



AGENDA ITEM: 5

DATE OF MEETING: October 17, 2012

ACTION: _____

INFORMATION: X

**FISCAL YEAR-END SUMMARY
(FISCAL YEAR ENDING JUNE 30, 2012)**

SUMMARY

Staff will provide the Commission fiscal briefings in four areas: First 5 California's year-end revenue and expenditures for Fiscal Year (FY) 2011-12, revenue projections through FY 2014-15, the Fund Condition beginning FY 2012-13, and revenue trends.

BACKGROUND

Pursuant to Health and Safety Code (HSC) section 130105, the California Children and Families Trust Fund (hereinafter referred to as "the Fund"), was created in the State Treasury and consists of Proposition 10 revenues collected pursuant to the taxes imposed by Section 30131.2 of the Revenue and Taxation Code.

The Board of Equalization (BOE) collects the Proposition 10 revenues and administers the Fund. BOE first determines the amount for adjustments to the Fund prior to the transfer of moneys to the designated State commission accounts and county commission funds. These adjustments include the annual backfill to the Proposition 99 Fund and Breast Cancer Fund ("Backfill") and the monthly BOE operational costs for tax collection and enforcement programs.

After these adjustments, BOE determines the amounts to be allocated to the State and county commissions pursuant to the percentages established by HSC section 130105. Eighty percent of the revenues are allocated and appropriated to county commissions and deposited in each local Children and Families Trust Fund administered by each county commission. The remaining twenty percent is transferred to the following six Proposition 10 accounts for use by the State Commission: Mass Media Communications, Education, Child Care, Research and Development, Administration, and Unallocated. HSC section 130105 establishes the percentage of funds to be disbursed to each account, which are all interest-bearing accounts.

Attachment A, Funding Structure, provides an overview of how the funds are transferred to the individual Proposition 10 county commission funds and State Commission accounts. Per HSC sections 130100 to 130155, First 5 California disburses 80 percent of Proposition 10 tobacco tax revenue to county commissions monthly if requirements specified in statute have been met. Each month, the BOE provides First 5 California with

the amount of tobacco tax revenue that is available for disbursement to the county commissions. These funds are transferred into the County Fund. County commissions receive the portion of the total moneys available to all county commissions equal to the percentage of the number of births recorded in the relevant county in proportion to the entire number of births recorded in California. Interest that accumulates in the County Fund is also disbursed annually to the county commissions using this same formula.

First 5 California's Administrative Services Division (ASD) disburses funds from the six state accounts consistent with the directives of the State Commission, and the Bylaws for the California Children and Families Commission. ASD also maintains financial records of disbursements.

The annual Financial Statement Audits of the Children and Families Trust Fund and Related Accounts are available on <http://www.cffc.ca.gov/commission/fiscal.asp>. The audit report for FY 2011-12 will be available in December 2012.

FY 2011-12 YEAR END SUMMARY

Revenue Collection, Fund Administration and Adjustments

The total Proposition 10 tobacco tax revenue collected by the BOE in FY 2010-11 (prior to BOE adjustments) was \$504.5 million. The total revenue received in FY 2011-12 was \$499 million representing a 1.09% decrease in revenue from FY 2010-11.

As represented in Agenda Item 5, Attachment B, the BOE adjustments to the tax revenue include the following:

- The FY 2011-12 Backfill totaled \$16.5 million, a decrease of 18.32% from FY 2010-11.
- Adjustments for BOE operational costs for tax collection and enforcement activities totaled \$15.7 million, an increase of 10.56% from FY 2010-11.

The amount of monthly revenue received varies each month, each year. During the first and fourth quarters of each year, revenues received are consistently higher than during the second and third quarters. The BOE-calculated backfill typically occurs during the second quarter. Agenda Item 5, Attachment C, First 5 California Trust Fund History, demonstrates the variance in monthly Proposition 10 tax revenues collected each year.

In FY 2011-12, the BOE transferred a total of \$466,908,439 to the County Fund and six State Commission accounts.

The State Commission's share of the FY 2011-12 tobacco tax revenue available (after backfill and Board of Equalization adjustments occur) totaled \$93.38 million, representing

a 0.71% decrease from FY 2010-11 revenue (\$94.05 million). The counties' share, or eighty percent of the total amount available after adjustments, totaled \$373.5 million.

Surplus Money Investment Fund Earnings

First 5 California investments consist of cash in excess of current needs on deposit in the State Surplus Money Investment Fund (SMIF). The Fund and related accounts participate in the State of California's Pooled Money Investment Program, whereby cash on deposit in the State Treasury determined to be in excess of immediate needs is transferred to the SMIF for investment purposes. All earnings derived from investment of the SMIF are apportioned to the contributing fund as provided in the Government Code.

The rate of interest earned on investment changes regularly and is posted to First 5 California's accounts quarterly. Currently, the interest rate is 0.361%, as reflected in the Yield Rate Charts developed by the State Controllers' Office located at: <http://www.sco.ca.gov/Files-ARD/smifrate.pdf>.

Table 1 provides a summary of SMIF revenue by account beginning with FY 2007-08 through FY 2011-12.

**TABLE 1
SMIF REVENUE BY ACCOUNT**

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12
Media	\$2,860,932	\$1,843,497	\$592,458	\$184,025	\$121,192
Education	\$6,119,513	\$2,748,882	\$653,916	\$353,841	\$138,253
Child Care	\$3,001,928	\$1,341,339	\$343,215	\$173,764	\$100,460
Research	\$3,518,258	\$1,669,417	\$455,931	\$227,359	\$73,942
Administration	\$1,082,924	\$549,629	\$157,822	\$115,721	\$87,788
Unallocated	\$168,851	\$359,669	\$176,966	\$149,310	\$23,001

In FY 2011-12 First 5 California received a total of \$544,635 in interest earnings for all state accounts, representing a decrease of 55% from FY 2010-11 interest earnings (\$1,204,020). First 5 California has seen a 97% decrease in interest earnings from 2007-08, when California started experiencing the latest economic downturn. Agenda Item 5, Attachment D shows this dramatic decrease in SMIF funds. With the decrease each year in our fund balance and the significant reduction in the interest yield rates, the interest earning on First 5 California accounts are minimal.

FY 2011-12 Fund Condition

The fund and related accounts are classified as “Other Government Cost Funds” for State of California financial reporting purposes. Other Governmental Cost Funds are special revenue funds used to account for revenues restricted by law for specified purposes. Table 2 on the following page provides a summary of First 5 California’s Fund Condition as of June 30, 2012.

**TABLE 2
FY 2011-12 Fund Condition Overview**

2011-12 Fund Condition (Dollars in Millions)	
	Actual 2010-11
Prior Year Fund Balance	\$127
Revenues and Transfers	\$95
Total Resources Available	\$222
Expenditures ¹	\$110
Ending Fund Balance	\$112

¹Includes Accruals and Encumbrances

Table 3 shows First 5 California’s FY 2011-12 year end revenue and expenditure results and the FY 2011-12 year end balances by account. Each of the following First 5 California accounts ended FY 2011-12 in a positive position.

