orange, State of California
Resolution No:	19-C&FC		
Agenda Date: 1	December 4, 2019		
Item No			
			I certify that the foregoing is a true and correct copy of the Resolution adopted by the
		_	ROBIN STIELER, Clerk of the Commission
			By: Deputy
			• •

The foregoing resolution was passed and adopted by the following vote of the Children and

### **EXHIBIT A TO RESOLUTION OF COMMISSION**

### AMENDED ANNUAL OPERATING BUDGET FOR FISCAL YEAR 2019-20

(attached)

Timbely Doll



Agenda Item 6 December 4, 2019

**DATE:** November 19, 2019

**TO:** First 5 Orange County Children and Families Commission

**FROM:** Kimberly Goll, Executive Director

**ACTION:** Receive Long-Term Financial Plan Update and approve directing revenue above

budget to System-Building investment reserves

#### **SUMMARY:**

The Long-Term Financial Plan has been used by First 5 Orange County Children and Families Commission since 2000 as a tool to mitigate the projected decline of tobacco tax revenues, while providing sustainable program funding. The plan is also used as a framework for evaluating both annual and multi-year funding decisions.

#### **DISCUSSION:**

#### **Financial Planning Policies and Practices**

Several policies and practices guide the development and maintenance of the financial plan. Each year the updated plan follows these guiding policies:

- Realized revenue above budget will be added to unallocated System-Building funds for future one-time investments.
- Fund balance is used to supplement long-term decline in annual revenue in order to minimize large year-over-year fluctuations in program funding.
- Administration is limited to 10 percent of the operating budget.
- Fund balance is required to be maintained at 25 percent of current-year operating budget.
- Staffing levels approved October 2019 are assumed through the end of the plan.
- For planning purposes, all one-time System-Building, previously referred to as Catalytic, reserves are assumed spent in Fiscal Year 2018/2019 to show only base program funding in future years.

#### **Programmatic Funding**

While the financial plan assumes a base level of program funding, it does not allocate funds to a program or project. In February 2017, the Commission approved program funding for the three-year renewal cycle beginning July 1, 2017. The Long-Term Financial Plan was updated with the approved program funding levels and includes estimates for all revenue and expenses related to pass-through programs such as First 5 California's quality early education, California Department of Health Care Services Dental Transformation Initiative, Home Visitation Program, and the Conditions of Children Report. All future-year program allocations assume level funding until available fund balance has been exhausted to the minimum policy amount of 25%.

The renewal panel recommendations for the next three fiscal years of funding are anticipated to be presented for discussion at the February 2020 Commission meeting. Once the three-year funding recommendations are finalized, the difference between funding recommendations, including all net

program reductions, and base level funding can be calculated. Any difference will available for either one-time System-Building allocation or specific program augmentations as directed by the Commission.

While no specific funding decisions or allocations are included in the Long-Term Financial Plan, the Plan is updated annually and used to monitor and forecast revenue trends and program funding over a 10-year period. The financial plan has been updated with Fiscal Year 2018/2019 year-end financial results, the Amended 2019/2020 Budget, and the latest revenue projections.

#### **System-Building Allocations**

System-Building program investments, formally referred to as Catalytic or Capacity Building, were developed to reduce future-year program budget demands, promote service sustainability and address unmet community needs. System-Building investments have also been used to support critical and recognized community needs through one-time funding to address a critical gap in the network of services to young families. Tobacco tax revenue for fiscal year 2018/19 was \$400,000 above budget; and following the Commission's past practices, allocating these funds to the System-Building budget is recommended.

#### Fiscal Year 2018/2019 Results

#### Revenue

Tobacco tax revenue for the Fiscal Year 2018/2019 ended the year above budget, \$23.57 million actual compared to \$23.15 million budget and 7.8% above the prior year. A year-over-year increase was expected following a 11.79% decline in the prior year due to the increase in the legal smoking age from 18 to 21, the increase sales tax of an additional \$2.00 per pack approved by voters, and the expected annual decline in tobacco product sales. The definition of tobacco products was expanded to include electronic smoking devices which to a lesser extent offsets some of the factors causing the decline.

Tobacco tax revenue recognized on the Commission's fund financial statements is \$20 million due to the delayed receipt of May and June 2019 disbursements. Revenue received more than 60 days after year-end are required to be recognized as revenue in the following year. The table below reports the entire annual tobacco revenue allocation for consistency although a portion of the reported amount will be recognized in a later period.

Tobacco Tax Revenue (in millions)								
Fiscal Year 2011/12 2012/13 2013/14 2014/15 2015/16 2016/17 2017/18 2018/19								2018/19
Prop 10 Revenue	\$28.99	\$27.02	\$26.40	\$25.94	\$25.88	\$24.79	\$21.87	\$23.57
% Change from	+0.62%	-6.77%	-2.33%	-1.71%	-0.25%	-4.20%	-11.79%	+7.77%
Prior Year								

#### Program Expenses

Program expenses ended the year below budget mostly due to the timing of expenditures. Minor unspent amounts have already been approved and incorporated in the Amended 2019/2020 Budget as carryover. Other unspent amounts have been rolled forward into fund balance to be used for future-year programs.

Administrative Expenses

Administrative expenses for Fiscal Year 2018/2019 were below budget due to a vacant staff position as well as cumulative underspending in professional services, office expenses, travel, and meetings. Expenses that can be appropriately tracked and allocated to a specific program continue to be identified. All expenses are identified as either program, administrative, or evaluation using the definitions provided in the First 5 California Financial Management Guide.

#### **Revenue Projections**

The financial plan estimates revenues for 10 years; and at this time, no changes are recommended to the revenue projections. Fiscal Year 2019/2020 budgeted revenue is \$22.34 million representing a decrease of 5.2%. This amount includes the expected annual decline of tobacco revenues plus the expected impact of passed legislation that took effect on July 1, 2016. All years following Fiscal Year 2019/2020 assume a 3.5% annual decline.

The following revenue projections are slightly lower than the most recent First 5 California amounts provided by the California Department of Finance this past May. At this time, maintaining the historical 3.5% decline as a conservative approach to forecasting revenues is recommended.

	Long-Term Financial Plan Projected Tobacco Tax Revenue (in millions)								
2019/20	2020/21	2020/21 2021/22 2022/23 2023/24 2024/25 2025/26 2026/27 2027/28 2028/29							
Budget	Estimate								
\$22.34	\$21.55	\$20.80	\$20.07	\$19.37	\$18.69	\$18.04	\$17.41	\$16.80	\$16.21
-5.22%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%	-3.50%

#### STRATEGIC PLAN & FISCAL SUMMARY:

The fiscal reports and recommended actions presented in this staff report have been reviewed in relation to the Strategic Plan and are consistent with applicable goals and outcomes.

#### PRIOR COMMISSION ACTIONS:

- April 2019 Approved the Annual Operating Budget for Fiscal Year 2019/2020 and confirmed the 10 percent limitation on administrative expenditures for the operating budget
- December 2018 Received financial update
- February 2017 Approved Renewal Funding Actions for Healthy Children, Early Learning, and Strong Families goal areas

#### **RECOMMENDED ACTION:**

Receive Long-Term Financial Plan Update and approve directing \$400,000 revenue above budget to the reserves for System-Building investments.

#### ATTACHMENT:

1. Long-Term Financial Plan Update Presentation

**Contact:** Michael Garcell



## **Long-Term Financial Plan Update**



## Background and Purpose

- Commission has reviewed and updated its long-term revenue and program projections annually since 2000
- Long-Term Financial Plan provides:
  - A ten-year outlook of anticipated revenue
  - A forecast of funding capacity to sustain programmatic funding
  - A framework for evaluating annual budget decisions and renewal planning



## Financial Planning Policies and Practices

- Fund balance is used to supplement decline in revenue.
- Fund Balance is required to be 25% of current-year operating budget.
- Administration is limited to 10% of operating budget.
- Projects funded by a one-time allocation are not assumed to be programmed back into the financial plan once the allocation is depleted.
- The plan does not authorize any specific funding actions or obligate the total pool of program funding to any specific programs or projects.



## System-Building Fund Policy and Practices

- Realized revenues above budget will be added to unallocated future one-time investments.
- Funds included in the System-Building Reserve are not considered against the 25% minimum fund balance requirement.
- Current balance of the System-Building Fund is \$3.9 million from prior-year revenue receipts over budget.
- Today's action would add \$400,000 from FY 2018/2019 tobacco tax revenues over budget.



### **Actual Revenue**

- Revenues have always been volatile
- FY 2018/2019 Actual Tobacco Tax Revenue of \$23,573,280 up 7.8% compared to prior year
- 2.33% average decline since FY 2011/2012

	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19
Tobacco Tax Revenue	\$28,988,350	\$27,024,505	\$26,395,725	\$25,943,624	\$25,879,036	\$24,790,836	\$21,867,232	\$23,573,280
% change from Prior Year	+0.62%	-6.77%	-2.33%	-1.71%	-0.25%	-4.20%	-11.79%	+7.77%



## Projected Revenue

- Commission Long-Term Financial Plan projections include an average 3.94% decline over the next four years.
- First 5 California projections include an average 4.46% decline over the same four-year period.

	FY 2019/20	FY 2020/21	FY 2021/22	FY 2022/23
Current Long-Term Financial Plan	\$22,336,249	\$21,554,480	\$20,800,073	\$20,072,071
Annual Increase/Decrease	-5.25%	-3.50%	-3.50%	-3.50%
Latest First 5 CA Projections	\$21,681,524	\$21,071,165	\$20,361,808	\$19,620,021
Annual Increase/Decrease	-8.03%	-2.82%	-3.37%	-3.64%



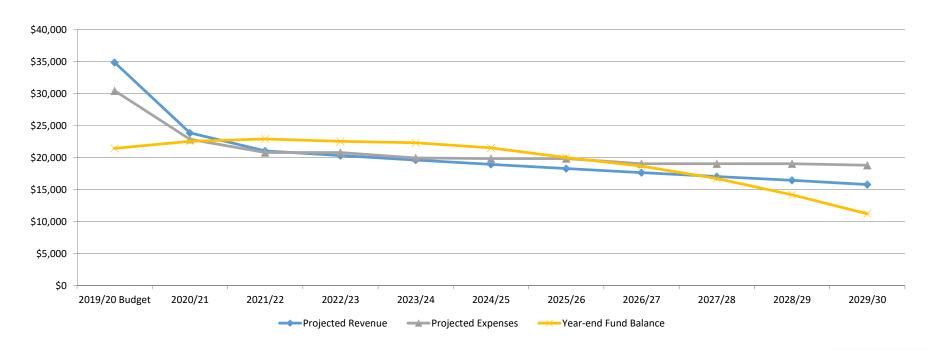
## **Projected Expenses**

- Program expenses are planned at a base level of \$16.8 million for the next three-year cycle.
- Each following cycle assumes a 5% decrease in the first year.
- Planned reductions of 5% sustained for each three-year cycle maintains fund balance above policy levels through 2030.
- The plan will reduce ongoing demand on Commission Budget.



