



# Long Term Financial Plan Update

**June 3, 2009**

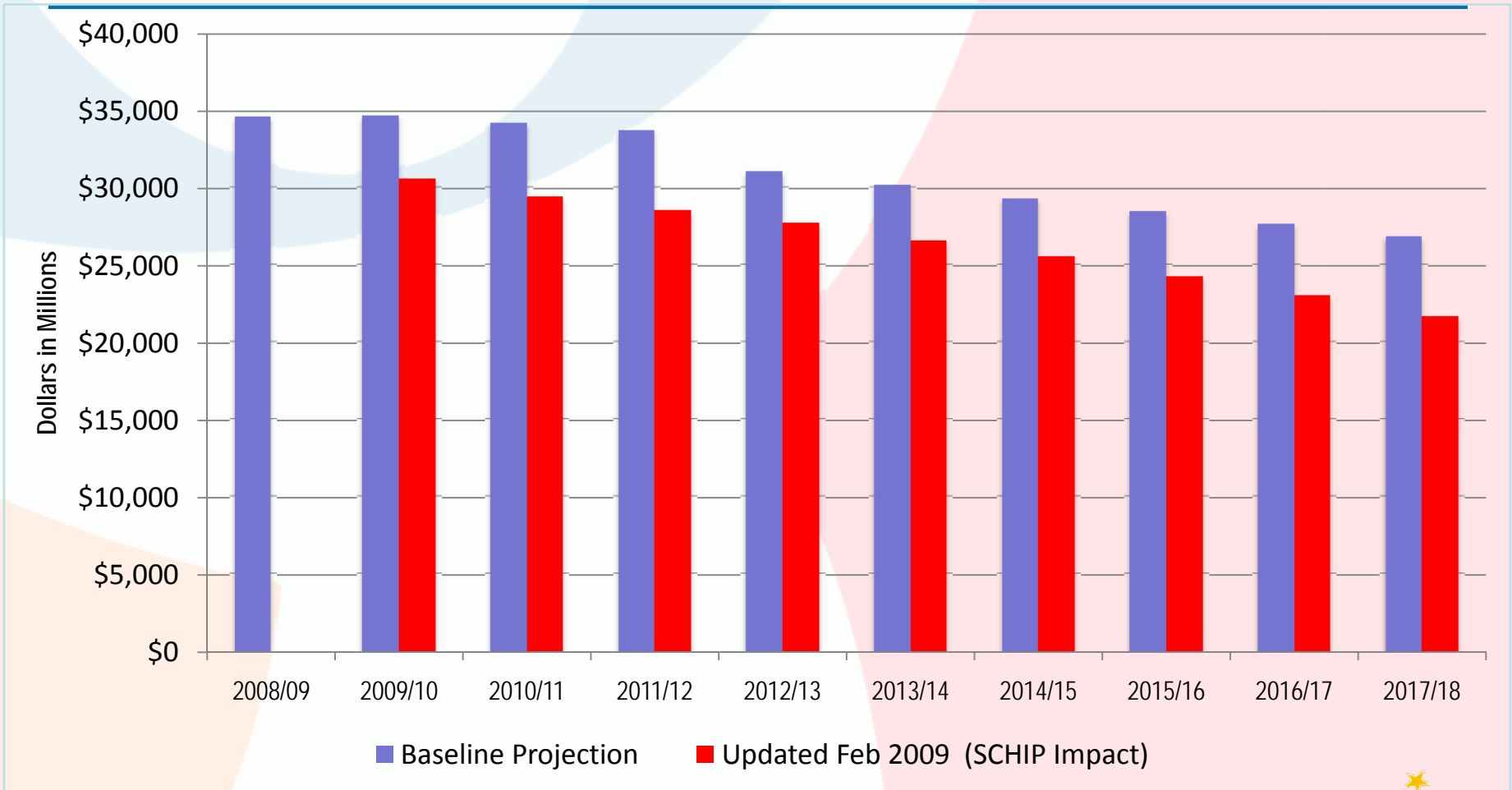
**Commission Annual Planning  
Meeting**

# Long Term Financial Plan

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- 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
  - Different from annual budget and specific contract actions
    - Does not specifically allocate or budget funding to programs and/or contracts

