

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: 4/23/03
Department Name: General Co. Programs
Department No.: 990
Agenda Date: 5/6/03
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Naomi Schwartz, Chair of Children and Families Commission

STAFF: Pat Wheatley, Executive Director
Children and Families Commission of Santa Barbara County

CONTACT: 884-8085

SUBJECT: Moving Children and Families Strategic Reserve from Long Term Investments into Santa Barbara County Treasury Pool

Recommendation(s):

That the Board of Supervisors consider the following recommendations from the Children and Families Commission of Santa Barbara County:

- A. Request the Treasurer-Tax Collector move the Children and Families Strategic Reserve from long-term investments into Santa Barbara County treasury pool.
- B. Request that the Treasurer continue to ensure that no revenues of the Children and Families Commission be invested in any companies with interests in the tobacco industry.

Alignment with Board Strategic Plan:

The recommendations for a Strategic Reserve for the Children and Families Commission is aligned with Goal No. 3. A Strong, Professionally Managed County Organization and Goal No. 7. A Community that Fosters the Safety and Well-Being of Families and Children.

Executive Summary and Discussion:

On January 22, 2001, the Children and Families Commission unanimously agreed to request the Board of Supervisors approve the establishment of an \$8,000,000 Strategic Reserve from the initial funds received from the State Children and Families Commission Proposition 10 revenues. On February 6, 2001, the Board approved this request, and on April 3, 2001, the Board of Supervisors authorized the Treasurer-Tax Collector to purchase long-term investments to aid in sustainability of funded programs in anticipation of an eventual decline in Proposition 10 revenues.

The anticipated decline in revenues has occurred sooner than originally anticipated. This fiscal year, the Children and Families Commission will experience a 2% decrease in revenues and an estimated 9% in fiscal year 2003-04 due to a reduction in tobacco use and out of state sales of tobacco products. It is the intent of the Commission to continue strengthening and enhancing the service delivery system for families and caregivers of young children in Santa Barbara County. By moving the Strategic Reserve into the County's treasury pool, the Commission will have greater access to funds as they are needed at a decreased risk.

The Children and Families Commission established a Ten Year Financial Plan that is reviewed and adjusted every year, based on known facts. At that time, the Commission reviews the Strategic Reserve, as well as all other revenue sources. The Fiscal Committee reviews the Strategic Reserve, along with the overall budget continuously throughout the year.

Mandates and Service Levels:

The funds received through Proposition 10 are to be used to meet the goals and objectives of the Strategic Plan developed by the Children and Families Commission of Santa Barbara County, and to be used only for programs that address the needs of children 0 to 5.

Fiscal and Facilities Impacts:

The transfer of the Strategic Reserve from long term investments to the County's treasury pool will result in a reduction of earned interest in the future; however, it provides access to the necessary funds needed to maintain the level of current service to families and caregivers of young children in Santa Barbara County. There will be no penalties incurred through this transaction.

Special Instructions:

Send a minute order of the Board's action to the Children and Families Commission of Santa Barbara County.

Concurrence:

Auditor-Controller
County Treasurer
County Counsel