## Long-Term Financial Plan

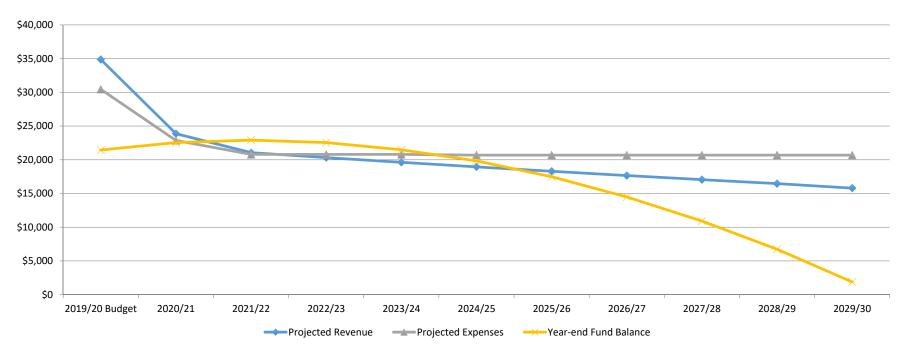
• Current-year budget and ten-year projections with measured program reductions aligned with declining revenue





## Long-Term Financial Plan Comparison

• Current-year budget and ten-year projection keeping programs budgeted at \$16.8 million





## Financial Planning Cycle

- Funding Panel Recommendations February 2020
- Fiscal Year 2019/20 Final Amended Budget April 2020
- Fiscal Year 2020/21 Proposed Budget April 2020
- Ongoing Tobacco Tax Revenue monitoring and reporting
- Financial Highlights reports
- Long-Term Financial Plan annual review December 2020



Timbely Doll



Agenda Item 7 October 2, 2019

**DATE:** November 18, 2019

**TO:** First 5 Orange County Children and Families Commission

**FROM:** Kimberly Goll, Executive Director

**ACTION:** Appoint New Technical Advisory Committee Members

## **SUMMARY:**

The First 5 Orange County Children and Families Commission approved an action in August 2019 to expand and broaden the membership of the Technical Advisory Committee to include early childhood development experts. This agenda item recommends the appointment of three new members to the First 5 Orange County Technical Advisory Committee.

#### **DISCUSSION:**

The California Children and Families Act requires that each First 5 county commission establish one or more advisory committees to provide technical and professional expertise that will be beneficial in accomplishing the purposes of the Act. The Pediatric Health Services (PHS) Committee has been serving as the official Technical Advisory Committee (TAC).

In August 2019, the PHS Committee was renamed as the Technical Advisory Committee (TAC). Additionally, First 5 Orange County's policies and procedures were amended to broaden TAC membership to include experts in early learning and childhood development. This reflects a transition from the PHS Committee's focus on pediatric health to the TAC's broader charge of advancing systems change, focusing on shifting the conditions that hold persistent barriers to serving young children and families in place.

The newly updated policies and procedures state that an ideal TAC member will represent the Orange County Health Care and Social Services agencies, CalOptima, the Orange County Department of Education, as well as philanthropic and business organizations. Resumes for three candidates that meet the criteria and have been vetted as potential TAC members are included as attachments. The following three candidates are recommended for appointment.

- 1. Betsy Ha, Executive Director, Quality & Population Health Management, CalOptima
- 2. Christine Olmstead, EdD, Associate Superintendent, Educational Services, Orange County Department of Education
- 3. Christine Snapper, Director of Family Self Sufficiency and Adult Services, Orange County Social Services Agency

Upon approval, the new members will join the current TAC members to consider several items related to systems work and First 5 Orange County's strategic plan. Their experiences and knowledge from the organizations they represent are expected to enhance the discussion and recommendations that are presented to the Commission. Over the next six-months, the TAC will be

reviewing several potential areas for system improvement work such as developmental screening and early intervention, prenatal to three, early childhood education or economic supports. The purpose of these efforts is for First 5 Orange County to partner with other key stakeholders to connect systems and better serve children and families.

## STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action has been reviewed in relation to the Strategic Plan and is consistent with all goal areas. There is no funding action proposed for this item.

## PRIOR COMMISSION ACTIONS:

• August 2019 – Approved updated Administrative Policies and Procedures relating to the TAC

## RECOMMENDED ACTION:

Appoint Christine Snapper, Betsy Ha, and Christine Olmstead to the First 5 Orange County Technical Advisory Committee.

## ATTACHMENT:

1. Technical Advisory Committee Candidate Bios

Contact: Kim Goll



Attachment 1

## Technical Advisory Committee Candidate Bios

## Betsy Ha, Executive Director, Quality and Population Health Management

As Executive Director, Quality & Population Health Management, Betsy Ha is responsible for oversight of several departments, including Quality Analytics, Quality Improvement, Population Health Management and Behavioral Health Integration. Her work is focused on improving the member experience, promoting optimal health outcomes and ensuring efficient care. Ha brings a background in quality improvement practices and is a certified Master Black Belt in Lean Six Sigma. Prior to joining CalOptima, she held senior leadership positions with OptumCare, Monarch Health Care and AltaMed Health Services. She also brings a unique perspective to her management roles as a registered nurse who worked in patient care for Children's Hospital Los Angeles for several years. Ha holds a bachelor's degree in nursing from University of Maryland and a master's degree in health care management from California State University, Los Angeles. Ha is also a certified yoga instructor specializing in trauma-informed care.

## Dr. Christine Olmstead, Associate Superintendent of Instruction

Dr. Christine Olmstead has served in a variety of education roles for the past nineteen years. She began her teaching career in 1998 in the Brea Olinda Unified School District in north Orange County, California, and transitioned to the role of Education Technology Specialist in 2002. With a Master's Degree in Curriculum and Instruction and emphasis in Educational Technology, Christine brought a wealth of innovative technology strategies to her district and was instrumental in the development of the Global Information Technology Academy at Brea Olinda High School in Brea, California. In 2006, Christine transitioned into the role of Educational Services Specialist where she provided support and guidance to all K12 staff in a wide variety of areas including data analysis, assessment and accountability, school plan development, educational technology, Professional Learning Communities, Response to Intervention, and Positive Behavior Intervention Supports. In 2009, she became the principal of Arovista Elementary School, a K-6 Title I School in North Orange County, California. In 2011, Christine was awarded her Doctoral Degree in Educational Leadership from California State University, Fullerton. Her dissertation focus was Using Technology to Increase Parental Involvement.

In 2012, Christine joined the Orange County Department of Education. She currently serves as the Associate Superintendent of Instruction overseeing CA MTSS, STEM, Humanities, Learning Support Services, Early Childhood Education, Expanded Learning Programs, Career Technical Education, the Institute for Leadership Development, and LCAP. She brings a strong desire to see all students achieve their goals and develop 21st century skills to insure their success. She is a firm believer in professional learning and serves on a variety of statewide committees that focus on educator development. She has also taught in the Ed Tech Master's program at Cal State Fullerton to stay current with emerging technology and pedagogy. She is actively involved in CISC, CUE, ISTE, and ACSA and has been recognized by both CUE and ISTE for her contributions in leading educators to utilize technology effectively to promote student learning. She has also served as past chair for CISC

telephone

714 834 5310

Doug Chaffee

Christine Snapper, MSW Division Director of Family Self Sufficiency and Adult Services Christine Snapper is the Division Director for Social Service Agency (SSA) Family Self Sufficiency (FSS) & Adult Services (AS). Christine has worked in SSA for the past 29 years. Christine received her Master's Degree in Social Work from Cal State University Long Beach.

Christine has a strong foundation in SSA. As the Division Director for FSS & AS, she oversees the In-Home Supportive Services (IHSS) program, Adult Protective Services (APS) and the CalWORKs program which includes: Welfare to Work, Policy & Quality Assurance & Workforce Development.

Prior to her current position, Christine worked in SSA -Children & Family Services (CFS) division as a Deputy Division Director and has worked in almost ALL programs in CFS. She has worked in every social worker classification and management classification.

Christine's vast experience includes her involvement with many initiatives/projects over the past 29 years. These include: development & coordination of the Family Resource Center (FRC) platform in partnership with community stakeholders for prevention services in the community, The Home Visiting Program with CalWORKs & First Five OC Children & Families Commission and the Housing Support program (HSP) with CalWORKs. Other projects include: Orange County's Mutual Clients/Linkages Project, California's Continuum of Care Reform (CCR), Orange County Group Home providers transitioning to a Short Term Residential Treatment Program (STRTP), AB74 which focused on stepping children down to family based care, the development of a CSEC Resource and Support Services contract to meet the needs of exploited youth, Development and implementation of the Visitation Coaching program, and oversight of SB 528 which led to a policy on providing Reproductive Health & Parenting information for foster-youth.

Additionally, in 2015 Christine developed the Commercially Sexually Exploited Youth (CSEC) program in Orange County. She spearheaded the development of Orange County's Commercially Sexually Exploited Children (CSEC) MOU with county partners and community stakeholders and developed the Orange County CSEC Steering Committee to address the many unique needs of this population.



Agenda Item 8 December 4, 2019

DATE: November 18, 2019

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

**FROM:** Kimberly Goll, Executive Director

**ACTION:** Adopt resolution authorizing new agreement with the Regents of the University of

California to provide operational funding for the Center for Autism and

Timbely Doll

Neurodevelopmental Disorders for 36 months

## **SUMMARY:**

First 5 Orange County Children and Families Commission's funding for the Center for Autism and Neurodevelopmental Disorders (CAND) at the University of California, Irvine is due to end in June 2020. This item requests authority to enter into a new agreement for a period of 36 months to provide final bridge funding as CAND transitions away from continued First 5 funding.

## **DISCUSSION:**

Since 2012, First 5 Orange County has invested approximately \$17 Million in both catalytic and operational support for CAND, operated by the University of California, Irvine (UCI). During that time, CAND has significantly increased the quality, breadth, accessibility, and convenience of services for children with autism in Orange County.

First 5 Orange County's earliest investments in autism services began in 2001 with a program known as For OC Kids. At its peak, For OC Kids had twelve employees and was largely a medically-oriented clinic focused on diagnosis and referral to treatment. In recognition of the need for colocated clinical and supportive services to meet the complex needs of Orange County children with autism and their families, CAND was launched in 2012. The center now has 62 employees and a multidisciplinary care team that includes developmental pediatricians, nurse practitioners, psychiatrists, social workers, clinical psychologists, educational psychologists, behavioral therapists, speech and language pathologists, occupational therapists, and physical therapists. In its first year, CAND served 1,766 children; in 2018, more than 3,080 children and families were served.

In addition to its clinical services, CAND provides supportive services for siblings and parents, and staff also dedicate time to provider, school district, and community education and training. For example, John Wayne Airport and airlines staff were recently trained to recognize the needs of young travelers with autism and their families. Through innovative community and business partnerships, such as with the Pacific Symphony and Segerstrom Center for the Arts, CAND also helps children with autism find their interests and potential career paths. In 2014, CAND was awarded recognition as an Autism Treatment Network by the organization Autism Speaks. This is a notable accomplishment as there are only 12 such sites across North America.

As the First 5 Orange County works to reduce our funded partners dependency on ongoing financial support staff recommends providing a final allocation to CAND in an amount not to exceed \$1.8 Million for a term of three years. Consistent with prior Commission practice, staff will

work with CAND leadership to develop a final three year budget that steps down Commission support without a disruption in services. With the Commission's planned decrease in funding, UCI has developed plans to incorporate CAND within its pediatrics program, including establishment of a new, permanent location at the Center for Child Health, resulting in improved, ongoing sustainability.

## STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action has been specifically reviewed in relation to the Commission's Strategic Plan and is consistent with the Health and Development goal area. Funding for this item will be included in the fiscal year budgets, 2020/21 to 2022/23.