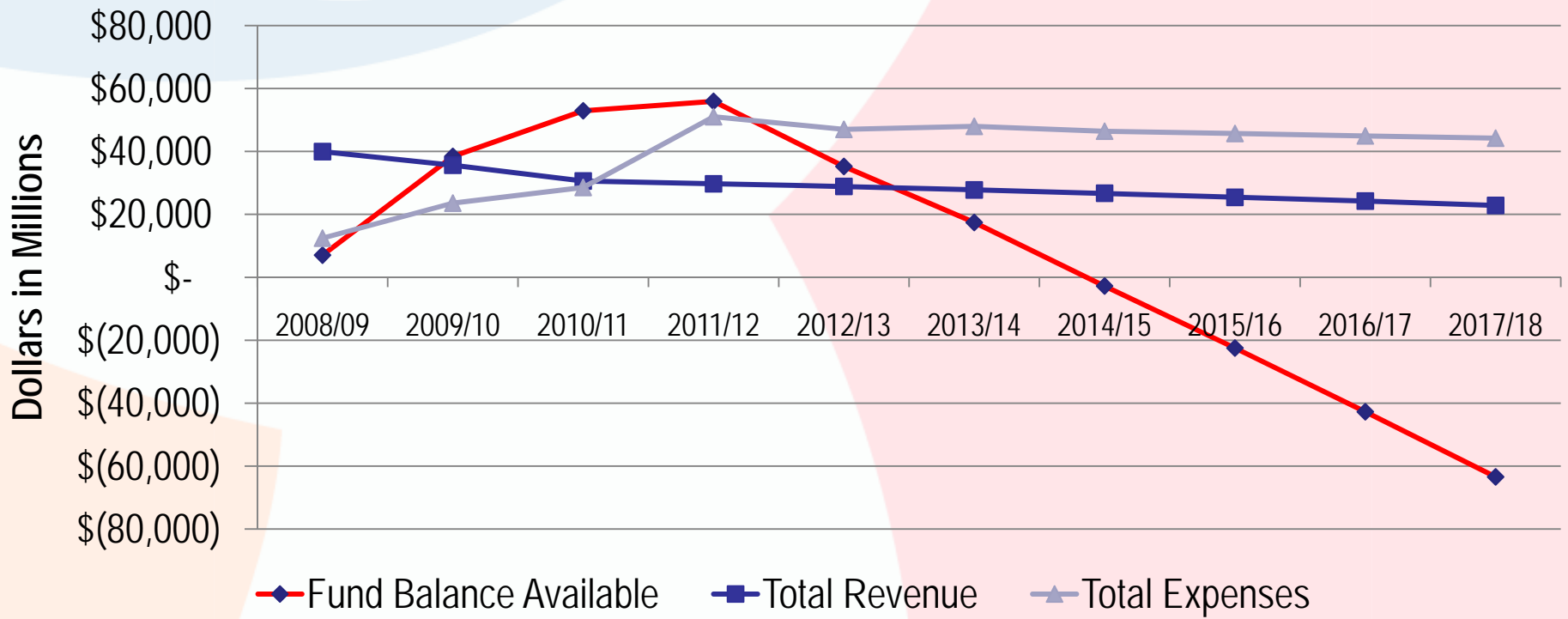
# February 2009 Revised Forecast



*In addition to previously expected revenue decline, the Feb 2009 update assumes an additional annual decline from the impact of the \$.72 increase in tobacco tax instituted with State Children's Health Insurance Program (SCHIP).*