**TABLE 3
Summary of FY 2011-12 Revenue/Expenditures by Account**

Fund	FY 2010-11 Balance	FY 2011-12 Revenue	FY 2011-12 Expenditure	FY 2011-12 End Balance
Mass Media Communications	\$31,407,194.63	\$28,855,964.68	\$40,532,103.91	\$19,731,055.40
Education	\$25,052,047.54	\$23,483,675.12	\$27,298,747.75	\$21,236,974.91
Child Care	\$23,130,745.10	\$14,107,712.76	\$12,739,029.54	\$24,499,428.32
Research and Development	\$17,832,745.13	\$14,081,194.93	\$19,529,612.87	\$12,384,327.19
Administration	\$24,360,806.27	\$4,756,872.40	\$6,028,256.78	\$23,089,421.89
Unallocated ¹	\$5,426,452.66	\$9,361,169.39	\$4,146,971.81	\$10,641,650.24
Totals	\$127,209,991.33	\$94,646,589.28	\$110,273,722.66	\$111,582,857.95

Three of these accounts show expenditures in FY 2011-12 that exceeded revenue received in those funds. The State Commission approved these expenditures through the assignment of funds from prior year fund balances (also referred to as carryover).

The FY 2011-12 year-end fund balance totals \$112 million, representing a 11.8% decrease from the FY 2010-11 year-end fund balance.

General operating expenses and equipment for FY 2011-12 totaled \$1,262,829. Furlough buy-back totaled \$798,864. Pro Rata and other state fees for FY 2011-12 totaled \$379,240.

Revenue Trends

Attached to Agenda Item 5 are several updated fiscal tracking charts and tables that provide a multi-year picture of revenue projections, actual revenue received, and FY 2012-13 projected revenue by accounts. A description of each attachment follows:

- Attachment E provides an overview of actual and projected revenue by fiscal year for both county commissions and First 5 California.
- Attachment F provides a comparison of Proposition 10 revenue projections with actual revenue received for five prior fiscal years.
- Attachment G provides a two-year-revenue comparison by month for FY 2010-11 and FY 2011-12 actual revenue received, for state and counties combined, July through June. This chart demonstrates the variance in monthly revenue received from year to year.
- Attachment H shows the distribution of projected revenue for FY 2011-12, by account.

Financial Plan for FY 2011-12 through FY 2014-15

First 5 California's Financial Plan is based on actual cash balances for FY 2011-12 and projected cash balances, estimated revenues, and expenditures for current and two budget years, which run from July 1 through June 30.

The First 5 California Financial Plan, Attachment I, is organized by fiscal year and designed to show the beginning "cash" balances available on July 1 of each fiscal year, the obligated full-year expenditures by project, the amount of projected current year revenue needed to meet current year obligations for each First 5 California account, and the projected year-end balance. A negative number showing in the subtotal of any account does not represent an obligation or funding deficit, but the amount of funds needed from the current year revenue to meet current year obligations. As a conservative practice, First 5 California strives to retain approximately half of the

projected revenue in each fiscal year for budget year carry over to ensure sufficient cash is available to meet obligations.

General Discussion

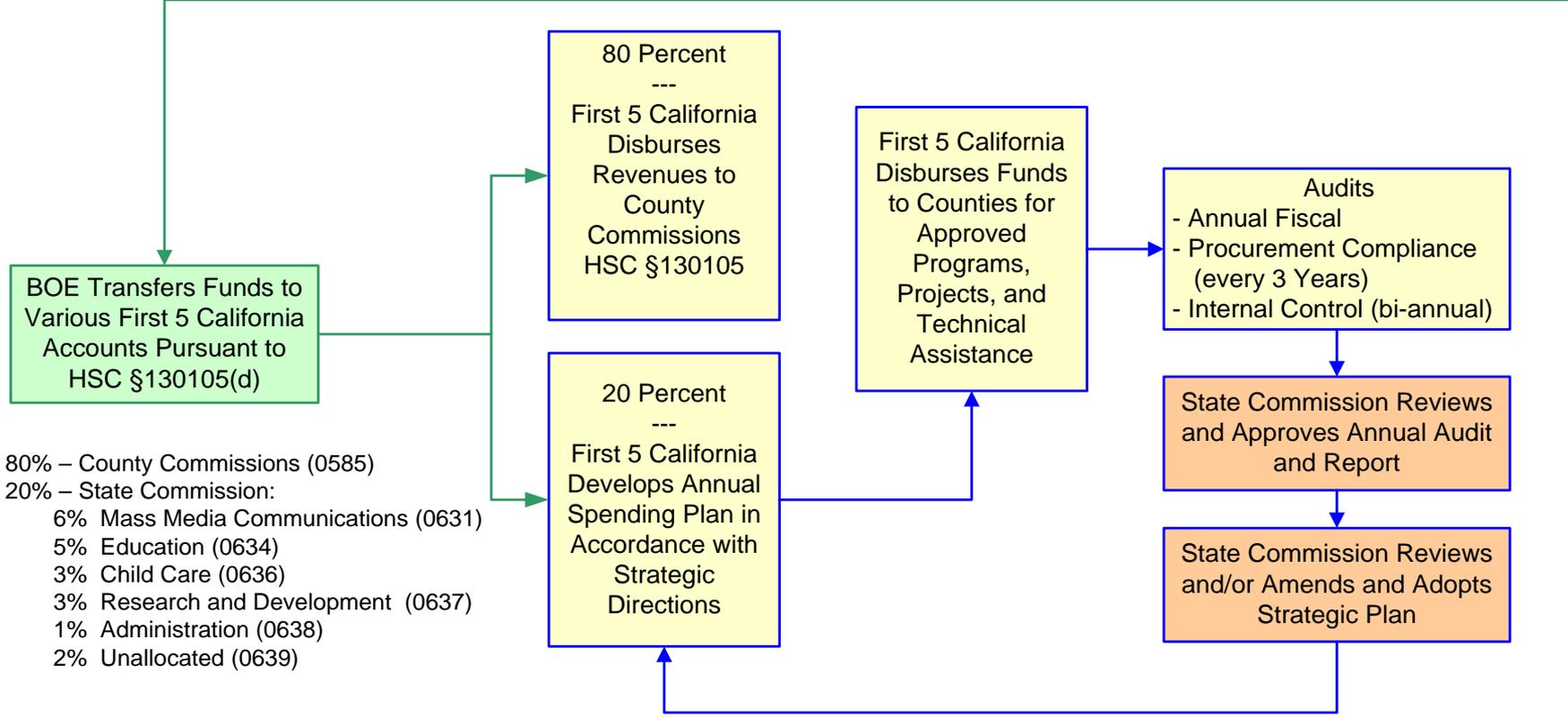
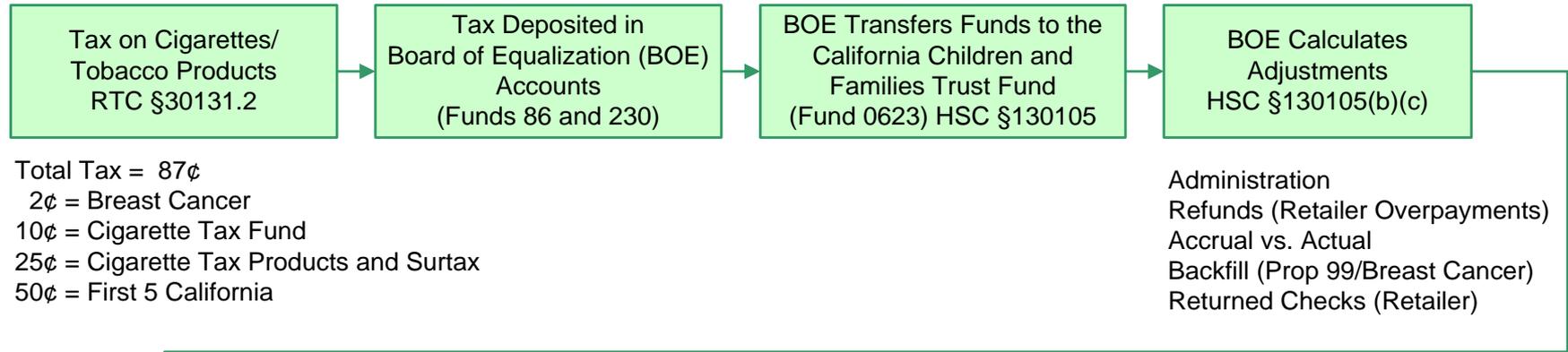
As revenue is received through the year, we typically don't realize the full fiscal year amount until August or September of the following fiscal year.

