

Strategic Plan, Business Plan and Annual Budget Actions

**April 4, 2012 Commission Meeting
Presentation for Agenda Item No. 5**



Children & Families
Commission of Orange County

Overview

- Annual public hearing to review and approve:
 - Strategic Plan
 - Business Plan
 - Annual budget for the upcoming fiscal year
 - Budget adjustments for the current fiscal year.
- Long Term Financial Plan is reviewed in advance of the budget and business plan to ensure budget decisions consider long term financial impacts.

Strategic Plan

Per State Guidelines, the Commission adopted a Strategic Plan in 2000 prior to the release of any funding. The plan provides an overall framework for all of the Commission's investments and the lens to evaluate the Commission's impact on the lives of children and families in Orange County.

- **Vision**

- All children are healthy and ready to succeed.

- **Mission**

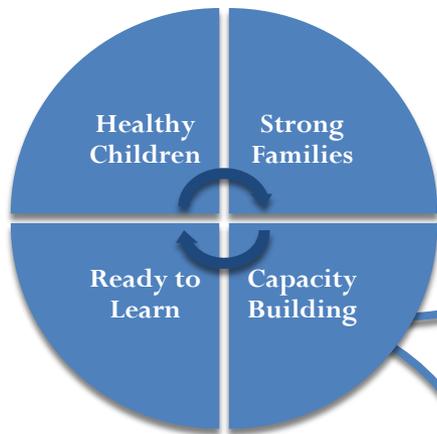
- Provide leadership, funding and support for programs that achieve the vision that all children are healthy and ready to succeed when they enter school.

- **Goals**

- **Healthy Children:** Ensure the overall physical, social, emotional and intellectual health of children during the prenatal period through age five.
- **Early Learning:** Provide early care and education opportunities for young children to maximize their potential to succeed in school.
- **Strong Families:** Support and strengthen families in ways that promote good parenting for the optimal development of young children.
- **Capacity Building:** Ensure an effective delivery system for child and family services through quality staff, efficient operations, and continual performance measurement.

Children and Families Commission of Orange County Strategic Plan Priority Outcomes & Targets for the Next Three to Five Years

All children are healthy and ready to succeed.



Improved educational outcomes for all OC children in terms of reading and math proficiency

- *Increased sustainability of district programs (reduced reliance on Commission funding)*
- *Innovative demonstration models replicated through the County*
- *Improved 2nd grade math and reading scores.*

Program Examples

STEM, Early Math Literacy, Early Learning Partnerships

Early identification and preventative services for young children to improve health and educational outcomes and reduce future system costs

- *Increased % of children with developmental screening prior to school entry*
- *Increase in the number of families who read more than three hours per week*
- *Long-term reduction in education and health care system costs.*

Help Me Grow & Early Screening Programs, For OC Kids Autism Program, LEAPS

Sustainable system of critical services for young children

- *Increase the proportion of children who have access to comprehensive, quality health care services (primary and dental care services)*
- *Increase system capacity to support the highest risk families (homeless bed nights & shelters)*
- *Sustainable primary care services (FQHC and lookalikes) and specialty resources.*

Homeless Programs, 211, CHIOC, Healthy Smiles, Primary and Specialty Care Clinics

Long Term Financial Plan

Since 2000, the Commission has annually adopted a Long Term Financial Plan:

- Guide annual financial allocations
 - Develop sustainability strategies
 - Balance short and long-term financial priorities
 - Prepared and reviewed in advance of annual budget
 - Different from annual budget and specific contract actions - Does not specifically allocate or budget funding to programs and/or contracts
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- Key factors addressed annually:
 - Revenue forecast
 - Impact on sustainability
 - Potential legislative threats
 - Program funding plans

Business Plan

- The FY 2012/13 budget continues the approximately 24 percent cut in administrative and management made with the FY 2011/12 budget.
- Business Plan reflects all planned work to be undertaken in FY 2012/13. It includes all Proposition 10 mandated work, including activities stipulated in the Proposition 10 legislation and subsequent statutory requirements.
- Lays out the key strategies and activities, and sustains the reductions that were implemented during the current fiscal year.
- Key priorities for FY 2012/13:
 - Implement the catalytic funding actions by July 1 and provide regular monitoring per contract terms and conditions
 - Continue planning for the Round 2 catalytic investments
 - Continue to prioritize sustainability planning and fund leveraging
 - Support collaborative planning with other funding partners on innovative new program development, including STEM

Funding Strategies

- The Proposed Amended and FY 2012/13 Budget uses the following strategies for investments:
 - **Catalytic Funding** – The FY 2011/12 Budget is proposed to be amended to reflect the catalytic actions taken by the Commission in February. Funding for the Round 2 catalytic investments is included in the FY 2012/13 Proposed Budget. Catalytic funding strategies, provide an opportunity for the Commission to impact outcomes for children without requiring ongoing investments.
 - **Prioritized Direct Funding Grants** – FY 2012/13 Budget renews grant funding for high priority programs, consistent with Commission renewal action in March.
 - **Funding Collaboratives** – The Commission has participated in multi-partner investments to achieve a community outcome. Investment in homeless services is one example and will continue in FY 2012/13.
 - **Innovative Demonstration Models** – The Commission has developed innovative models that can then leverage the funding of other investors. Commission continues to work on ongoing models, such as the STEM (Science, Technology, Engineering and Math) initiative.

FY 2012/13 Budget Assumptions

- Prop 10 revenue allocation 5% decline from FY 2011/12 – will be adjusted based on actual year end revenue.
- Continue with the planned reduction in annual spending, consistent with Long Term Financial Plan
 - FY 12/13 - Program funding = \$29 million
 - FY 13/14 – Program funding = \$27.5 million
- Two-year strategy for budget planning (Approved in December)
 - Provide a more productive planning horizon for internal planning and working with funding partners.
 - Allow initiation of cost-saving plans that may not yield benefits for 18 to 24 months.
- Grant renewals based on reduced FY 2011/12 Contracts approved at March Meeting
 - Reflect lower renewals implemented in FY 2010/11
 - Final contract amounts will be consistent with approved budget
 - Subject to annual review and adjustment, as necessary, due to any unanticipated revenue impacts
- Administrative expenses will be limited to 10% of annual budget consistent with Commission policy

Funding Subject to Future Commission Budget Actions

- The following items have set-a-sides in the FY 2012/13 Budget and will require subsequent action by the Commission:
 - Community Clinic at El Sol Academy (Requires Matching Funds) - \$500,000
 - Specialized Nursing - \$300,000
 - Capacity Building/Matching Funds for Grants - \$250,000
 - Early Math - \$250,000
- Only initial planning funds are included in the FY 2012/13 Budget for the Round 2 Catalytic Projects:
 - Partnership for Children's Health
 - Prevention Program Planning Effort
 - Nutrition and Fitness (Child Obesity Prevention)
 - Capacity Building Grant Cycle
- No expenditures or funding are authorized for these projects in the FY 2012/13 Budget beyond the initial planning and feasibility efforts approved in the Round 2 Catalytic Project Work Plan.

Financial and Program Management

- Provide regular Catalytic Program updates
- Continue planning for Round 2 Catalytic Investments
- Next Steps on FY 2012/13 Budget:
 - Return to the Commission in September/October with Year-end Financial Report and recommended Budget Amendments
 - Provide Commission with updates of year-end actual revenue as available
 - Regular monitoring and financial reporting
- Return in May with Commission Investment Program Recommendations for FY 12/13