# Long Term Financial Outlook

## Updated Long Term Financial Plan May 2009



# Program Analysis

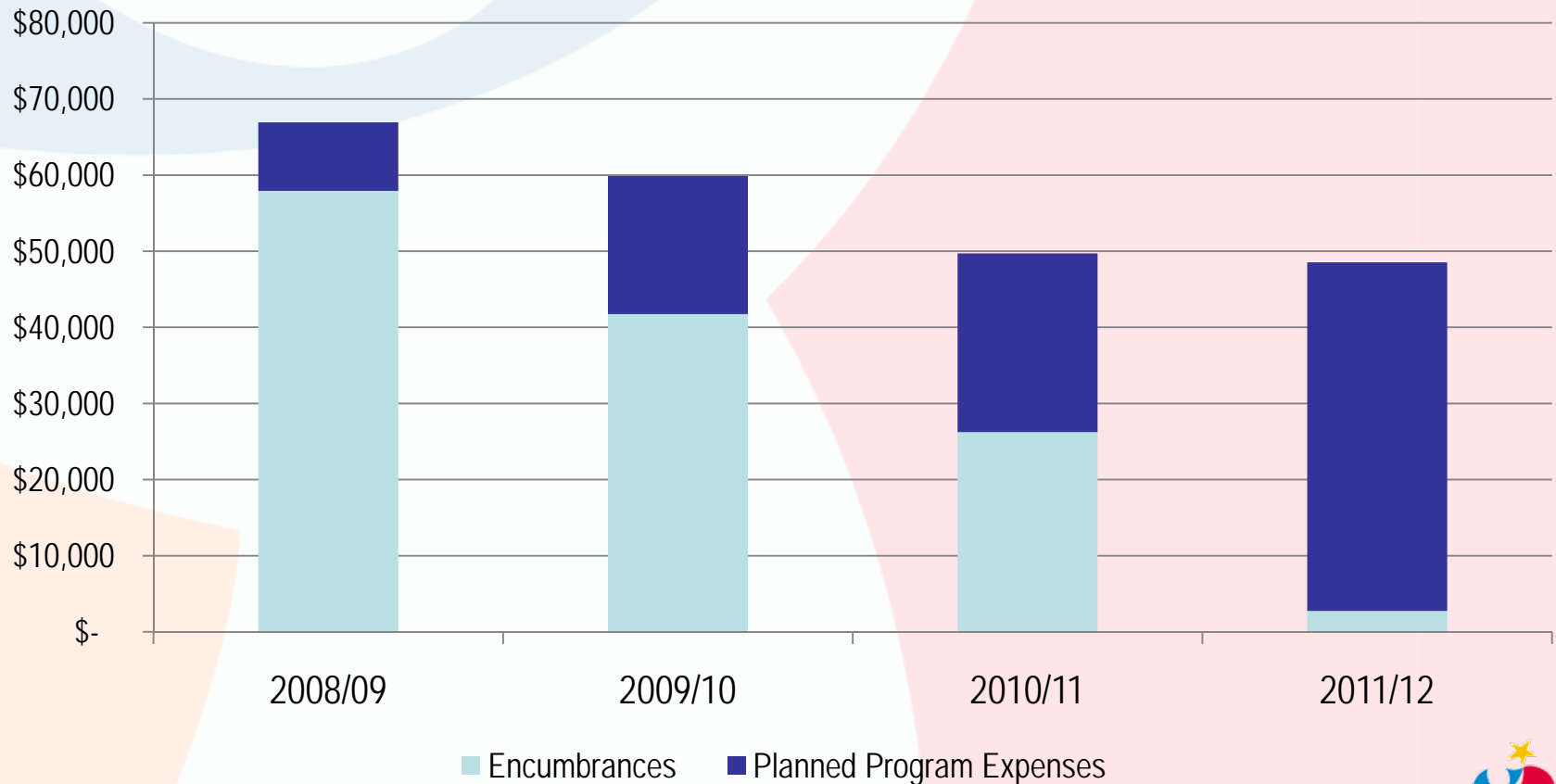
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- Approach to analyzing Commission's portfolio from multiple dimensions
- Analysis demonstrates impact of changes in funding from various priority perspectives:
  - Safety Net Programs
  - Programs Dependent on Commission Funding
  - Participation in Leveraging
  - Early Literacy



# Program Reductions Must Consider Current and Future Commitments

## Program Demands on Next Three Fiscal Years



# Strategies to Address Revenue Declines

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- Re-Evaluate Current Commitments
  - Funded encumbrances of \$42 mil in FY 10/11
  - Funded encumbrances of \$26 mil in FY 11/12
  - All contracts are subject to annual renewal and adjustment
  - Capacity to adjust existing agreements and reallocate funding
- Reduce Future Obligations – Program expenses in future years funded through annual revenue
- Rely on Fund Balance Available – Ability to mitigate funding reductions through reliance on fund balance available