First 5 California operates on a cash basis. In order to encumber funds (set aside funds for current commitments and obligations of the State commission), there must either be a carry over cash balance sufficient to cover these costs or projected revenue that would ensure sufficient cash in the given fiscal year to cover fiscal year obligations.

First 5 California will have to depend on current year revenue to meet current year obligations. It is fiscally prudent to retain approximately one half of the projected revenue in each fiscal year for the budget year carryover to ensure sufficient cash is available to meet obligations.

For discussion purposes, staff has included a draft of the financial plan which would include the effect of the expenditures by account if the Commission approves the State FY 2012/13 Budget's proposed transfer of \$40 million to the Department of Developmental Services for Early Start and \$40 million to the General Fund for Medi-Cal services. For this exercise, staff has assumed that the expenditures would be prorated across the State accounts pursuant to the statutory formula in HSC section 130105.

- Attachments:
- A. Funding Structure
 - B. Board of Equalization Adjustments
 - C. First 5 California Trust Fund History
 - D. Surplus Money Investment Fund
 - E. Actual and Projected Revenue by Fiscal Year
 - F. First 5 California Revenue Projections vs. Actuals
 - G. Revenue Comparison by Month
 - H. Fiscal Year 2012-13 Projected First 5 California Revenues by Account
 - I. First 5 California Financial Plan FY 2011-12 through FY 2014-15
 - J. Draft Financial Plan including transfer proposed by State FY 2012/13 Budget