## PRIOR COMMISSION ACTIONS:

- August 2018 Authorized Second Amendment to Agreement FCI-PHS-09
- April 2018 Authorized First Amendment to Agreement FCI-PHS-09
- June 2017 Revised recommendation for funding and terms of Agreement FCI-PHS-09
- February 2017 Authorized Agreement FCI-PHS-09 with University of California, Irvine and CHOC Children for Early Developmental Program, including the Center for Autism and Neurodevelopmental Disorders
- February 2016 Authorized Agreement FCI-PHS-06 with University of California, Irvine and CHOC Children for Early Developmental Program, including the Center for Autism and Neurodevelopmental Disorders
- Authorized Agreement FCI-PHS-01 with University of California, Irvine and CHOC Children for Pediatric Health Services (Early Developmental Program), including the Center for Autism and Neurodevelopmental Disorders

## **RECOMMENDED ACTION:**

1. Adopt resolution (Attachment 1) authorizing the Executive Director, or designee, and Commission Counsel to prepare and negotiate Agreement No. FCI-PHS-11 with Center for Autism and Neurodevelopmental Disorders for the diagnosis and treatment of children with autism for a maximum funding amount of \$1,800,000 and for the term July 1, 2020 to June 30, 2023.

#### ATTACHMENT:

1. Resolution

Contact: Ilia Rolón

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY RESOLUTION NO. \_\_\_-19-C&FC

## **December 4, 2019**

RESOLUTION OF THE CHILDREN AND **FAMILIES** ORANGE COUNTY COMMISSION OF DIRECTING EXECUTIVE DIRECTOR AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENT NO. FCI-PHS-11 WITH THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, AS DESCRIBED IN ARTICLE IX, SECTION 9 OF THE CALIFORNIA CONSTITUTION, ON BEHALF OF UC IRVINE SCHOOL OF MEDICINE AND UC IRVINE MEDICAL CENTER, FOR THE CHILD CENTER **FOR AUTISM** AND **NEURODEVELOPMENTAL** DISORDERS; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, et seq. (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

WHEREAS, the Commission desires to prepare and negotiate Agreement No. PFCI-PHS-11 ("Agreement") with the Regents of the University of California, as described in Article IX, Section 9 of the California Constitution, on behalf of UC Irvine School of Medicine and UC Irvine Medical Center for the Center for Autism and Neurodevelopmental Disorders, hereinafter referred to as the "Contractor," identified in the staff report for the December 4, 2019 Commission meeting, to provide diagnosis and treatment for children with autism for the terms and in the amounts and on the conditions as described in therein; and

WHEREAS, Contractor desires to enter into the Agreement with Commission in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Agreement; and

WHEREAS, Commission has reviewed the staff report for the December 4, 2019 Commission meeting relating to the scope of services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission's Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreement with Contractor for the term and in the amount and on the conditions as specified in the December 4, 2019 staff report for this Agenda Item.

## NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

- Section 2 Commission authorizes the Executive Director, or designee, and Commission Counsel to prepare and negotiate the Agreement with Contractor as described in the December 4, 2019 staff report for this Agenda Item.
- Section 3 The form of the Agreement with Contractor shall be substantially similar to a standard Non-Profit Agreement, subject to minor, non-substantive revisions as reviewed and approved by the Executive Director, or designee, and Commission Counsel. The approval by the Executive Director, or designee, of the Agreement shall be conclusively evidenced by the execution of such Agreement by the Commission Chair and delivery thereof to the Commission Clerk.
- Section 4 Commission hereby approves the Agreement with the Contractor for the terms and conditions as specified in the December 4, 2019 staff report for this Agenda Item.
- Section 5 The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreement on behalf of the Commission.
- Section 6 A copy of the Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Agreement shall be placed on file in the office of the Clerk of the Commission.
- Section 7 In addition to the authorization of Section 2 above, the Executive Director, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreements(s), (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.
  - **Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

		passed and adopted by the following vote of the Children arty on December 4, 2019 to wit:
AYES	Commissioners:	
NOES	Commissioner(s):	
EXCUSED	Commissioner(s):	
ABSTAINED	Commissioner(s):	
		CHAIR
STATE OF CA	LIFORNIA )	
COUNTY OF	ORANGE )	
that a copy of the foregoing Reso Orange County	nis document has bee lution was duly and	the Commission of Orange County, California, hereby certificatelivered to the Chair of the Commission and that the above are gularly adopted by the Children and Families Commission of the have hereto set my hand and seal.
		Robin Stieler Clerk of the Commission, Children and Families Commission of
Resolution No: Agenda Date: 1 Item No	19-C&FC December 4, 2019	Orange County, County of Orange, State of California
		I certify that the foregoing is a true and correct copy of the Resolution adopted by the  ROBIN STIELER, Clerk of the Commission
		By:

(Attach copy of final executed Agreement)



Agenda Item 9 December 4, 2019

**DATE:** November 14, 2019

**TO:** First 5 Orange County Children and Families Commission

**FROM:** Kimberly Goll, Executive Director

**ACTION:** Received funding from First 5 California and adopt resolutions authorizing

amendments to agreements with Orange County Department of Education for the

Timbely Doll

Quality Early Learning Program

## **SUMMARY:**

First 5 Orange County Children and Families Commission receives funding from First 5 California to improve the quality of early learning programs throughout the state. In partnership with the Orange County Department of Education (OCDE), Orange County's funding supports leadership, training and technical assistance to increase the quality of early leaning programs for children and families. This item provides an update on the quality early learning program and requests approval to amend agreements with OCDE.

## **DISCUSSION:**

## First 5 IMPACT (Improve and Maximize Programs so All Children Thrive)

First 5 California allocated \$190 million for First 5 IMPACT, a statewide program to support a network of local quality improvement systems to better coordinate, assess, and improve the quality of early learning settings. In 2016, First 5 Orange County received four years of First 5 IMPACT funds that were subcontracted to OCDE. First 5 IMPACT funding supports the use of a Quality Rating and Improvement System (QRIS) as a guide to inform quality improvements for a broad range of early education programs. These programs were expanded to include informal care and education programs such as Learning Links, family friend and neighbor, family childcare homes and center-based programs.

The Orange County Department of Education (OCDE) led the effort in Orange County to improve the quality of early learning with funding from the federal Race to the Top – Early Learning Challenge grant that ran from 2011-2016. As part of the grant, OCDE was a member of a statewide consortium to develop the California Rating Matrix and Framework. Since 2016, OCDE continues to operate Quality Start OC, Orange County's quality rating and improvement system, through a combination of grants from the California Department of Education and First 5 IMPACT.

Quality Start OC has provided 3,600 hours of preschool instructional coaching to teachers and directors and rated over 500 early learning sites over the last three years. This year, over 20,000 children in Orange County ages birth to five attend a program supported by Quality Start OC, and 510 early learning programs have received coaching, training, incentives and materials to build quality. Eighty-nine percent of Quality Start OC preschool programs are rated as highest quality and 42% of family childcare providers are rated as a four- or five-star program, on a five-star rating system. The Quality Start OC program also provides training and technical assistance to 87 community partners who support parents, family, friend, and neighbor caregivers.

Authorization is recommended to amend First 5 Orange County's agreement with OCDE to add funding from First 5 California that will allow OCDE to increase services for early learning programs with training and incentives to build quality programs.

## First 5 IMPACT Regional Coordination, Training and Technical Assistance Hub

First 5 California provided additional funding for regional coordination, training and technical assistance for the quality improvement of early education programs and systems. The California counties were divided into 10 Hub regions to provide coordination, specialized support to the Hub member counties and to create economies of scale while building a local early learning system. Orange County is a member of the Region 9 Hub, which includes Imperial, Riverside and San Bernardino counties. The Region 9 Hub was allocated \$2,855,562 with a four-year agreement from First 5 California. First 5 Orange County and OCDE were selected as the Hub's fiscal lead agencies which has the responsibility to maintain accurate fiscal data, report actual expenditures, and provide annual progress on activities and accomplishments to First 5 California.

The Region 9 Hub was recognized by the state for its effective communication and collaboration across the participating counties. Hub funding has built capacity in each county to deliver coaching and trainings support through several series of coaching, assessor, and trainer workshops. The Region 9 Hub hosted the Third Annual Southern California Summer Institute in Palm Springs where workshops for QRIS staff were offered on system development, training-of-trainers and marketing strategies. As a result of the success, the Institute was duplicated in northern California.

Additional funding from First 5 California was allocated to Hub regions for a data system reimbursement. Authorization is recommended to amend the First 5 Orange County agreement with OCDE to fund the regional data system.

## STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action has been specifically reviewed in relation to the Commission's Strategic Plan and is consistent with the Quality Early Learning goal. Passthrough funding, revenue and expenses, for the IMPACT and Hub programs are included in the Fiscal Year 2019/2020 Commission budget and will be amended to reflect the most recent First 5 California contractual amounts.

## PRIOR COMMISSION ACTIONS:

- September 2016- Adopt resolution authorizing agreement with the Orange County Superintendent of Schools for First 5 IMPACT (Improve and Maximize Programs so All Children Thrive) Regional Coordination, Training and Technical Assistance Hub
- August 2016- Receive First 5 California funding and adopt resolution authorizing agreement with the Orange County Superintendent of Schools for First 5 IMPACT (Improve and Maximize Programs so All Children Thrive) Regional Coordination, Training and Technical Assistance Hub
- April 2016 Received First 5 IMPACT funding in the amount of \$5,109,491 from First 5
   California and adopted resolution authorizing agreement with the Orange County

   Superintendent of Schools to implement the First 5 IMPACT Action Plan

## **RECOMMENDED ACTIONS:**

- 1. Receive additional funding of \$277,000 from First 5 California for a data system reimbursement and adopt resolution (Attachment 1) authorizing the Executive Director, or designee and Commission Counsel to prepare and negotiate an amendment to Agreement FCI-IMP-02 with the Orange County Superintendent of Schools to add \$277,000 for a total maximum obligation of \$3,083,026 for the Term September 7,2016 to June 30, 2020.
- 2. Adopt resolution (Attachment 2) authorizing the Executive Director, or designee and Commission Counsel to prepare and negotiate an amendment to Agreement FCI-IMP-01 with the Orange County Superintendent of Schools to add \$140,000 to serve additional early learning programs with training and incentives to build quality programs for a total maximum obligation of \$4,903,433 for the Term April 6, 2016 to June 30, 2020.

## **ATTACHMENTS:**

- 1. Resolution-First 5 Hub
- 2. Resolution-First 5 IMPACT

**Contact**: Tiffany Alva

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

## RESOLUTION NO. \_\_\_-19-C&FC

## **December 4, 2019**

RESOLUTION OF THE CHILDREN AND **FAMILIES** ORANGE COUNTY COMMISSION OF DIRECTING EXECUTIVE DIRECTOR AND COMMSSION COUNSEL TO PREPARE AND NEGOTIATE THE FIRST AMENDMENT TO AGREEMENT NO. FCI-IMP-02 WITH ORANGE SCHOOLS AND **SUPERINTENDENT OF AUTHORIZING** APPROVAL AND EXECUTION OF SUCH AMENDMENT ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

WHEREAS, On September 7, 2016, Commission authorized the Executive Director, or Designee, to prepare and negotiate Agreement No. FCI-IMP-02 ("Agreement") with the Orange County Superintendent of Schools (hereinafter referred to as "Contractor") for First 5 IMPACT (Improve and Maximize Programs so All Children Thrive) Regional Coordination, Training and Technical Assistance Hub; and

**WHEREAS**, The Commission desires to enter into a First Amendment to the Agreement ("Amendment") with the Contractor to provide a data system reimbursement for the terms and in the amount as described in December 4, 2019 staff report for this agenda item; and

**WHEREAS**, Contractor desires to enter into the Amendment in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Amendment; and

WHEREAS, Commission has reviewed the staff report for the December 4, 2019 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Amendment is in furtherance of and consistent with the Commission's Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Amendment with Contractor for the terms and in the amount specified in the December 4, 2019 staff report for this Agenda Item.

## NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

- Section 2 Commission authorizes the Executive Director, or designee, and Commission Counsel to prepare and negotiate the Amendment with the Contractor for the terms and in the amount consistent with the December 4, 2019 staff report and scope of services referenced therein.
- Section 3 The form of the Amendment with the Contractor shall be substantially similar to the form of the standard Amendment to a Professional Services Agreement, subject to minor, non-substantive revisions as reviewed and approved by the Executive Director or designee and Commission Counsel. The approval by the Executive Director, or designee, of the Amendment shall be conclusively evidenced by the execution of such Amendment by the Commission Chair and delivery thereof to the Commission Clerk.
- <u>Section 4</u> Commission hereby approves the Amendment to provide a data system reimbursement for the terms and in the amount specified in the December 4, 2019 staff report for this Agenda Item.
- **Section 5** The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Amendment on behalf of the Commission.
- Section 6 A copy of the Amendment when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. Each final executed Amendment shall be placed on file in the office of the Clerk of the Commission.
- Section 7 In addition to the authorization of Section 2 above, the Executive Director, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Amendment, (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such amendment in the furtherance thereof.
  - **Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

		assed and adopted by the following vote of the Childr on December 4, 2019 to wit:	en and
AYES	Commissioners:		
NOES	Commissioner(s):		
EXCUSED	Commissioner(s):		
ABSTAINED	Commissioner(s):		
		CHAIR	
STATE OF CA	LIFORNIA )		
COUNTY OF	ORANGE )		
that a copy of the foregoing Reso Orange County	nis document has been plution was duly and reference.	he Commission of Orange County, California, hereby livered to the Chair of the Commission and that the aboutarly adopted by the Children and Families Commission are hereto set my hand and seal.	ve and
		Robin Stieler Clerk of the Commission, Children and Families Commission	n of
Resolution No: Agenda Date:	19-C&FC December 4, 2019	Orange County, County of Orange, State of California	
		I certify that the foregoing is a true and correct copy of the Resolution adopted by the	e
		ROBIN STIELER, Clerk of the Commission	
		Ву:	
		Deputy	_

(Attach copy(ies) of final executed Amendment)

# CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY RESOLUTION NO. \_\_\_-19-C&FC

## **December 4, 2019**

RESOLUTION OF THE CHILDREN AND **FAMILIES** COMMISSION ORANGE COUNTY DIRECTING OF EXECUTIVE DIRECTOR AND COMMSSION COUNSEL TO PREPARE AND NEGOTIATE THE FIRST AMENDMENT TO AGREEMENT NO. FCI-IMP-01 WITH ORANGE SCHOOLS AND **SUPERINTENDENT OF AUTHORIZING** APPROVAL AND EXECUTION OF SUCH AMENDMENT ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, *et seq.* (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

WHEREAS, On April 6, 2016, Commission authorized the Executive Director, or Designee, to prepare and negotiate Agreement No. FCI-IMP-01 ("Agreement") with the Orange County Superintendent of Schools (hereinafter referred to as "Contractor") to implement the First 5 IMPACT Action Plan; and

**WHEREAS**, The Commission desires to enter into a First Amendment to the Agreement ("Amendment") with the Contractor to serve additional early learning programs with training and incentives to build quality programs for the terms and in the amount as described in December 4, 2019 staff report for this agenda item; and

**WHEREAS**, Contractor desires to enter into the Amendment in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Amendment; and

WHEREAS, Commission has reviewed the staff report for the December 4, 2019 Commission meeting relating to the scopes of services to be provided and hereby finds and determines that the proposed Amendment is in furtherance of and consistent with the Commission's Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Amendment with Contractor for the terms and in the amount specified in the December 4, 2019 staff report for this Agenda Item.

## NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

- Section 2 Commission authorizes the Executive Director, or designee, and Commission Counsel to prepare and negotiate the Amendment with the Contractor for the terms and in the amount consistent with the December 4, 2019 staff report and scope of services referenced therein.
- Section 3 The form of the Amendment with the Contractor shall be substantially similar to the form of the standard Amendment to a Professional Services Agreement, subject to minor, non-substantive revisions as reviewed and approved by the Executive Director, or designee, and Commission Counsel. The approval by the Executive Director, or designee, of the Amendment shall be conclusively evidenced by the execution of such Amendment by the Commission Chair and delivery thereof to the Commission Clerk.
- <u>Section 4</u> Commission hereby approves the Amendment to serve additional early learning programs with training and incentives to build quality programs for the terms and in the amount specified in the December 4, 2019 staff report for this Agenda Item.
- **Section 5** The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Amendment on behalf of the Commission.
- Section 6 A copy of the Amendment when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. Each final executed Amendment shall be placed on file in the office of the Clerk of the Commission.
- Section 7 In addition to the authorization of Section 2 above, the Executive Director, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Amendment, (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such amendment in the furtherance thereof.
  - **Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

		assed and adopted by the following vote of the Childr on December 4, 2019 to wit:	en and
AYES	Commissioners:		
NOES	Commissioner(s):		
EXCUSED	Commissioner(s):		
ABSTAINED	Commissioner(s):		
		CHAIR	
STATE OF CA	LIFORNIA )		
COUNTY OF	ORANGE )		
that a copy of the foregoing Reso Orange County	nis document has been plution was duly and reference.	he Commission of Orange County, California, hereby livered to the Chair of the Commission and that the aboutarly adopted by the Children and Families Commission are hereto set my hand and seal.	ve and
		Robin Stieler Clerk of the Commission, Children and Families Commission	n of
Resolution No: Agenda Date:	19-C&FC December 4, 2019	Orange County, County of Orange, State of California	
		I certify that the foregoing is a true and correct copy of the Resolution adopted by the	e
		ROBIN STIELER, Clerk of the Commission	
		Ву:	
		Deputy	_

(Attach copy(ies) of final executed Amendment)

Timbely Doll



Agenda Item 10 December 4, 2019

**DATE:** November 12, 2019

**TO:** First 5 Orange County Children and Families Commission

**FROM:** Kimberly Goll, Executive Director

**ACTION:** Adopt resolution authorizing agreement with Child Guidance Center for

development of pediatric obesity prevention training program

#### **SUMMARY:**

To help address the continued rise in pediatric obesity, as well as a gap in local training options for healthcare, social services, and early learning professionals, Child Guidance Center will develop, implement, and evaluate a provider training program modeled after evidence-based practices. The goal of the program is to build providers' capacity for effective and consistent communication and promotion of universal behavioral strategies for healthy feeding and active play.

## **DISCUSSION:**

Pediatric obesity continues to be prevalent among Orange County children, with one-third of all children either overweight or obese. Absent intervention, many obese infants and young children continue to be overweight obese throughout childhood and into adolescence and adulthood. Furthermore, overweight and obese children are more likely to develop a variety of serious health problems and chronic conditions, including cardiovascular disease and diabetes. Addressing the rates of overweight and obesity in Orange County, with a focus on the large disparities in rates among different ethnic and socioeconomic groups, is an essential part of making sure every child reaches their full potential.

Pediatricians are an important source of health information and guidance for parents and can be effective health communicators and influencers; however, many healthcare providers are unaware of best practices in communicating with parents about this sensitive subject, and have difficulty connecting the families of their patients with adequate prevention and treatment resources due to the scarcity of low or no-cost resources. At the same time, obesity prevention programs can be costly to operate and often struggle to remain sustainable.

In view of the need for provider training, First 5 Orange County partnered with the American Academy of Pediatrics – Orange County Chapter, CHOC Health Alliance, University of California, Irvine Pediatric Exercise and Genomics Research Center, and the Child Guidance Center to conduct two forums this year that educated more than 120 physicians and other health professionals about strategies and resources they can employ within their own practice settings to support patients and their families in preventing obesity. Although forum participants have rated the forums highly, they have also expressed a need for additional, more in-depth training, which is currently not available locally.

Child Guidance Center (CGC) is an Orange County-based mental health provider and experienced community and clinician educator of pediatric feeding health. First 5 Orange County currently

contracts with CGC to train mental health clinicians to provide Parent-Child Interactive Therapy (PCIT). With funding from the Harvard Institute of Coaching and other grant funding, CGC developed and tested the effectiveness of a program called Family Mealtime Coaching (FMC), which is based on the PCIT model and focuses on eating behaviors. FMC has demonstrated the ability to promote helpful parent feeding behaviors, healthy child eating behaviors, and increased parent and child energy expenditure through active play.

With the aim of increasing local resources for pediatric obesity prevention, staff recommends contracting with CGC to develop an 8-hour skill-building program for health, social services and early learning professionals who work with young children and their families, and who lack the required licensure and/or are unable to invest the time required for certification as a full FMC provider. Staff recommends allocating funding to CGC in an amount not to exceed \$75,000 and entering into an agreement for a 12-month term to develop and pilot test the curriculum with 50 participants, with an option to renew for two additional years based on progress and results of Year 1. The primary purpose of this agreement will be to build provider capacity and increase collective community skills in the application of universal behavioral strategies for healthy feeding and active play.

## STRATEGIC PLAN & FISCAL SUMMARY:

The recommended actions have been reviewed in relation to the Strategic Plan and are consistent with the Comprehensive Health and Development goal area. Funding is recommended in the amount of \$75,000 to Child Guidance Center to develop, implement, and evaluate a pediatric obesity training program for professionals that work with young children and their families. Funding for this item will be included in the amended Fiscal Year 2019-2020 budget.

## PRIOR COMMISSION ACTIONS:

• October 2019 – Received pediatric obesity presentation

## **RECOMMENDED ACTION:**

1. Adopt resolution (Attachment 1) authorizing the Executive Director, or designee, and Commission Counsel to prepare and negotiate Agreement No. FCI-NF-05 with Child Guidance Center to develop and pilot test the Family Mealtime Coaching curriculum with 50 participants for a maximum funding amount of \$75,000 and for the term January 1, 2020 to December 31, 2020, with an option to renew for two additional years based on the progress and results of Year 1.

## **ATTACHMENT**

1. Resolution

Contact: Ilia Rolón

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

## RESOLUTION NO. \_\_\_-19-C&FC

## **December 4, 2019**

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE EXECUTIVE DIRECTOR AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENT FCI-NF-05 WITH CHILD GUIDANCE CENTER; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, et seq. (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

**WHEREAS**, the Commission desires to prepare and negotiate Agreement No. FCI-NF-05 ("Agreement") with Orange Child Guidance Center, hereinafter referred to as the "Contractor," to develop and pilot test the Family Mealtime Coaching curriculum with 50 participants for the terms and in the amounts and on the conditions as described in the staff report for the December 4, 2019 Commission meeting; and

WHEREAS, Contractor desires to enter into the Agreement with Commission in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Agreement; and

WHEREAS, Commission has reviewed the staff report for the December 4, 2019 Commission meeting relating to the scope of services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission's Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreement with Contractor for the term and in the amount and on the conditions as specified in the December 4, 2019 staff report for this Agenda Item.

## NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission authorizes the Executive Director, or designee, and Commission Counsel to prepare and negotiate the Agreement with Contractor as described in the December 4, 2019 staff report for this Agenda Item.