# Background: Bridgespan final report recommended five key shifts to Commission funding

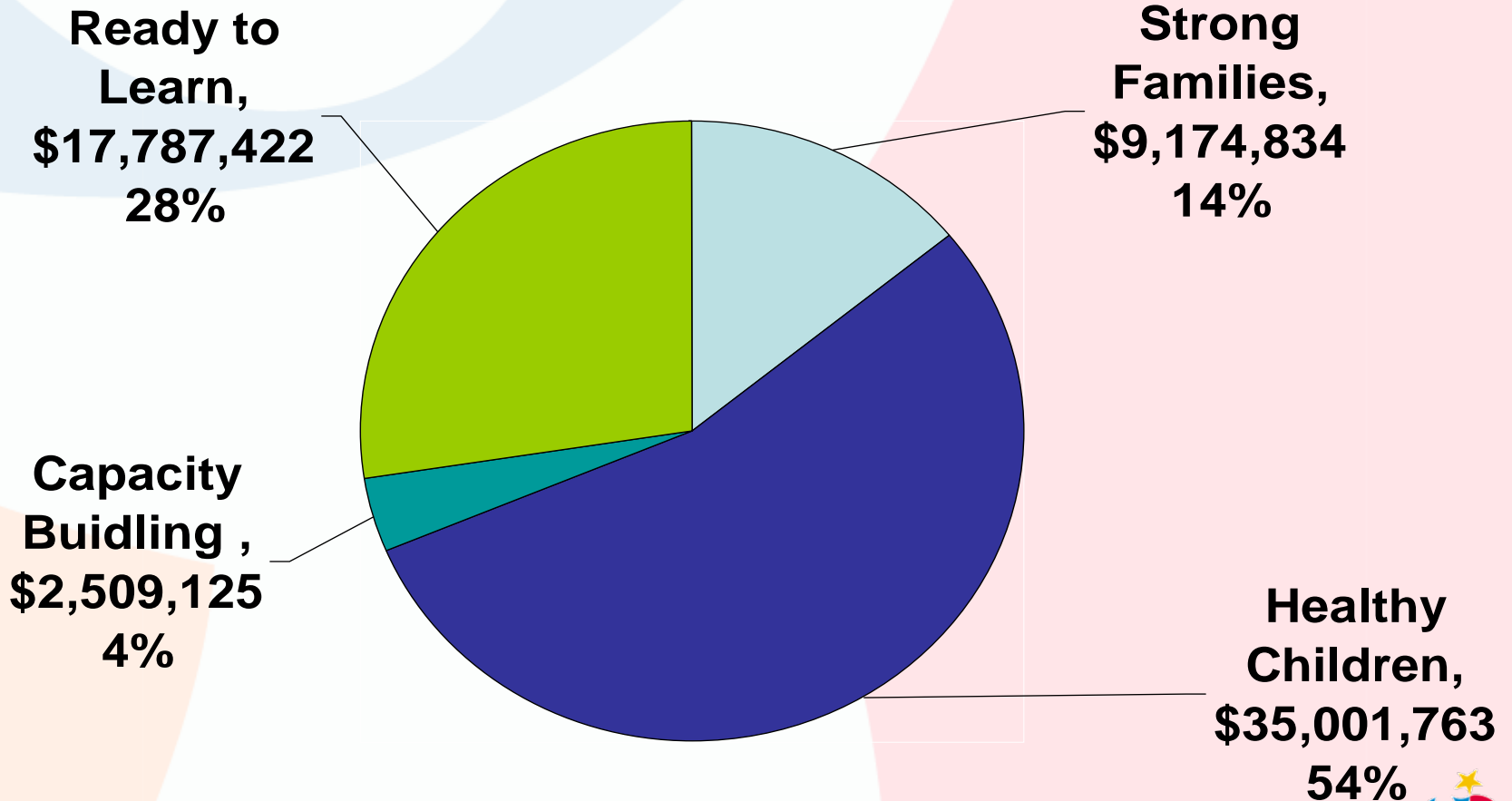
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- Prioritize serving the neediest children rather than all children
- Direct more resources to children's early learning needs
- Improve Commission evaluation system
- Shift a greater percentage of funding to catalytic (versus sustaining) activities
- Augment staff, clarify roles/structure, improve performance management, and enhance communications