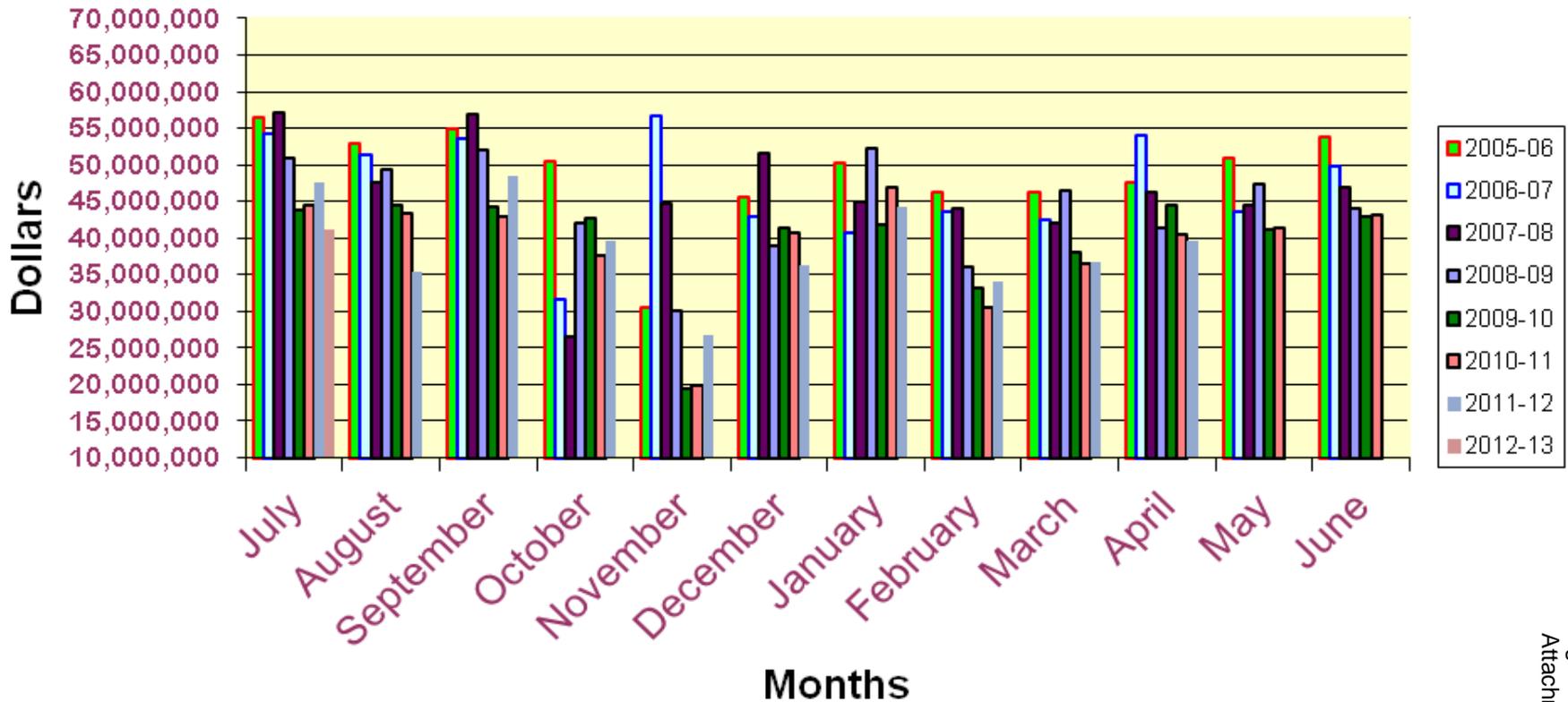


Board of Equalization Adjustments

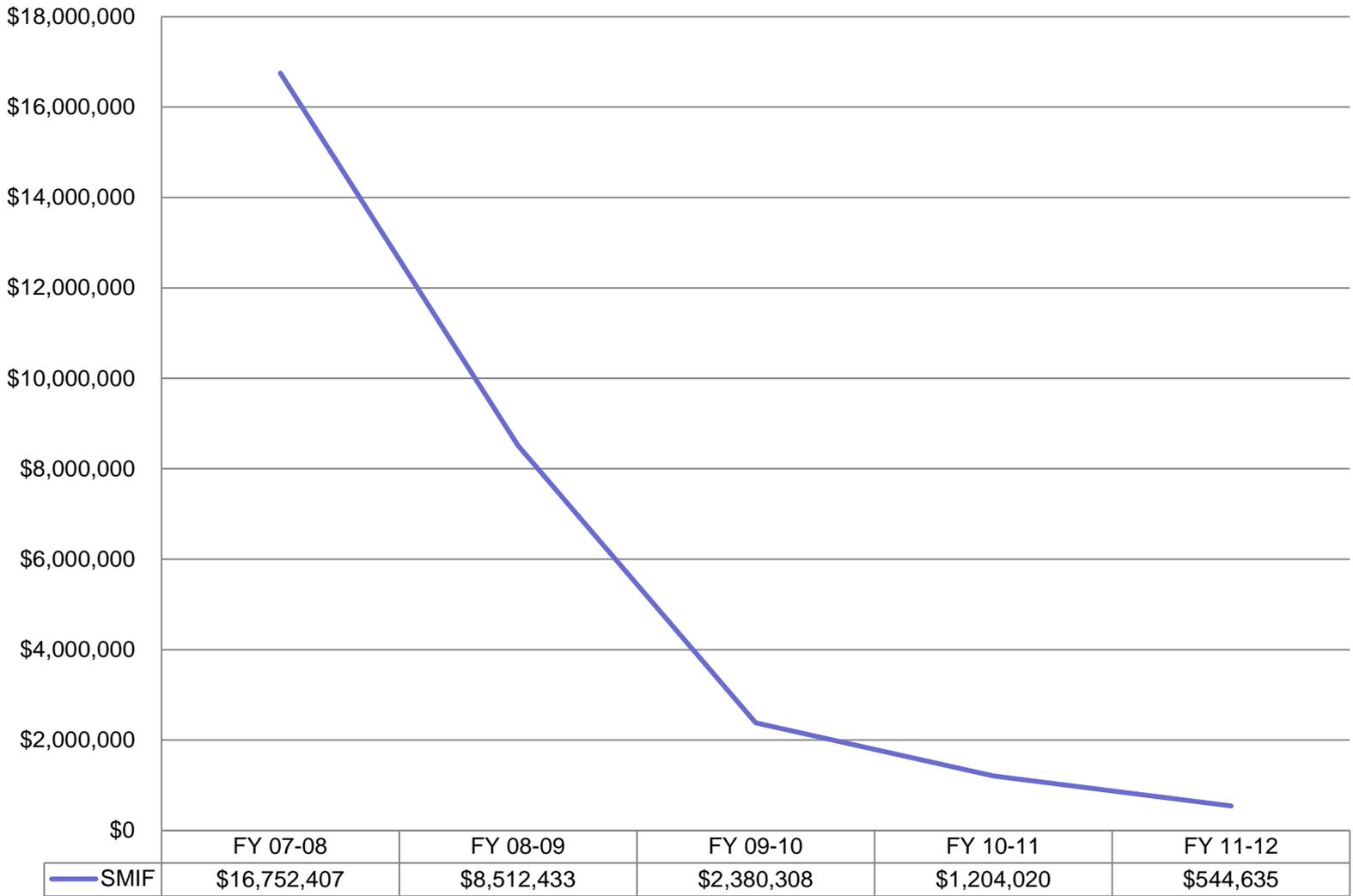
Board of Equalization (BOE) adjustments to total Proposition 10 tax revenues collected are deducted before any disbursement to First 5 California accounts. The two primary deductions include BOE tax collection, enforcement and administrative costs and Proposition 99 backfill amounts. A summary of these costs over the past decade is listed below:

BOE ADMINISTRATION		BACKFILL	
FY 1998-99	\$570,000		
FY 1999-00	\$876,000		
FY 2000-01	\$886,000	FY 2000-01	\$24,000,000
FY 2001-02	\$959,416	FY 2001-02	\$25,900,000
FY 2002-03	\$1,974,530	FY 2002-03	\$35,500,000
FY 2003-04	\$2,301,371	FY 2003-04	\$21,700,000
FY 2004-05	\$4,642,000	FY 2004-05	\$21,300,000
FY 2005-06	\$4,958,000	FY 2005-06	\$20,300,000
FY 2006-07	\$7,388,000	FY 2006-07	\$18,500,000
FY 2007-08	\$11,162,000	FY 2007-08	\$19,600,000
FY 2008-09	\$11,721,382	FY 2008-09	\$21,200,000
FY 2009-10	\$12,693,653	FY 2009-10	\$21,800,000
FY 2010-11	\$14,229,862	FY 2010-11	\$20,200,000
FY 2011-12	\$15,711,540	FY 2011-12	\$16,500,000