- Section 3 The form of the Agreement with the Contractor shall be substantially similar to a standard Non-Profit Agreement, subject to minor, non-substantive revisions as reviewed and approved by the Executive Director, or designee, and Commission Counsel. The approval by the Executive Director, or designee, of the Agreement shall be conclusively evidenced by the execution of such Agreement by the Commission Chair and delivery thereof to the Commission Clerk.
- Section 4 Commission hereby approves the Agreement with the Contractor for the terms and conditions as specified in the December 4, 2019 staff report for this Agenda Item.
- Section 5 The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreement on behalf of the Commission.
- Section 6 A copy of the Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Agreement shall be placed on file in the office of the Clerk of the Commission.
- Section 7 In addition to the authorization of Section 2 above, the Executive Director, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreements(s), (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.
  - **Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

		passed and adopted by the following vote of the Children arty on December 4, 2019 to wit:
AYES	Commissioners:	
NOES	Commissioner(s):	
EXCUSED	Commissioner(s):	
ABSTAINED	Commissioner(s):	
		CHAIR
STATE OF CA	LIFORNIA )	
COUNTY OF	ORANGE )	
that a copy of the foregoing Reso Orange County	nis document has bee lution was duly and	the Commission of Orange County, California, hereby certificatelivered to the Chair of the Commission and that the above are gularly adopted by the Children and Families Commission of the have hereto set my hand and seal.
		Robin Stieler Clerk of the Commission, Children and Families Commission of
Resolution No: Agenda Date: 1 Item No	19-C&FC December 4, 2019	Orange County, County of Orange, State of California
		I certify that the foregoing is a true and correct copy of the Resolution adopted by the  ROBIN STIELER, Clerk of the Commission
		By:

(Attach copy of final executed Agreement)



Agenda Item 11 December 4, 2019

**DATE:** November 19, 2019

**TO:** First 5 Orange County Children and Families Commission

**FROM:** Kimberly Goll, Executive Director

**ACTION:** Adopt resolution to enter into an agreement with the University of Southern

California School of Social Work, Children's Data Network, for principal

Timbely Doll

investigator support

## **SUMMARY:**

The First 5 Orange County Children and Families Commission strives to use data to drive decision making and identify system improvements that benefit children in Orange County ages 0-5. This item authorizes an agreement with the Children's Data Network to perform data analysis for First 5 Orange County.

## **DISCUSSION:**

The strategic use of data is a priority for the Commission and a theme that is threaded throughout the Strategic Plan. Through its major initiatives including Early Development Index, Bridges Maternal Child Health, School Readiness and Homeless Prevention, First 5 Orange County generates a rich body of data. This data can be analyzed and used to support the Commission's process for investing in programs that are most effective in their reach and impactful in improving outcomes for young children and families.

First 5 Orange County has partnered on several projects with the University of Southern California School of Social Work, Children's Data Network (CDN), whose mission is aligned with the priority for data-driven decision-making. CDN seeks to harness the scientific potential of linked, administrative data to inform children's programs and policies, generating knowledge and advancing evidence-rich policies that will improve the health, safety, and well-being of children.

The alignment between First 5 Orange County and CDN results in a unique opportunity for First 5 to benefit from the expertise of the CDN and vice versa. First 5 Orange County has robust population-level data and a desire to use that data to improve population outcomes. CDN has exclusive and unique access to de-identified state level children data and has expertise in linking and aggregating data to develop high quality evidence for program and policy effectiveness. CDN is also on the Commission's roster of qualified consultant applicants.

Authorization is recommended to enter into an agreement with the University of Southern California School of Social Work, Children's Data Network for a maximum obligation not to exceed amount of \$150,000. The one-year agreement would include support from CDN's lead principal investigators to ensure full analytic coverage. Additionally, CDN will edit, format and design research products, which will be co-branded by First 5 Orange County and CDN. This Agreement will support an intentional learning agenda, identify and respond to key areas of inquiry, perform evaluation projects in conjunction with partners, and package conclusions into actionable insights

for stakeholders. CDN's areas of research align with First 5 Orange County's priorities and include children and families, child maltreatment and public child welfare systems.

## STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action has been reviewed in relation to the Strategic Plan and is consistent with all goal areas. An allocation of \$150,000 for a consultant agreement with University of Southern California School of Social Work, Children's Data Network is included in the Fiscal Year 2019/2020 budget within the evaluation funding category.

#### PRIOR COMMISSION ACTIONS:

• June 2019 -- Adopted resolution authorizing agreements with designated individuals and organizations to provide consultant services.

## **RECOMMENDED ACTION:**

Adopt resolution (Attachment 1) authorizing Agreement PS-211 with University of Southern California School of Social Work, Children's Data Network in an amount not to exceed \$150,000 annually for a term of January 1, 2020- December 31, 2020.

## **ATTACHMENTS:**

1. Resolution

Contact: Lisa Burke

## CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY

## RESOLUTION NO. \_\_\_-19-C&FC

## **December 4, 2019**

A RESOLUTION OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY DIRECTING THE EXECUTIVE DIRECTOR AND COMMISSION COUNSEL TO PREPARE AND NEGOTIATE AGREEMENT PS-211 WITH UNIVERSITY OF SOUTHERN CALIFONRIA, SCHOOL OF SOCIAL WORK, CHILDREN'S DATA NETWORK; AND, AUTHORIZING APPROVAL AND EXECUTION OF SUCH AGREEMENT ON BEHALF OF THE COMMISSION

WHEREAS, in order to facilitate the creation and implementation of an integrated, comprehensive, and collaborative system of information and services to enhance optimal early childhood development, the legislature adopted legislation set forth in the California Children and Families Act of 1998, Health and Safety Code Section 130100, et seq. (as amended, the "Act") implementing the Children and Families First Initiative passed by the California electorate in November, 1998 and establishing the California Children and Families Commission and County Children and Families Commissions, including this Children and Families Commission of Orange County ("Commission"); and

WHEREAS, the Commission desires to prepare and negotiate Agreement No. PS-211 ("Agreement") with University of Southern California, School of Social Work, Children's Data Network hereinafter referred to as the "Contractor," for the term, in the amount, and on the conditions as described in the staff report for the December 4, 2019 Commission meeting; and

WHEREAS, Contractor desires to enter into the Agreement with Commission in furtherance of the purposes of the Act and the Strategic Plan on the terms and conditions set forth in the Agreement; and

WHEREAS, Commission has reviewed the staff report for the December 4, 2019 Commission meeting relating to the scope of services to be provided and hereby finds and determines that the proposed Agreement is in furtherance of and consistent with the Commission's Strategic Plan; and

**WHEREAS**, Commission desires to authorize the Commission Chair and Commission Clerk to execute the Agreement with Contractor for the term, in the amount, and on the conditions as specified in the December 4, 2019 staff report for this Agenda Item.

## NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS OF THE CHILDREN AND FAMILIES COMMISSION OF ORANGE COUNTY AS FOLLOWS:

Section 1 Commission finds and determines the foregoing Recitals are true and correct and are a substantive part of this Resolution.

Section 2 Commission authorizes the Executive Director, or designee, and Commission Counsel to prepare and negotiate the Agreement with Contractor as described in the December 4, 2019 staff report for this Agenda Item.

- Section 3 The form of the Agreement with Contractor shall be substantially similar to a standard Professional Services Agreement, subject to minor, non-substantive revisions as reviewed and approved by the Executive Director, or designee, and Commission Counsel. The approval by the Executive Director, or designee, of the Agreement shall be conclusively evidenced by the execution of such Agreement by the Commission Chair and delivery thereof to the Commission Clerk.
- Section 4 Commission hereby approves the Agreement with the Contractor for the terms and conditions as specified in the December 4, 2019 staff report for this Agenda Item.
- Section 5 The Commission Chair and the Clerk of the Commission are hereby authorized to execute and attest, respectively, the Agreement on behalf of the Commission.
- Section 6 A copy of the Agreement when executed by the Commission Chair and attested by the Clerk of the Commission shall be appended hereto as a part of Exhibit A to this Resolution. Exhibit A is hereby fully incorporated as a part of this Resolution by this reference and made a part hereof. The final executed Agreement shall be placed on file in the office of the Clerk of the Commission.
- Section 7 In addition to the authorization of Section 2 above, the Executive Director, or designee, is hereby authorized, on behalf of the Commission, (i) to sign all documents necessary and appropriate to carry out and implement the Agreements(s), (ii) to cause the issuance of warrants, (iii) to administer the Commission's obligations, responsibilities, and duties to be performed under such agreement(s), and (iv) during the term thereof to provide waivers, administrative interpretations, and minor modifications of the provisions of such agreement(s) in the furtherance thereof.
  - **Section 8** The Clerk of the Commission shall certify to the adoption of this Resolution.

		passed and adopted by the following vote of the Children arty on December 4, 2019 to wit:
AYES	Commissioners:	
NOES	Commissioner(s):	
EXCUSED	Commissioner(s):	
ABSTAINED	Commissioner(s):	
		CHAIR
STATE OF CA	LIFORNIA )	
COUNTY OF	ORANGE )	
that a copy of the foregoing Reso Orange County	nis document has bee lution was duly and	the Commission of Orange County, California, hereby certificatelivered to the Chair of the Commission and that the above are gularly adopted by the Children and Families Commission of the have hereto set my hand and seal.
		Robin Stieler Clerk of the Commission, Children and Families Commission of
Resolution No: Agenda Date: 1 Item No	19-C&FC December 4, 2019	Orange County, County of Orange, State of California
		I certify that the foregoing is a true and correct copy of the Resolution adopted by the  ROBIN STIELER, Clerk of the Commission
		By:

(Attach copy of final executed Agreement)



Agenda Item 12 December 4, 2019

**DATE:** November 18, 2019

**TO:** First 5 Orange County Children and Families Commission

**FROM:** Kimberly Goll, Executive Director

**ACTION:** Receive Conditions of Children in Orange County Report Presentation

## **SUMMARY:**

The First 5 Children and Families Commission of Orange County is the lead agency for the production of the Annual Report on the Conditions of Children in Orange County. This item is a presentation on the recently published 2019 report.

Timbely Dorl

## **DISCUSSION:**

Lisa Burke, Burke Consulting, is the project manager for development of the Conditions of Children report. She has served in this role since 2015, when the report was rebranded to its current streamlined format. Ms. Burke will present highlights from the 25-year anniversary edition.

The Annual Report on the Conditions of Children in Orange County provides an assessment of the status of children through the lenses of healthcare, the economy, education, and public safety. The report is funded by the County of Orange, with oversight by the Orange County Children's Partnership, a 22-member appointed advisory group co-chaired by Andrew Do, Orange County First District Supervisor and Debra Baetz, Commissioner and Director of the Orange County Social Services Agency (SSA). The Partnership also provides multiple forums to disseminate, discuss and coordinate the delivery of services to children and families in Orange County.

## STRATEGIC PLAN & FISCAL SUMMARY:

The recommended action has been reviewed in relation to the Strategic Plan and is consistent with all goal areas.

#### PRIOR COMMISSION ACTIONS:

- March 2019 Adopted resolution authorizing agreements to produce the Annual Report on the Conditions of Children in Orange County.
- December 2017 Adopted resolutions authorizing agreements with designated organizations and SSA for the annual production of the Report on the Conditions of Children in Orange County and to receive a maximum of \$113,000, annually, for the term of March 1, 2018 through February 28, 2021.

## **RECOMMENDED ACTION:**

Receive presentation.

