

Monthly Meeting Highlights



Children & Families
Commission of Orange County

MAY 2011

The Children & Families Commission of Orange County's regular monthly meeting was held on Wednesday, May 4, 2011. The following is a summary of the Commission actions.

Commission Adopts Changes to Budget and Long Term Financial Plan

At the May meeting of the Children and Families Commission of Orange County, the Commission held a public hearing to consider the annual budget for Fiscal Year 2011/12. The Commission was forced to implement immediate budget reductions in response to the Governor and State Legislators approval of AB 99. AB 99 takes \$1 billion from Proposition 10 funding to plug the State's budget shortfall. Orange County's share is \$51.4 million, or 173% of our total annual revenue. The Commission considered a baseline budget for Fiscal Year 2011/12 of \$43.5 million, but approved a budget that is compliant with AB 99 at \$35.2 million.

Earlier this year, the Commission filed a lawsuit to protect existing contractual agreements for programs providing critical health and early education services for young children, pregnant mothers and homeless families in Orange County. However, while litigation is pending, the Commission must assume that budget cuts be made now in order to make the \$51.4 million payment to the State by June 2012. If legal action is successful, program level funding would be restored to Baseline budget levels.

The Commission will meet the \$51.4 million payment to the State by the following changes to its budget and Long-Term Financial Plan:

- Elimination of its reserve for future funding cycles - Since 2000 when the Commission adopted its first Long-Term Financial Plan, the Commission had established a fund for future funding cycles to mitigate the impact of declining tobacco tax revenue and support program sustainability. This fund will be largely eliminated and provide the bulk of funding for the payment to the State.
- Immediate reduction in FY 2011/12 and future year funding - The Commission budget for FY 2011/12 was reduced by more than \$20 million. Future year funding will be similarly reduced for FY 2012/13 and beyond.
- Reduction in administrative costs - The Commission is committed to minimizing to the degree possible impact to services for children and their families. The FY 2011/12 budget includes about a 24% reduction in administrative costs from the current year administrative budget.

At the June Commission meeting, staff will return with a revised Business Plan for FY 2011/12. Additionally, the Commission will take specific contract actions to authorize agreements at approved funding levels for both prior Commission actions and new funding authorizations.

For more information, please visit the Commission website at www.occhildrenandfamilies.com