Prop 10 California Children and Families First Fund - 0623

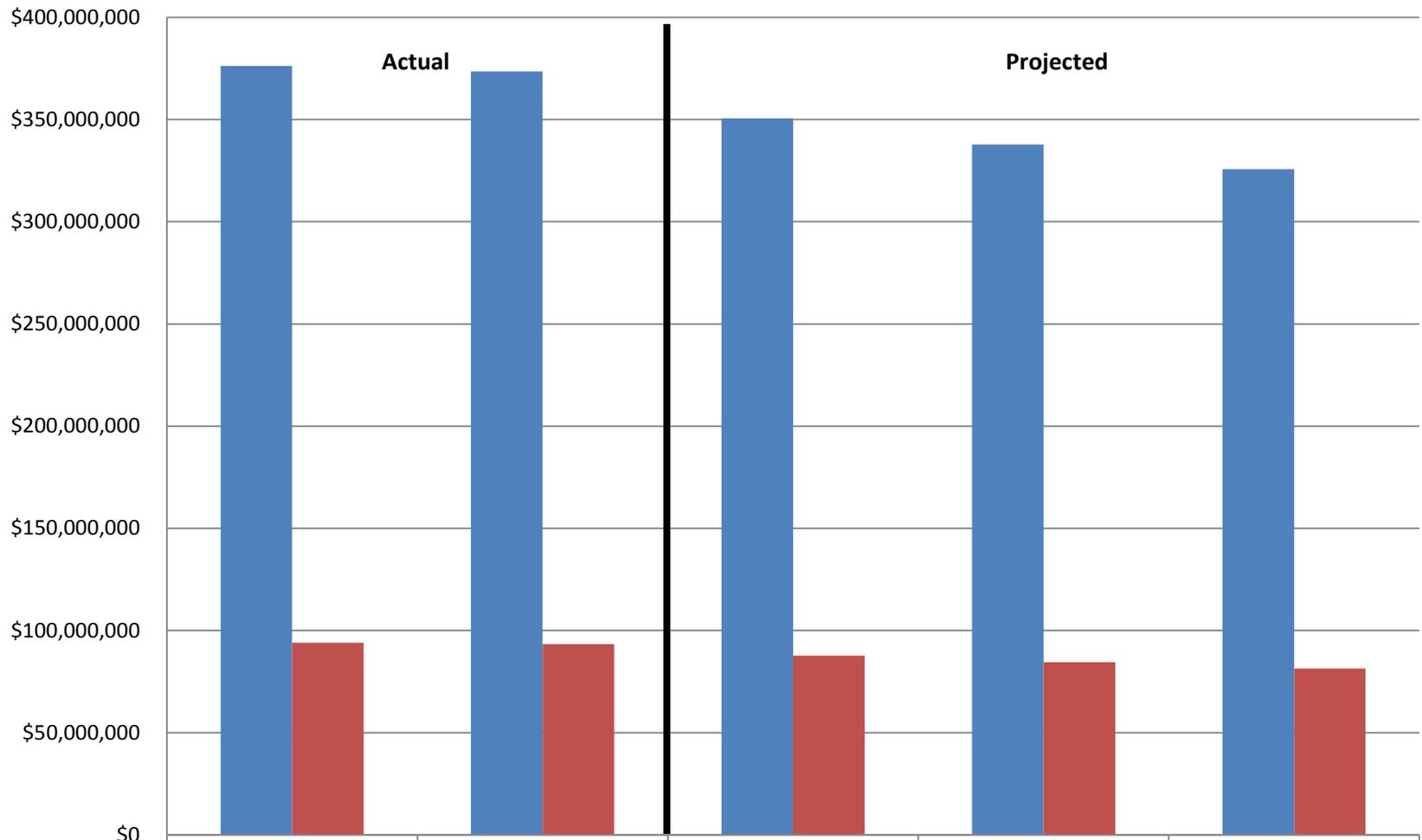


Surplus Money Investment Fund





Actual and Projected Revenue by Fiscal Year

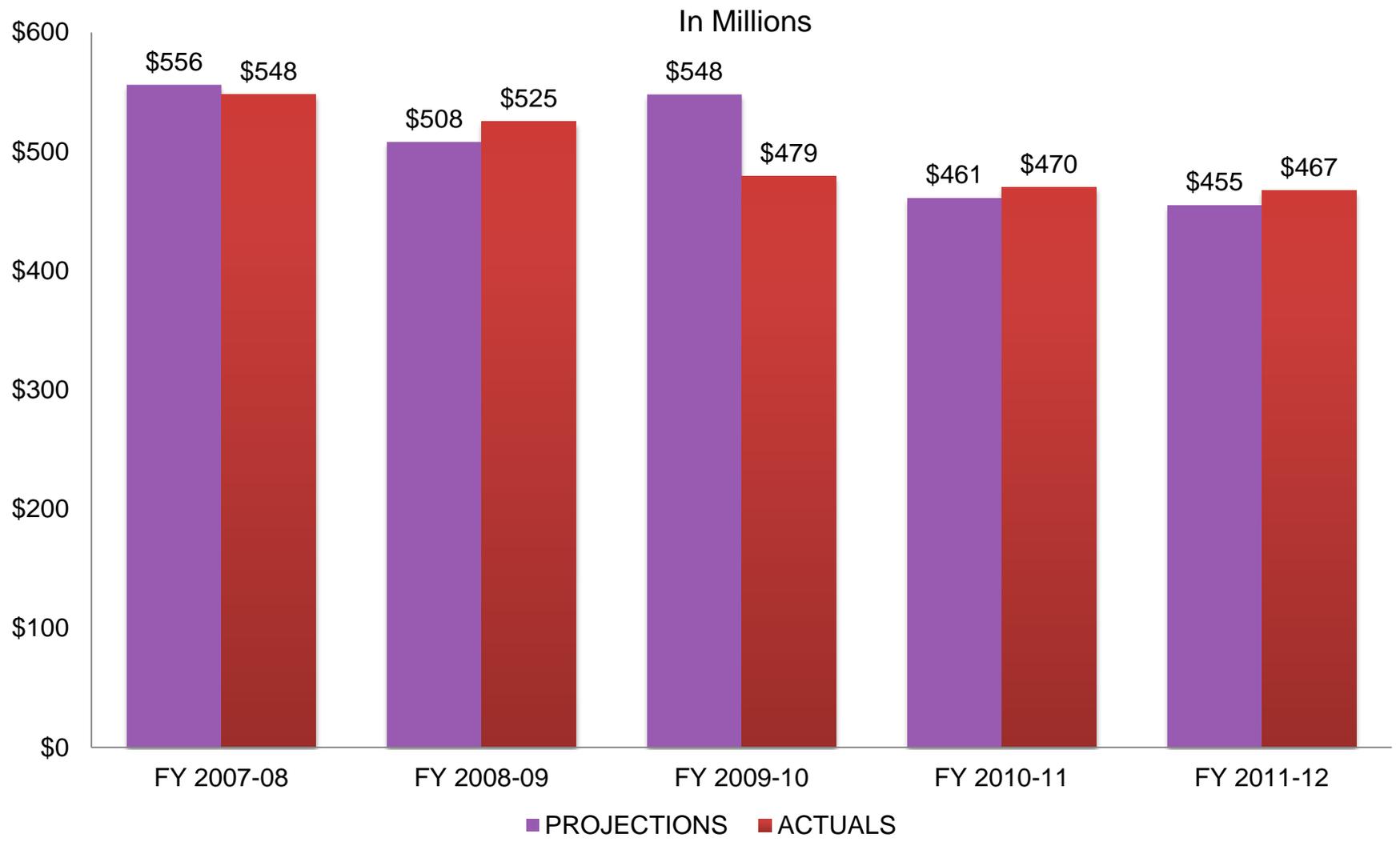


	FY 2010/11	FY 2011/12	FY 2012/13	FY 2013/14	FY 2014/15
■ County	\$376,203,462	\$373,526,751	\$350,540,800	\$337,740,800	\$325,740,800
■ State	\$94,050,865	\$93,381,688	\$87,635,200	\$84,435,200	\$81,435,200



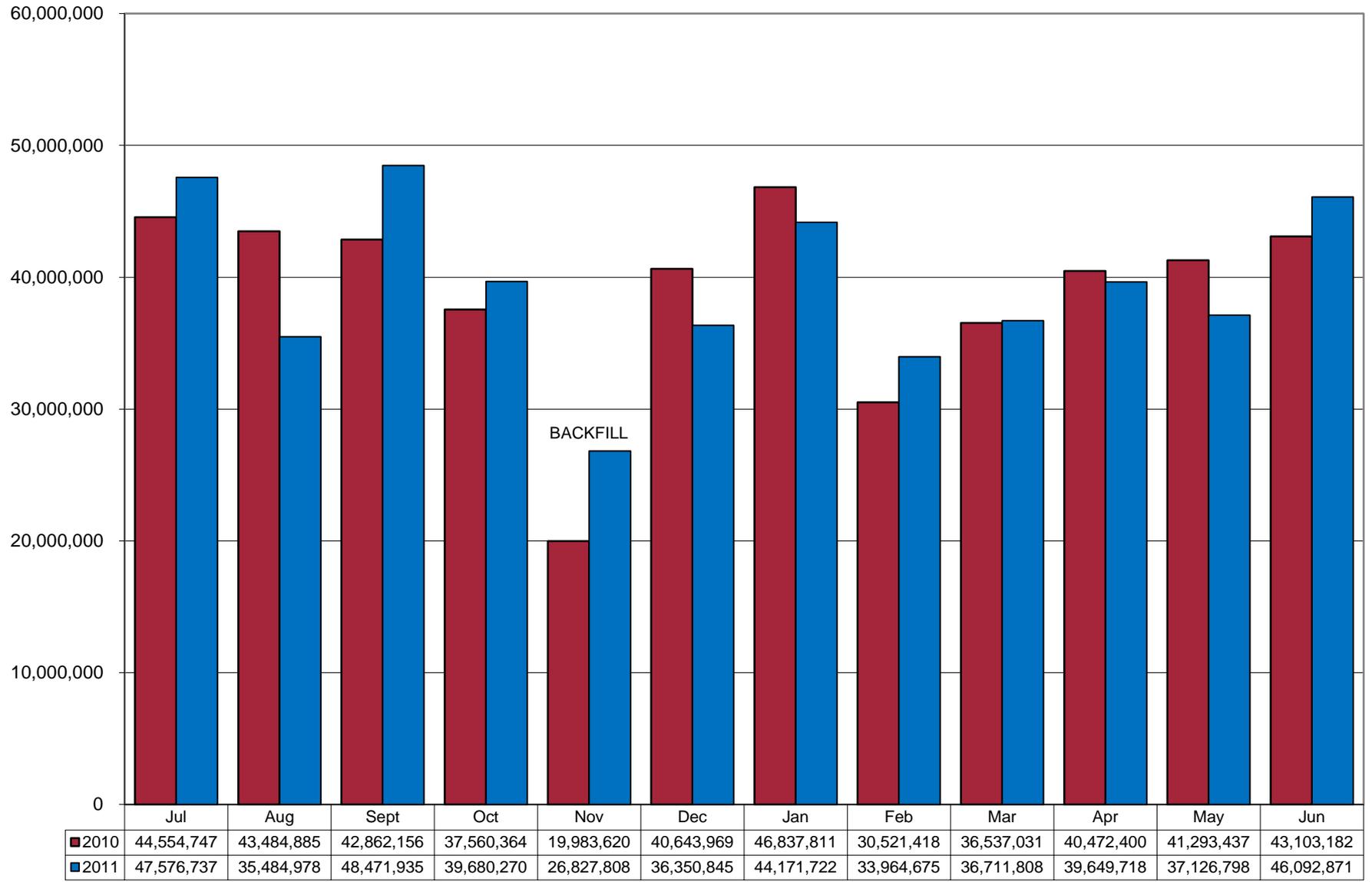
First 5 California Revenue Projections vs. Actuals

Model projections based on funds available for transfer which includes reductions for backfill and BOE Administration.