## **ATTACHMENT:**

1. Presentation: 25th Annual Report on the Conditions of Children in Orange County

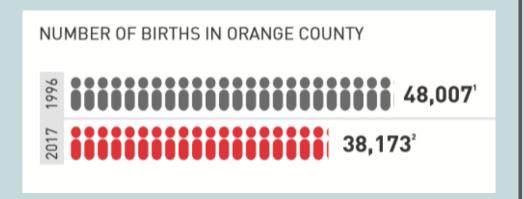
Contact: Lisa Burke

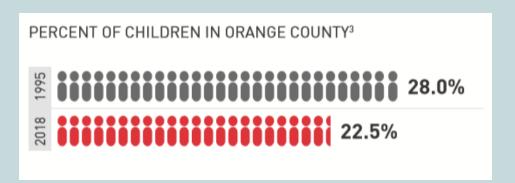


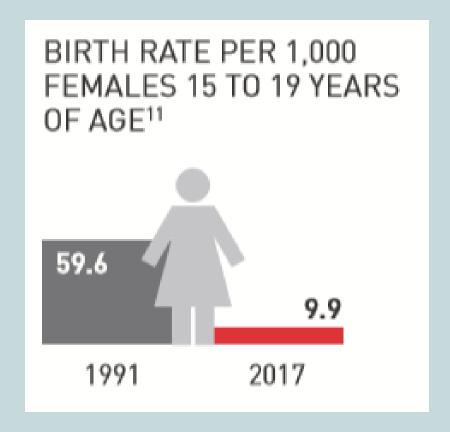
# How are Orange County's Children Faring?

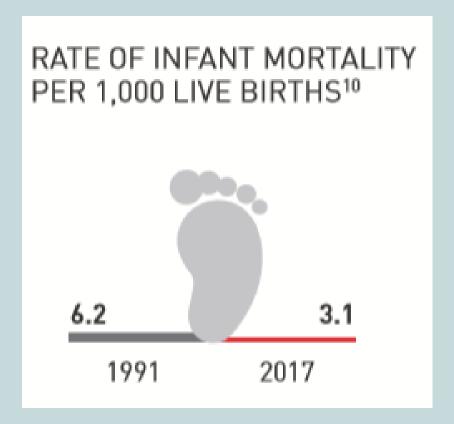
- 28 Indicators Presented in Four Areas
  - Good Health
  - Economic Well-Being
  - Educational Achievement
  - Safe Homes and Communities

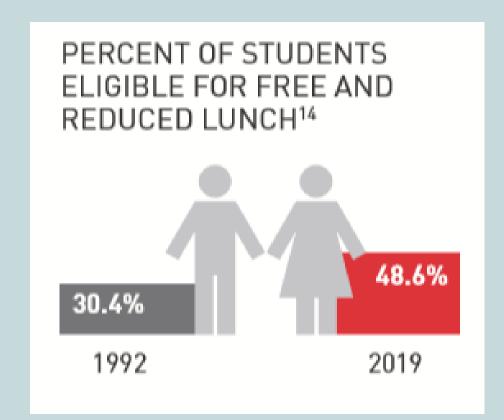
More than 100 additional supplemental indicators online

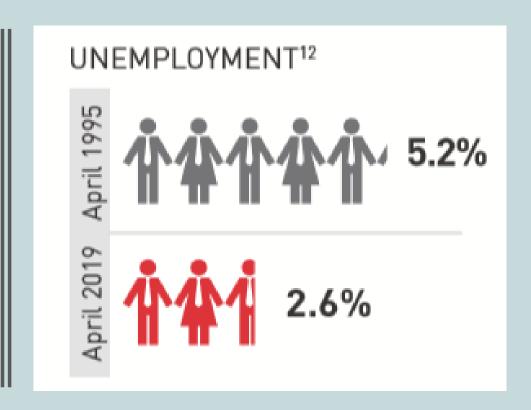


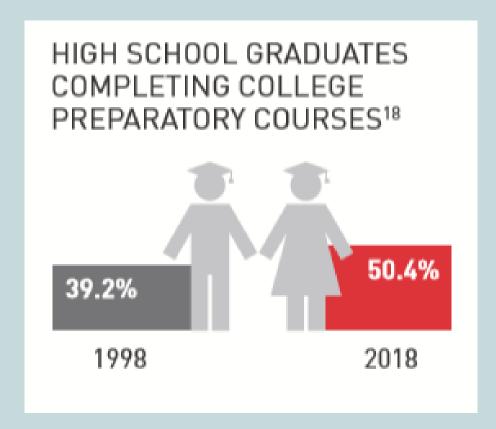


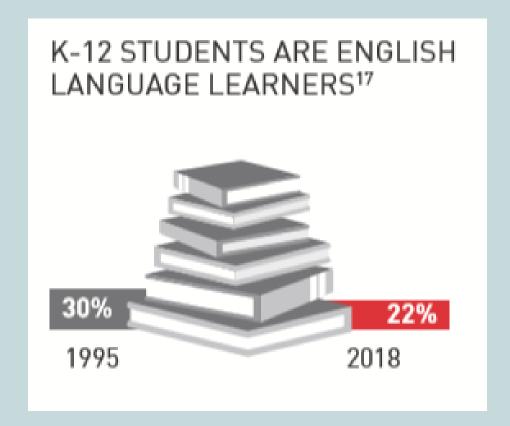


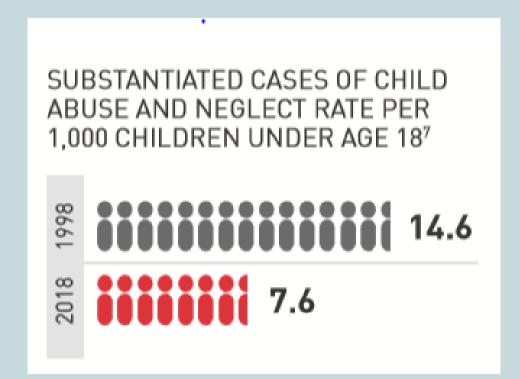


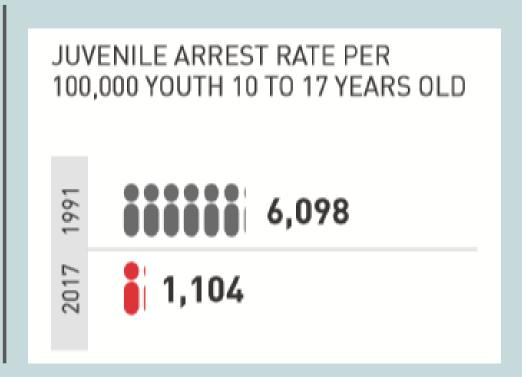












# Good Health: 8 Indicators Show Improvement

#### ACCESS TO HEALTH CARE

PERCENT OF UNINSURED CHILDREN



10.9% 3.3% 2008 2017

#### PRETERM BIRTHS

PERCENT OF PRETERM BIRTHS



9.5% 7.5% 2008 2017

#### OBESITY

PERCENT OF 5<sup>TH</sup> GRADE STUDENTS WITH HEALTH RISK DUE TO BODY COMPOSITION



18.3% 18.4% 2013/14 2017/18

#### EARLY PRENATAL CARE

PERCENT OF WOMEN WHO RECEIVED EARLY PRENATAL CARE IN THE FIRST TRIMESTER EXCLUDING SELF-PAY DELIVERIES



87.9% 88.6% 2008 2017

#### TEEN BIRTHS

BIRTH RATE PER 1,000 FEMALES 15 TO 19 YEARS OF AGE



27.7 9.9 2008 2017

## PHYSICAL FITNESS AND NUTRITION

PERCENT OF 5<sup>TH</sup> GRADE STUDENTS WITH HEALTH RISK DUE TO AEROBIC CAPACITY



5.8% 6.0% 2013/14 2017/18

#### INFANT MORTALITY

RATE OF INFANT MORTALITY PER 1,000 LIVE BIRTHS



4.8 3.1 2008 2017

#### BREASTFEEDING

PERCENT EXCLUSIVE BREASTFEEDING AT TIME OF HOSPITAL DISCHARGE



63.1% 67.0% 2012 2018

#### BEHAVIORAL HEALTH

HOSPITALIZATION RATE FOR SERIOUS MENTAL ILLNESS AND SUBSTANCE ABUSE PER 10,000 CHILDREN



16.7 25.4 2008 2017

#### LOW BIRTH WEIGHT

PERCENT OF INFANTS WITH LOW BIRTH WEIGHT



6.4% 5.8% 2008 2017

#### IMMUNIZATIONS

PERCENT OF CHILDREN ADEQUATELY IMMUNIZED BY KINDERGARTEN



89.6% 95.7% 2009 2018



ENT

LEMAND THEND MELOS PHYRONEMENT





## Access to Health Care

## Percent of Children Under 18 Years Who Were Uninsured

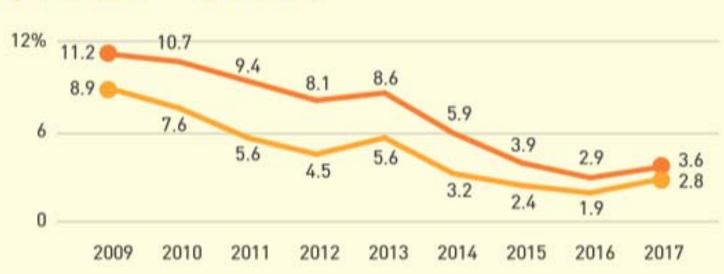
Orange County, California and United States, 2008 to 2017

- Orange County
- California
- United States

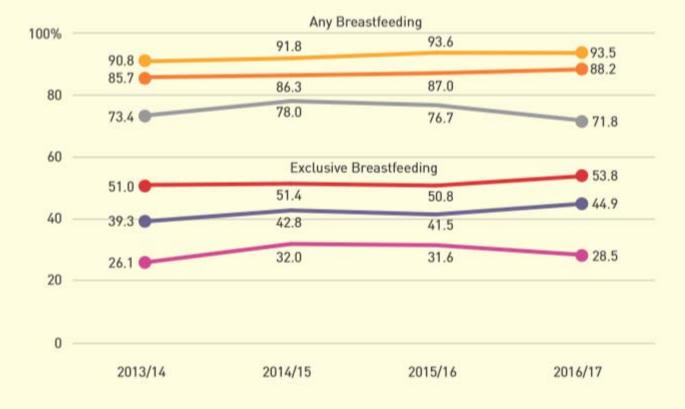
## By Age Group, 2009 to 2017







## Breastfeeding



## Breastfeeding Percentages at One Week, One Month and Three Months After Delivery, 2013/14 to 2016/17

- Any breastfeeding 1 week postpartum
- Any breastfeeding 1 month postpartum
- Any breastfeeding 3 months postpartum
- Exclusive breastfeeding 1 week postpartum
- Exclusive breastfeeding 1 month postpartum
- Exclusive breastfeeding 3 months postpartum

## Obesity

## % of Students

- 31.1% or Greater
- 20.1% 30.0%
- **10.1% 20.0%**
- **0.0% 10.0%**

13 8 1 8 2 83 a 18 13

Percent of 5th Grade Students at Health Risk Due to Aerobic Capacity, by School District, 2017/18

## **Behavioral Health**

## Mental Health and Substance Abuse-Related Hospitalizations, Rate per 10,000 Children, 2008 to 2017

- --- Total
- Mental Illness
- Other
- Substance Abuse

Source: Orange County Health Care Agency, Health Policy - Research
Note: 'Other' includes mental disorders such as other unspecified mood disorders,
conduct disorders and disorders related to sleep, eating, elimination and pain.