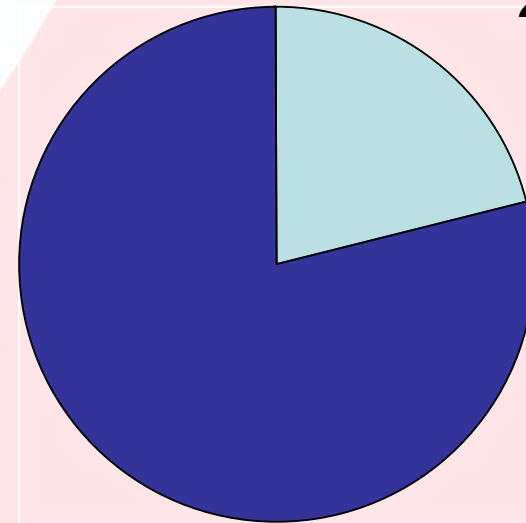
# FY 09/10 Funding Distribution by Goal

*Reflects only local Commission funding; includes both multi-year encumbrances and new allocations planned for 09/10*



# Leverage Funding

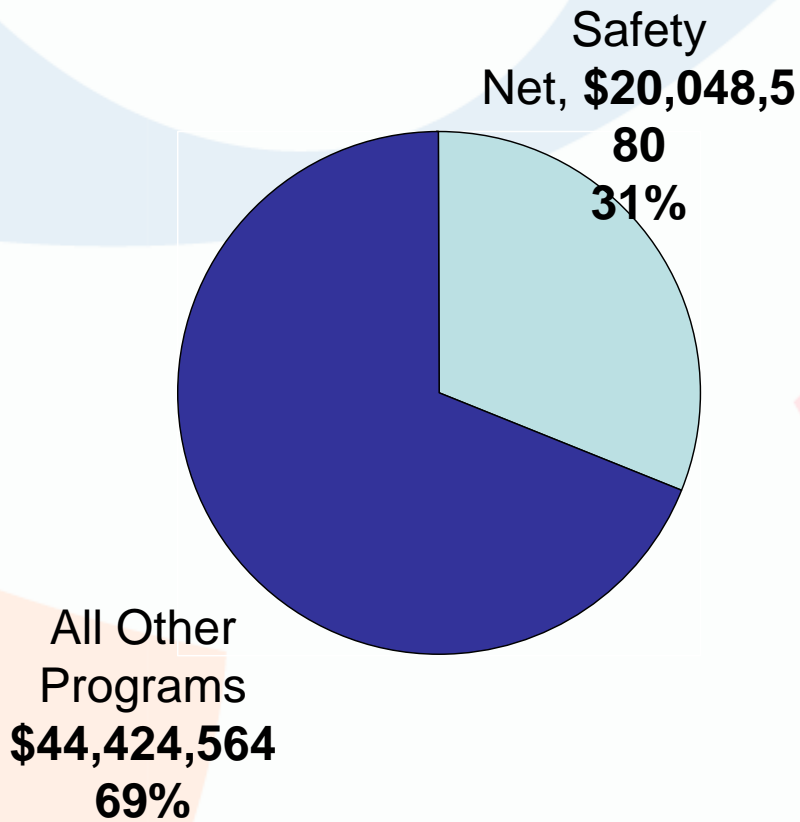
Program	Annual Funding Amount
AmeriCorps/Vista	\$2,509,125
Bridges for Newborns	\$4,109,922
Children's Health Initiative	\$200,000
Prenatal/Public Health Nursing	\$3,327,050
Family Resource Centers (Project Connections)	\$1,931,309
Mental Health	\$1,474,100
<b>Total</b>	<b>\$13,551,506</b>