Revenue Comparison by Month





Fiscal Year 2012-13 Projected First 5 California Revenues by Account

- Includes projected tax revenue disbursements to First 5 California (20 percent)
- First 5 California disbursements are distributed according to statute

Account Type	Statutory Distribution	% to Total Conversion	Projected Revenue (Excluding Interest)
Media	6%	30%	\$ 26,290,560
Education	5%	25%	\$ 21,908,800
Child Care	3%	15%	\$ 13,145,280
Research	3%	15%	\$ 13,145,280
Unallocated	2%	10%	\$ 8,763,520
Administration	1%	5%	\$ 4,381,760
	<u>20%</u>	<u>100%</u>	<u>\$ 87,635,200</u>

**First 5 California
 Financial Plan FY 2011-12 through FY 2014-15**

Account/Project	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Mass Media Communications (0631)				
Projected Carryover	\$31,407,195	\$19,731,055	\$18,921,568	\$19,274,306
Beginning Balance	\$31,407,195	\$19,731,055	\$18,921,568	\$19,274,306
School Readiness, Cycle 2	1,084,958			
State Budget Solution (\$50M Total)	\$25,000,000			
Public Education and Outreach	\$65,220			
Parent Signature Program - Education and Outreach	\$10,255,888	\$10,376,587	\$10,376,587	\$11,696,348
Parent Signature Program - 1-800 Number	\$82,671	\$167,599	\$150,000	\$150,000
Parent Signature Program - <i>Kit for New Parents</i>	\$4,041,567	\$7,107,054	\$5,000,000	\$5,000,000
SCO/PRORATA/ADJUSTMENTS	\$1,868	\$8,000	\$8,000	\$8,000
Total Budgeted Expenditures	\$40,532,172	\$17,659,240	\$15,534,587	\$16,854,348
Prior Year Adjustments	(\$68)			
Adjusted Fund Balance Expenditures	\$40,532,104	\$17,659,240	\$15,534,587	\$16,854,348
Subtotal	(\$9,124,909)	\$2,071,815	\$3,386,982	\$2,419,958
Projected Revenue	\$28,014,506	\$26,290,560	\$25,330,560	\$24,430,560
Adjustment to Balance				
Projected Interest	\$121,192	\$59,193	\$56,765	\$57,823
Other Revenue (Federal Reimbursement for Kit)	\$720,266	\$500,000	\$500,000	\$500,000
Transfer to Unallocated		(\$10,000,000)	(\$10,000,000)	(\$10,000,000)
Year End Balance	\$19,731,055	\$18,921,568	\$19,274,306	\$17,408,341
Education (0634)				
Projected Carryover	\$25,052,048	\$21,236,975	\$19,951,486	\$17,362,140
Beginning Balance	\$25,052,048	\$21,236,975	\$19,951,486	\$17,362,140
School Readiness, Cycle 2	\$2,411,018			
Healthy Families Program (MRMIB)				
Early Start Program (DDS)				
State Budget Solution (\$50M Total)	\$7,000,000			
Statewide Conference	\$110,654	\$150,000	\$150,000	\$150,000
Co-Sponsorship Funding	\$17,000	\$150,000	\$150,000	\$150,000
Kit Federal Matching Funds				
Regional Technical Assistance	\$135,734			
Child Signature Program - Educare	\$67,529	\$2,950,000	\$2,950,000	
Educare Advisors	\$4,000			
Teacher Signature Program - CARES Plus			\$500,000	\$500,000
Child Signature Program-PoP Bridge	\$17,635,122			
Child Signature Program		\$20,000,000	\$20,000,000	\$20,000,000
TEACHER-Competencies-Based Career Pathway	(\$84,178)	\$0	\$0	\$0
TEACHER-Higher Education Quality Pathway	\$0	\$0	\$0	\$0
SCO/PRORATA/ADJUSTMENTS	\$1,868	\$8,000	\$8,000	\$8,000
Total Budgeted Expenditures	\$27,382,926	\$23,258,000	\$23,758,000	\$20,808,000
Prior Year Adjustments	(\$84,178)			
Adjusted Fund Balance Expenditures	\$27,298,748	\$23,258,000	\$23,758,000	\$20,808,000
Subtotal	(\$2,246,700)	(\$2,021,025)	(\$3,806,514)	(\$3,445,860)
Projected Revenue	\$23,345,422	\$21,908,800	\$21,108,800	\$20,358,800
Adjustment to Balance				
Projected Interest	\$138,253	\$63,711	\$59,854	\$52,086
Other Revenue				
Transfer to Unallocated				
Year End Balance	\$21,236,975	\$19,951,486	\$17,362,140	\$16,965,027
Orange: Amount paid to DDS for Early Start.				
Purple: Amount pending Commission approval.				
Royal Blue: Amount projected if Commission approves sustained level of effort.				
Green: Subtotal amounts.				

**First 5 California
Financial Plan FY 2011-12 through FY 2014-15**

Account/Project	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Child Care (0636)				
Projected Carryover	\$23,130,745	\$24,499,428	\$9,729,132	\$4,695,599
Beginning Balance	\$23,130,745	\$24,499,428	\$9,729,132	\$4,695,599
School Readiness, Cycle 2	\$1,024,683			
State Budget Solution (\$50M Total)	\$4,000,000			
Power of Preschool				
ABCD Initiative				
Child Signature Program		\$5,000,000	\$5,000,000	\$5,000,000
Teacher Signature Program - CARES Plus	\$7,711,879	\$22,981,075	\$12,720,000	\$12,720,000
SCO/PRORATA/ADJUSTMENTS	\$1,868	\$8,000	\$8,000	\$8,000
Total Budgeted Expenditures	\$12,738,430	\$27,989,075	\$17,728,000	\$17,728,000
Prior Year Adjustments	\$600			
Adjusted Fund Balance Expenditures	\$12,739,029	\$27,989,075	\$17,728,000	\$17,728,000
Subtotal	\$10,391,716	(\$3,489,646)	(\$7,998,868)	(\$13,032,401)
Projected Revenue	\$14,007,253	\$13,145,280	\$12,665,280	\$12,215,280
Adjustment to Balance				
Projected Interest	\$100,460	\$73,498	\$29,187	\$14,087
Other Revenue				
Transfer to Unallocated				
Year End Balance	\$24,499,428	\$9,729,132	\$4,695,599	(\$803,034)
Research and Development (0637)				
Projected Carryover	\$17,832,745	\$12,384,327	\$18,389,911	\$24,422,360
Beginning Balance	\$17,832,745	\$12,384,327	\$18,389,911	\$24,422,360
School Readiness, Cycle 2	\$1,506,886			
State Budget Solution (\$50M Total)	\$14,000,000			
Annual Report	\$147,541	\$150,000	\$150,000	\$150,000
PEDS Maintenance	\$89,800	\$73,680		
Project Training	\$2,900			
Data Collection and Storage	\$2,850,474			
CARES Plus Program Data Collection and Storage	\$131,740	\$1,000,000	\$780,000	\$780,000
California Health Interview Survey 2011	\$750,000	\$750,000	\$750,000	\$750,000
IT Development	\$112,980	\$187,020	\$0	
Child Signature Program - RFA Development	\$141,850	\$8,150		
Child Signature Program		\$5,000,000	\$5,000,000	\$5,000,000
SCO/PRORATA/ADJUSTMENTS	\$1,868	\$8,000	\$8,000	\$8,000
Total Budgeted Expenditures	\$19,736,039	\$7,176,850	\$6,688,000	\$6,688,000
Prior Year Adjustments	(\$206,426)			
Adjusted Fund Balance Expenditures	\$19,529,613	\$7,176,850	\$6,688,000	\$6,688,000
Subtotal	(\$1,696,868)	\$5,207,478	\$11,701,911	\$17,734,360
Projected Revenue	\$14,007,253	\$13,145,280	\$12,665,280	\$12,215,280
Adjustment to Balance				
Projected Interest	\$73,942	\$37,153	\$55,170	\$73,267
Other Revenue				
Transfer to Unallocated				
Year End Balance	\$12,384,327	\$18,389,911	\$24,422,360	\$30,022,908