# Economic Well-Being: 2 Indicators Shows Improvement



## Child Poverty

Percent of Children Under 18 Years Old, Living in Poverty, Orange County, California and United States, 2010 to 2017

- United States
- California
- Orange County

Source: U.S. Census Bureau, 2013-2017 5-Year American Community Survey

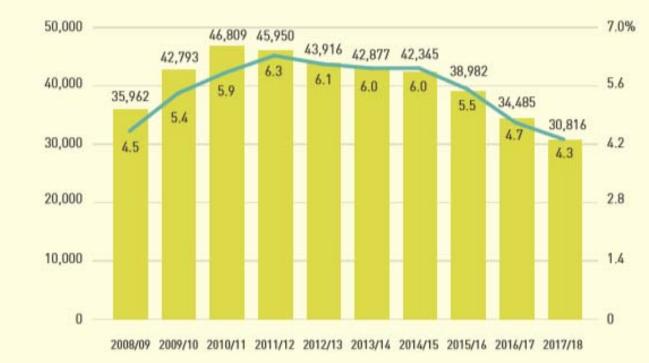


## **CalWORKs**

Number and Percent of Children Under 18 Years Old Receiving CalWORKs 2008/09 to 2017/18

- Number of Children
- Percent of Children

Source: County of Grange Social Services Agency



## CalFresh & WIC

Number and Percent of Children Under 18 Years Old Served by CalFresh and Number of Participants Served by WIC 2008/09 to 2017/18

- CalFresh
- · WIC
- Percent Served by CalFresh

Note: Data represents fiscal Year [July – June] monthly averages for CalFresh. Source for CalFresh: Orange County Social Services Agency Source for WIC: Orange County Health Care Agency/Nutrition Services-WIC



## Housing

% Students with Insecure Housing

- 12.1% and Greater
- 8.1% 12.0%
- 4.1% 8.0%
- 0.0% 4.0%



Percent of Enrolled Students with Insecure Housing, by School District, 2017/18

# Educational Achievement: 5 Indicators Show Improvement

#### KINDERGARTEN READINESS

PERCENT OF CHILDREN READY FOR KINDERGARTEN



51.9% 52.9% 2015 2019

## HIGH SCHOOL DROPOUT RATES

PERCENT OF HIGH SCHOOL DROPOUTS FOR GRADES 9-12 COHORT



12.3% 5.3% 2009/10 2017/18

## THIRD GRADE ENGLISH LANGUAGE ARTS

PERCENT OF THIRD GRADE STUDENTS WHO MET OR EXCEEDED STATE STANDARDS FOR ENGLISH LANGUAGE ARTS



46.0% 55.0% 2014/15 2017/18

## **COLLEGE READINESS**

PERCENT OF GRADUATES WITH UC/CSU ELIGIBLE REQUIREMENTS



**44.9**% **52.0**% 2007/08 2016/17

## THIRD GRADE MATHEMATICS

PERCENT OF THIRD GRADE STUDENTS WHO MET OR EXCEEDED STATE STANDARDS FOR MATHEMATICS



**51.0**% **58.0**% 2014/15 2017/18

## CHRONIC ABSENTEEISM

PERCENT OF STUDENTS CHRONICALLY ABSENT FROM SCHOOL



7.7% 8.3% 2016/17 2017/18

## Kindergarten Readiness

Percent of Children Ready for Kindergarten, by Community of Residence, 2019 20 % of Students ● 61.0% or Greater 29 54.0% - 60.9% 46.0% - 53.9% 45.9% or Less Few Data (less than 10 EDI records) O No data available 19

## Third Grade English Language Arts

Overall Achievement in ELA Among Third Grade Students, by Race/Ethnicity, 2015 and 2018

2015 Standard Exceeded/Met

2018 Standard Exceeded/Met



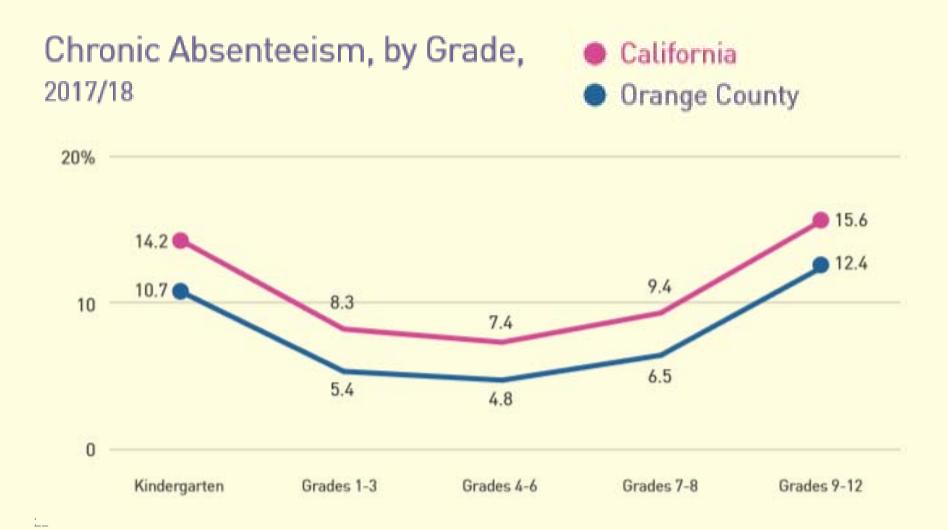
## Third Grade Mathematics

Overall Achievement Among Third Grade Students in Mathematics, by Socioeconomic Status, 2015 and 2018

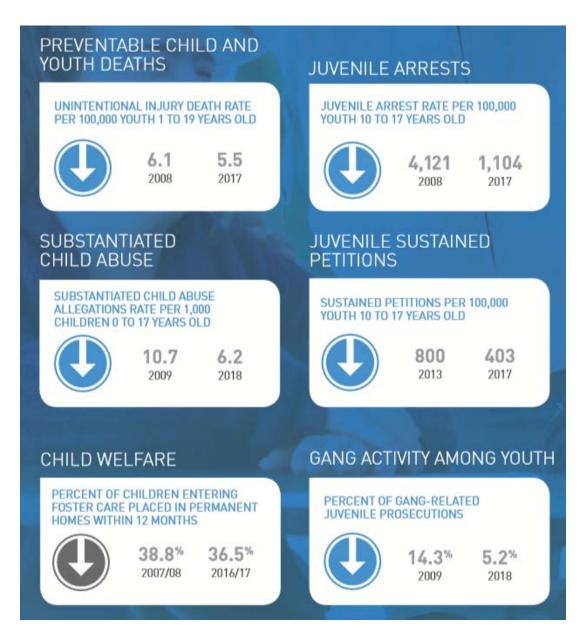
- Standard Not Met
   Standard Met
- Standard Nearly Met
   Standard Exceeded



## Chronic Absenteeism



Safe Homes and Communities: 5 Indicators Show Improvement



## Preventable Child and Youth Deaths

Leading Causes of Death for Children One to 19 Years Old, by Age Group and Number of Deaths, 2015-2017

100	1-4 Years	5-9 Years	10-14 Years	15-19 Years	1-19 Years
FIRST LEADING CAUSE	Unintentional Injuries (19)	Cancer [20]	Cancer [13]	Unintentional Injuries (60)	Unintentional Injuries (109)
SECOND LEADING CAUSE	Cancer [14]	Unintentional Injuries [15]	Unintentional Injuries (11)	Suicide (40)	Cancer (66)
THIRD LEADING CAUSE	Congenital Anomalies (11)	Congenital Anomalies (8)	Suicide (6)	Homicide (29)	Suicide (46)

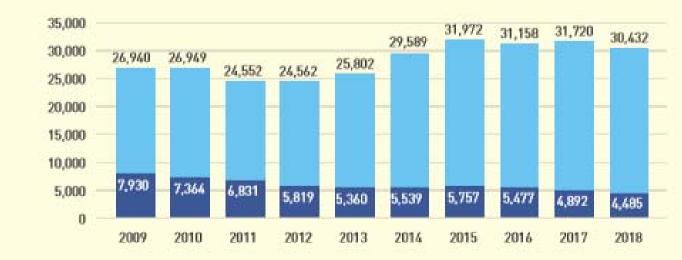
Notes: Three-year total number of deaths. Source: Orange County Health Care Agency

## Substantiated Child Abuse

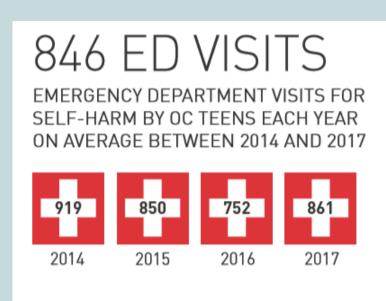
Total Number of Children with Child Abuse Allegations and Substantiated Allegations, 2009 to 2018

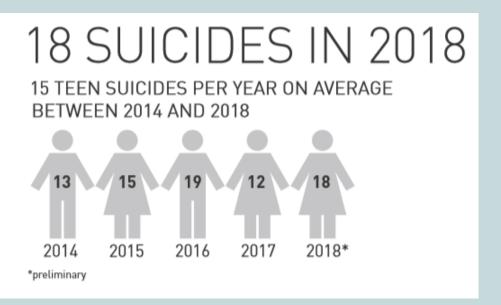
- Child Abuse Allegations
- Substantiated Allegations

Note: Numbers are based on unduplicated count of children. Source: CWS/CMS 2018 Quarter 4 Extract, Orange County Social Services Agency



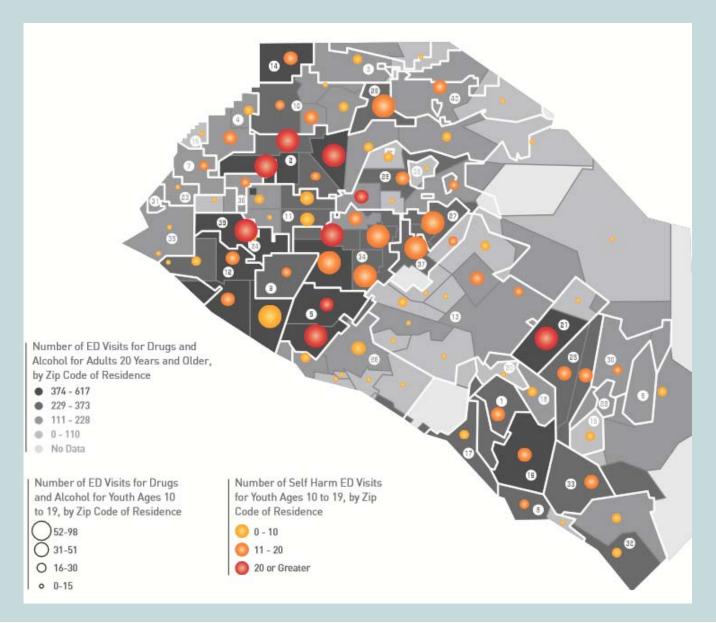
## **OVERLAY MAPS: Mental Health**





RISK FACTORS: Adult Substance Abuse and Teen Self

Harm



# PROTECTIVE FACTORS: Kindergarten Readiness and School Connectedness



## Countywide Outreach

- Upcoming Community forums
- Sharing by Orange County Children's Partnership and beyond
  - Digital report
  - Newsletters with link
  - Social media platforms



Agenda Item 13 December 4, 2019

**DATE:** November 21, 2019

**TO:** First 5 Orange County Children and Families Commission

**FROM:** Kimberly Goll, Executive Director

**ACTION:** Receive the Executive Officer's Report

### A. Updated Strategic Plan Implementation Dashboard

The updated Strategic Plan Implementation Dashboard (Attachment 1) provides an at-a-glance look at progress through November 2019 across First 5 Orange County's Strategic Plan goals and objectives. Significant work has occurred in this second fiscal quarter, with a few key activities highlighted below:

Timbely Dorl

- Homeless Prevention a Request for Proposals (RFP) for homeless prevention services was released September 23 with three key funding areas: 1) emergency transitional services; 2) homeless diversion programs; and 3) housing navigation programs. The RFP encouraged a collaborative approach to submittals. Four proposals were received and are currently being reviewed. The funding panel will meet in mid-December to develop recommendations for incorporation into the February 2020 renewals.
- Events working towards building committed leadership on critical issues for young children, First 5 Orange County sponsored two events this quarter. The first was a Maternal Mental Health Symposium held on October 8 in partnership with 12 Orange County organizations. Over 100 attendees strategized on ways to address perinatal mood disorders and learned about available Orange County resources. The second event was an Obesity Forum held on October 19 that focused on practical strategies to prevent and address obesity in early childhood. Over 50 pediatricians, nurses, and registered dieticians participated.
- Engaged Neighborhoods the first phase of community profiles has been completed for the cities of Anaheim and Garden Grove. Phase 1 is a landscape analysis that uses neighborhood-specific Early Development Index findings and identifies community assets as well as the readiness of neighborhoods to develop and advance shared goals related to early childhood. This is part of First 5 Orange County's effort to engage neighborhoods to increase awareness of the importance of early childhood and improve outcomes for their young children.