Participating Programs  
**\$13,551,506**  
**21%**

All Other Programs  
**\$50,921,638**  
**79%**

# Safety Net Programs

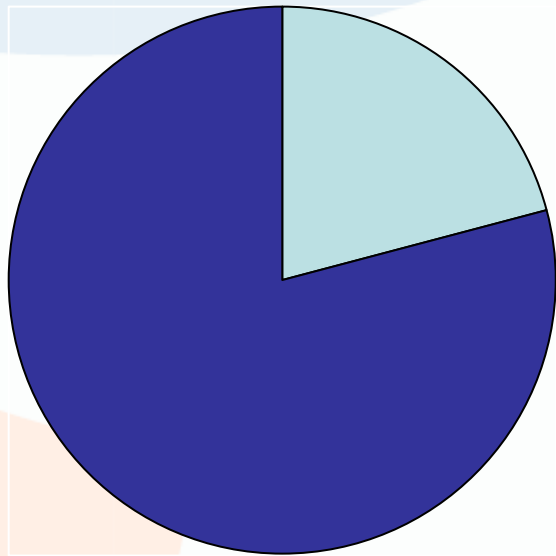


Program	Annual Funding Allocation
Children's Health Initiative	\$200,000
Community Clinics	\$4,293,236
211	\$200,000
Dental	\$1,587,500
Prenatal/Public Health Nursing	\$3,147,050
Homeless Prevention*	\$7,079,734
School Nursing	\$3,541,060
<b>Total Safety Net Funding</b>	<b>\$20,048,580</b>

\*Funding includes operational support to 6 transitional shelters, one time funding for shelter development, and outreach and services to families living in the motels

# Early Learning Programs

Early Learning  
**\$13,739,366**  
**21%**



All Other Programs  
**\$51,820,694**

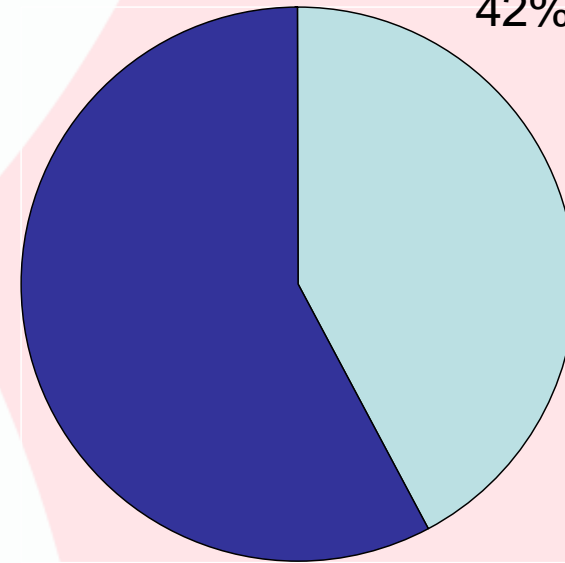
**79%**

Programs	Annual Allocation Amount
Early Literacy Program	\$3,094,423
Ready to Learn Program Grants	\$1,293,385
Local School Readiness	\$2,652,500
School Readiness Expansion	\$1,135,300
Matching Grants for State School Readiness	\$2,563,758
Early Learning & Literacy Expansion	\$3,000,000
<b>Total</b>	<b>\$13,739,366</b>

# Organizations Reliant on Commission Funding

Program Area	Amount for FY 09/10
AmeriCorps/Vista	\$2,509,125
Neurodevelopmental Programs (PHS)	\$4,243,854
Bridges for Newborns	\$4,109,922
Child Safety/Injury Prevention	\$840,930
Dental	\$1,587,500
Early Literacy	\$2,816,282
At Risk Public Health Nursing Home Visitation	\$2,047,550
Developmental Screenings	\$356,000
Homeless Prevention	\$5,237,500
School Nursing	\$3,541,060
<b>Total</b>	<b>\$27,289,723</b>

Dependent on Commission Funding  
\$27,289,723  
42%



All Other Programs  
\$37,183,421  
58%

# Discussion

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- Due to disciplined financial planning, Commission has opportunity to stage reductions and balance priorities
- While reductions are not urgent, prudent financial planning requires the Commission to steadily move to begin prioritization process to mitigate need for more dramatic cuts