**First 5 California
Financial Plan FY 2011-12 through FY 2014-15**

Account/Project	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Unallocated (0639)				
Projected Carryover	\$5,426,453	\$10,641,650	\$10,406,285	\$9,873,024
Beginning Balance	\$5,426,453	\$10,641,650	\$10,406,285	\$9,873,024
Small County Augmentations	\$3,057,407	\$3,000,000	\$3,000,000	\$3,000,000
California Smoker's Helpline	\$1,017,025	\$1,022,810	\$1,000,000	\$1,000,000
Child Signature Program - ELAC	\$53,550	\$0		
Child Signature Program		\$15,000,000	\$15,000,000	\$15,000,000
SCO/PRORATA/ADJUSTMENTS	\$1,868	\$8,000	\$8,000	\$8,000
Total Budgeted Expenditures	\$4,129,849	\$19,030,810	\$19,008,000	\$19,008,000
Prior Year Adjustments	\$16,123			
Adjusted Fund Balance Expenditures	\$4,145,972	\$19,030,810	\$19,008,000	\$19,008,000
Subtotal	\$1,280,481	(\$8,389,160)	(\$8,601,715)	(\$9,134,976)
Projected Revenue	\$9,338,169	\$8,763,520	\$8,443,520	\$8,143,520
Adjustment to Balance				
Projected Interest	\$23,001	\$31,925	\$31,219	\$29,619
Transfer from Media 0631		\$10,000,000	\$10,000,000	\$10,000,000
Transfer from Education 0634				
Transfer from Child Care 0636				
Transfer from Research and Develop 0637				
Transfer from Administration 0638				
Other Revenue				
Year End Balance	\$10,641,650	\$10,406,285	\$9,873,024	\$9,038,163
0631, 0634, 0636, 0637, 0639 Totals:				
Total cigarette and tobacco tax revenue	\$88,712,603	\$83,253,440	\$80,213,440	\$77,363,440
Total resources per year	\$192,738,902	\$172,512,356	\$158,344,017	\$153,717,753
Total expenditures per year	\$104,245,466	\$95,113,974	\$82,716,587	\$81,086,348
Total Over/Under:	\$88,493,436	\$77,398,382	\$75,627,430	\$72,631,405
Total 15% Reserve	\$13,306,891	\$12,488,016	\$12,032,016	\$11,604,516
	\$75,186,546	\$64,910,366	\$63,595,414	\$61,026,889
Administration (0638)				
Projected Carryover	\$24,360,806	\$23,089,422	\$20,333,273	\$17,179,273
Beginning Balance	\$24,360,806	\$23,089,422	\$20,333,273	\$17,179,273
Administrative Expense	\$4,850,153	\$6,862,718	\$7,230,193	\$7,323,232
Furlough Buyback	\$798,864			
SCO/PRORATA/ADJUSTMENTS	\$379,240	\$344,459	\$206,566	\$382,000
Total Budgeted Expenditures	\$6,028,257	\$7,207,177	\$7,436,759	\$7,705,232
Prior Year Adjustments				
Adjusted Fund Balance Expenditures	\$6,028,257	\$7,207,177	\$7,436,759	\$7,705,232
Subtotal	\$18,332,549	\$15,882,245	\$12,896,514	\$9,474,042
Projected Revenue	\$4,669,084	\$4,381,760	\$4,221,760	\$4,071,760
Projected Interest	\$87,788	\$69,268	\$61,000	\$51,538
Transfer				
Other Revenue				
Year End Balance	\$23,089,422	\$20,333,273	\$17,179,273	\$13,597,339
NOTE: Revenue Projections based on 2012 DOF May Revise.				
ALL FIRST 5 CALIFORNIA FUNDS				
Total cigarette and tobacco tax revenue	\$93,381,688	\$87,635,200	\$84,435,200	\$81,435,200
Total resources per year	\$221,856,581	\$200,052,806	\$182,960,050	\$175,020,324
Total expenditures per year	\$110,273,723	\$102,321,152	\$90,153,346	\$88,791,580
Total Over/Under:	\$111,582,858	\$97,731,655	\$92,806,704	\$86,228,744
Total 15% Reserve	\$14,007,253	\$13,145,280	\$12,665,280	\$12,215,280
	\$97,575,605	\$84,586,375	\$80,141,424	\$74,013,464