#### **B.** Strategic Communications Report

Curt Pringle & Associates (CP&A) provides strategic communications services in the areas of legislative advocacy, community partnerships and public awareness. The Legislative and Strategic Communications Quarterly Report (Attachment 2) summarizes their current activities for only the months of October and November 2019. During these months, CP&A tracked statewide legislation and provide a status on the bills supported by the First 5 Association in their report. CP&A is also supporting outreach and coordinating meetings with elected officials in Anaheim and Garden Grove on the Early Development Index (EDI); building relationships with Orange County employers to raise awareness of early childhood issues; and facilitating community partnerships with homeless shelter providers that serve families with young children.

Doug Chaffee

#### C. Census 2020 Update

Orange County efforts are underway to prepare for the 2020 Census. It is estimated that at least 18,000 Orange County young children were not counted in the 2010 Census, resulting in the loss of approximately \$36 million in vital federal funding. First 5 Orange County is working to ensure that all children ages zero to five are counted and is partnering with the Census 2020 OC Counts and Charitable Ventures. A special Early Child Census Expo to reach families with young children was held on Tuesday, November 5 at the Delhi Center in Santa Ana. The Expo brought together service providers, nonprofit organizations and community partners to learn from the First 5 Association and experts in the field about statewide goals, proactive census community outreach and engagement strategies for families. Regional breakout sessions were held to align efforts and messaging across engaged stakeholders and to identify potential outreach gaps. Participants included family case workers; early learning specialists; nonprofit organizations; federal, state, and local elected offices and the County of Orange. First 5 Orange County is working closely with the First 5 Association, California Head Start Association, and California WIC Association to partner and provide a unique, grassroots, trusted messenger approaches to Census outreach targeting the 0-5 family population in California.

#### D. Organizational Update

At the October 2019 meeting the Commission considered an organizational structure updated to align with the 2019-2024 Strategic Plan. The approved organization chart included two positions that were not listed on the previous salary range structure included as a table in the Salary and Benefits Policy. Attachment 3 is provided for both informational purposes and as an update regarding the implementation actions. The table has been revised to add the Administrative Manager III title. No other changes have been made.

#### E. Consultant RFQ

The First 5 Orange County business model uses technical and project management consultants to help develop and implement strategies established by the Commission. There are approximately 30 individuals and organizations currently contracted for consulting services. Periodically, a Request for Qualifications (RFQ) is released to invite applicants interested in providing consultant services to ensure the most comprehensive pool of qualified consulting applicants. Placing qualifying applicants on these rosters does not obligate the utilization of their services, and no commitment is made to issue contracts or engage their services in any way. An RFQ is anticipated to be released in early January 2020 to update a new consultant roster. New applicants may submit and individuals and organizations currently on the roster must confirm their intent to remain on the roster. Applications are expected in February 2020. An updated roster of qualified applicants and request for authority to enter into consultant contracts will be brought to the April 2020 Commission meeting.

#### **ATTACHMENTS:**

- 1. Strategic Plan Implementation Dashboard
- 2. Legislative and Strategic Communications Quarterly Report
- 3. Salary and Benefits Policy Table



# Strategic Plan Implementation Plan Dashboard



The Implementation Plan Dashboard tracks progress made toward activities to be accomplished in fiscal year 2019/20 to support the priorities of First 5 Orange County's 2019-2024 Strategic Plan.

Strategic Plan Goals O Not Yet Started In Progress Complete	<ul><li>Or</li></ul>	n Hold		
Resilient Families	Jul-Sept 2019	Oct-Dec 2019	Jan-Mar 2020	Apr-Jur 2020
Update the Bridges Maternal Child Health Network model to align with the Strategic Plan and link more seamlessly with perinatal mental health, child abuse prevention programs, and early learning services and settings		•		
Improve access to prevention services and treatment for perinatal mood and anxiety disorders				
Create backbone agency support for family homeless prevention	$\bigcirc$			
Quality Early Learning				
Modify School Readiness Initiative scope of work to align with Strategic Plan				
Increase the number of Family Childcare, private childcare sites and alternative sites that participate in Quality Start OC				
Complete a childcare landscape scan for children ages 0 - 3	$\bigcirc$			
Comprehensive Health and Development				
Improve access to oral health care for underserved children through continued implementation of the Dental Transformation Initiative Local Dental Pilot Program				
Conduct educational forums to increase effectiveness of early childhood obesity prevention activities among health care providers				
Increase the routine use of validated screening tools by pediatric providers and improve linkage with early intervention services				
Across All Goal Areas				
Integrate early childhood and promote upstream prevention in countywide planning efforts and collaborations				

## **Strategic Directions**

Committed Leadership	Jul-Sept 2019	Oct-Dec 2019	Jan-Mar 2020	Apr-Jun 2020
Build relationships with countywide leaders (current and future) to increase representation of early childhood advocates in countywide leadership positions				
Create communications materials (by First 5 Orange County and with partners) to broadcast consistent messages to leaders, as well as targeted messages that are relevant to a sector's priorities				
Plan and implement Census 2020 outreach for 0 – 5 population				
Engaged Neighborhoods				
Develop a community identification process that considers data, assets, and readiness, and identify communities based on that process				
Develop capacity to conduct community outreach and elevate community leaders	$\bigcirc$	$\bigcirc$		
Connected Systems				
Identify system stakeholders and conduct outreach to engage in system assessment and quality improvement work, to be piloted with P-3 group				
Conduct system coordination assessment				
Convene system stakeholders to formulate a shared agenda for system improvements based on assessment results	$\bigcirc$	$\bigcirc$		
Aligned Investment				
Create funding approach that aligns investments with data, evaluation results, and strategic priorities				
Revise performance measurement system to align with strategic plan and implement				
Develop process for investment in system building work	0	$\bigcirc$		
Sustained Funding				
Develop 0-3 child care funding leveraging plan to identify dollars, assess availability, and work to obtain it	$\bigcirc$			
Develop strategies to increase use of entitled benefits in existing programs	$\bigcirc$	$\bigcirc$		
Develop a state home visiting funding leveraging plan to identify dollars, assess availability, and work to obtain it				



**To:** Kim Goll, Executive Director

First 5 Orange County

From: Clare Venegas, Vice President

**Curt Pringle & Associates** 

Date: November 20, 2019

**Subject:** Legislative and Strategic Communications Quarterly Report

The following is a summary of activities that were provided by Curt Pringle & Associates (CP&A) to First 5 Orange County during a portion of the second quarter of FY2020, covering the period of October through November 2019.

#### State Legislative Update

Our firm regularly tracks bills identified by the statewide First 5 Association for impact to the Commission. Of the 15 bills the Association supported or co-sponsored this past session, 10 did not make it through the legislative process.

Four bills the Association supported were signed, including AB 1004, which requires the inclusion of free developmental screening services for individuals zero to 3 years of age for Medi-Cal beneficiaries, consistent with federal law.

Only one bill supported by the First 5 Association was vetoed by the Governor -- AB 197. AB 197 would have mandated that school districts implement full-day kindergarten programs by the 2022-23 school year. In his veto message, the Governor noted that while he supports full-day kindergarten (and included in the state budget \$300 million in grants for school districts to build full-day kindergarten facilities), the bill would have imposed new, additional costs not currently funded included in the budget.

We will continue to work with the First 5 Association when the legislature reconvenes in January, and stay apprised of the Governor's proposed FY2020-2021 budget as details are unveiled.

#### **EDI Outreach**

Building on 'Committed Leadership' and 'Engaged Neighborhoods,' two of the five Strategic Directions outlined in the Commission's Strategic Plan, CP&A has been assisting Commission staff in identifying individuals and groups to meet with and discuss the value of EDI in specific high-need areas. We have focused recent efforts on outreach with elected officials in Anaheim and Garden Grove, two cities that currently have ongoing 'community collaboratives', similar to the successful collaborative effort in Santa Ana.

To gain a better understanding of the work that is already being done in Anaheim, we participated in Network Anaheim's EDI Taskforce committee, made up of representatives of the Anaheim Elementary School District, nonprofits such as the Boys and Girls Club, and public agencies such as the Anaheim Public Library. The task force since last fall has been working to develop ways to engage local policy makers on early childhood policies that could be implemented at the city. To that end, committee members have participated in the ongoing "Anaheim First" workshops to raise awareness about the need to prioritize early childhood policies.

We also met with Al Jabbar, chief of staff to Commissioner Chaffee, about ways to work together on briefing Anaheim council members as the EDI Task Force prepares to begin their outreach efforts in early 2020. We will also be participating in the upcoming meeting of the Garden Grove collaborative to gain a better understanding of that group's current efforts and how we might best support awareness of their efforts among local policy makers.

We will continue to work with commission staff in connecting Anaheim and Garden Grove policy makers to the ongoing collaborative efforts in those communities, as this is a long-term, ongoing effort to build 'Committed Leadership' among policy makers and 'Engaged Neighborhoods' among parent leaders and community members in high-need areas.

#### **Business Outreach**

CP&A continues to assist the Commission staff in building relationships with Orange County employers raise awareness about early childhood issues such as childcare. At the end of September, CP&A facilitated a meeting with executives of the Disneyland Resort to develop a better understanding their recently announced \$10 million investment for cast member childcare needs. As a result of that meeting, Commission staff is developing a 'common resources' one-pager that identifies services applicable to the four-county area (Orange, LA, Riverside, and San Bernardino) where a predominance of their employees live.

#### **Community Partnerships**

CP&A is exploring ways the Commission could potentially partner with nonprofits such as Salvation Army and Jamboree Housing. Salvation Army is a faith-based nonprofit leading the

construction of a number of homeless shelter projects that serve families, while Jamboree Housing is an Irvine-based nonprofit developer and operator of affordable housing and permanent supportive housing units, which also house families with young children. CP&A has facilitated meetings with key individuals of these organizations with Commission staff, and will continue to assist as needed.

### SALARY RANGE STRUCTURE

Table 1

Children and Families Commission of Orange County Salary Structure					
Employee Title	Hourly Minimum	Hourly Maximum			
Administrative Manager I	25.50	50.70			
Administrative Manager II	35.47	63.04			
Administrative Manager III	47.18	82.85			
Executive Assistant	14.42	54.27			
Staff Analyst I	\$15.67	\$25.94			
Staff Analyst II	\$19.78	\$32.75			
Staff Analyst III	\$22.23	\$36.80			
Senior Staff Analyst	\$24.68	\$40.85			
Staff Specialist	22.07	29.52			
Executive Positions					
Executive Director  Salary established by Commission via employment contract.					



## CLOSED SESSION Agenda Item 14 December 4, 2019

**DATE:** October 28, 2019

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

FROM: Kimberly Goll, Executive Director Zimleley Holl

**SUBJECT:** Pursuant to Government Code Section 54957(b) to evaluate the performance of the

Commission Executive Director, Kimberly Goll

Public Employee Performance Evaluation - Government Code Section 54957(b)

Title: Commission Executive Director

**Contact:** Commission Counsel

telephone

714 834 5310