**Draft Financial Plan Including Transfer
 Proposed by State FY 2012-13 Budget**

Account/Project	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Mass Media Communications (0631)				
Projected Carryover	\$31,407,195	\$19,731,055	(\$5,078,432)	(\$4,725,694)
Beginning Balance	\$31,407,195	\$19,731,055	(\$5,078,432)	(\$4,725,694)
School Readiness, Cycle 2	1,084,958			
State Budget Solution (\$50M Total)	\$25,000,000			
Public Education and Outreach	\$65,220			
Parent Signature Program - Education and Outreach	\$10,255,888	\$10,376,587	\$10,376,587	\$11,696,348
Parent Signature Program - 1-800 Number	\$82,671	\$167,599	\$150,000	\$150,000
Parent Signature Program - Kit for New Parents	\$4,041,567	\$7,107,054	\$5,000,000	\$5,000,000
SCO/PRORATA/ADJUSTMENTS	\$1,868	\$8,000	\$8,000	\$8,000
Total Budgeted Expenditures	\$40,532,172	\$17,659,240	\$15,534,587	\$16,854,348
Prior Year Adjustments	(\$68)			
Adjusted Fund Balance Expenditures	\$40,532,104	\$17,659,240	\$15,534,587	\$16,854,348
Subtotal	(\$9,124,909)	\$2,071,815	(\$20,613,018)	(\$21,580,042)
Projected Revenue	\$28,014,506	\$26,290,560	\$25,330,560	\$24,430,560
Adjustment to Balance				
Projected Interest	\$121,192	\$59,193	\$56,765	\$57,823
Other Revenue (Federal Reimbursement for Kit)	\$720,266	\$500,000	\$500,000	\$500,000
Transfer to Unallocated		(\$34,000,000)	(\$10,000,000)	(\$10,000,000)
Year End Balance	\$19,731,055	(\$5,078,432)	(\$4,725,694)	(\$6,591,659)
Education (0634)				
Projected Carryover	\$25,052,048	\$21,236,975	(\$48,514)	(\$2,637,860)
Beginning Balance	\$25,052,048	\$21,236,975	(\$48,514)	(\$2,637,860)
School Readiness, Cycle 2	\$2,411,018			
Healthy Families Program (MRMIB)				
Early Start Program (DDS)				
State Budget Solution (\$50M Total)	\$7,000,000			
Statewide Conference	\$110,654	\$150,000	\$150,000	\$150,000
Co-Sponsorship Funding	\$17,000	\$150,000	\$150,000	\$150,000
Kit Federal Matching Funds				
Regional Technical Assistance	\$135,734			
Child Signature Program - Educare	\$67,529	\$2,950,000	\$2,950,000	
Educare Advisors	\$4,000			
Teacher Signature Program - CARES Plus			\$500,000	\$500,000
Child Signature Program-PoP Bridge	\$17,635,122			
Child Signature Program		\$20,000,000	\$20,000,000	\$20,000,000
TEACHER-Competencies-Based Career Pathway	(\$84,178)	\$0	\$0	\$0
TEACHER-Higher Education Quality Pathway	\$0	\$0	\$0	\$0
SCO/PRORATA/ADJUSTMENTS	\$1,868	\$8,000	\$8,000	\$8,000
Total Budgeted Expenditures	\$27,382,926	\$23,258,000	\$23,758,000	\$20,808,000
Prior Year Adjustments	(\$84,178)			
Adjusted Fund Balance Expenditures	\$27,298,748	\$23,258,000	\$23,758,000	\$20,808,000
Subtotal	(\$2,246,700)	(\$2,021,025)	(\$23,806,514)	(\$23,445,860)
Projected Revenue	\$23,345,422	\$21,908,800	\$21,108,800	\$20,358,800
Adjustment to Balance				
Projected Interest	\$138,253	\$63,711	\$59,854	\$52,086
Other Revenue				
Transfer to Unallocated		(\$20,000,000)		
Year End Balance	\$21,236,975	(\$48,514)	(\$2,637,860)	(\$3,034,973)
Orange: Amount paid to DDS for Early Start.				
Purple: Amount pending Commission approval.				
Royal Blue: Amount projected if Commission approves sustained level of effort.				
Green: Subtotal amounts.				

**Draft Financial Plan Including Transfer
Proposed by State FY 2012-13 Budget**

Account/Project	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Child Care (0636)				
Projected Carryover	\$23,130,745	\$24,499,428	(\$2,270,868)	(\$7,304,401)
Beginning Balance	\$23,130,745	\$24,499,428	(\$2,270,868)	(\$7,304,401)
School Readiness, Cycle 2	\$1,024,683			
State Budget Solution (\$50M Total)	\$4,000,000			
Power of Preschool				
ABCD Initiative				
Child Signature Program		\$5,000,000	\$5,000,000	\$5,000,000
Teacher Signature Program - CARES Plus	\$7,711,879	\$22,981,075	\$12,720,000	\$12,720,000
SCO/PRORATA/ADJUSTMENTS	\$1,868	\$8,000	\$8,000	\$8,000
Total Budgeted Expenditures	\$12,738,430	\$27,989,075	\$17,728,000	\$17,728,000
Prior Year Adjustments	\$600			
Adjusted Fund Balance Expenditures	\$12,739,029	\$27,989,075	\$17,728,000	\$17,728,000
Subtotal	\$10,391,716	(\$3,489,646)	(\$19,998,868)	(\$25,032,401)
Projected Revenue	\$14,007,253	\$13,145,280	\$12,665,280	\$12,215,280
Adjustment to Balance				
Projected Interest	\$100,460	\$73,498	\$29,187	\$14,087
Other Revenue				
Transfer to Unallocated		(\$12,000,000)		
Year End Balance	\$24,499,428	(\$2,270,868)	(\$7,304,401)	(\$12,803,034)
Research and Development (0637)				
Projected Carryover	\$17,832,745	\$12,384,327	\$6,389,911	\$12,422,360
Beginning Balance	\$17,832,745	\$12,384,327	\$6,389,911	\$12,422,360
School Readiness, Cycle 2	\$1,506,886			
State Budget Solution (\$50M Total)	\$14,000,000			
Annual Report	\$147,541	\$150,000	\$150,000	\$150,000
PEDS Maintenance	\$89,800	\$73,680		
Project Training	\$2,900			
Data Collection and Storage	\$2,850,474			
CARES Plus Program Data Collection and Storage	\$131,740	\$1,000,000	\$780,000	\$780,000
California Health Interview Survey 2011	\$750,000	\$750,000	\$750,000	\$750,000
IT Development	\$112,980	\$187,020	\$0	
Child Signature Program - RFA Development	\$141,850	\$8,150		
Child Signature Program		\$5,000,000	\$5,000,000	\$5,000,000
SCO/PRORATA/ADJUSTMENTS	\$1,868	\$8,000	\$8,000	\$8,000
Total Budgeted Expenditures	\$19,736,039	\$7,176,850	\$6,688,000	\$6,688,000
Prior Year Adjustments	(\$206,426)			
Adjusted Fund Balance Expenditures	\$19,529,613	\$7,176,850	\$6,688,000	\$6,688,000
Subtotal	(\$1,696,868)	\$5,207,478	(\$298,089)	\$5,734,360
Projected Revenue	\$14,007,253	\$13,145,280	\$12,665,280	\$12,215,280
Adjustment to Balance				
Projected Interest	\$73,942	\$37,153	\$55,170	\$73,267
Other Revenue				
Transfer to Unallocated		(\$12,000,000)		
Year End Balance	\$12,384,327	\$6,389,911	\$12,422,360	\$18,022,908

**Draft Financial Plan Including Transfer
Proposed by State FY 2012-13 Budget**

Account/Project	FY 11-12	FY 12-13	FY 13-14	FY 14-15
Unallocated (0639)				
Projected Carryover	\$5,426,453	\$10,641,650	\$2,406,285	\$1,873,024
Beginning Balance	\$5,426,453	\$10,641,650	\$2,406,285	\$1,873,024
Transfer to DDS/Medi-Cal for State Budget Solutions		\$80,000,000		
Small County Augmentations	\$3,057,407	\$3,000,000	\$3,000,000	\$3,000,000
California Smoker's Helpline	\$1,017,025	\$1,022,810	\$1,000,000	\$1,000,000
Child Signature Program - ELAC	\$53,550	\$0		
Child Signature Program		\$15,000,000	\$15,000,000	\$15,000,000
SCO/PRORATA/ADJUSTMENTS	\$1,868	\$8,000	\$8,000	\$8,000
Total Budgeted Expenditures	\$4,129,849	\$99,030,810	\$19,008,000	\$19,008,000
Prior Year Adjustments	\$16,123			
Adjusted Fund Balance Expenditures	\$4,145,972	\$99,030,810	\$19,008,000	\$19,008,000
Subtotal	\$1,280,481	(\$88,389,160)	(\$16,601,715)	(\$17,134,976)
Projected Revenue	\$9,338,169	\$8,763,520	\$8,443,520	\$8,143,520
Adjustment to Balance				
Projected Interest	\$23,001	\$31,925	\$31,219	\$29,619
Transfer from Media 0631		\$34,000,000	\$10,000,000	\$10,000,000
Transfer from Education 0634		\$20,000,000		
Transfer from Child Care 0636		\$12,000,000		
Transfer from Research and Develop 0637		\$12,000,000		
Transfer from Administration 0638		\$4,000,000		
Other Revenue				
Year End Balance	\$10,641,650	\$2,406,285	\$1,873,024	\$1,038,163
0631, 0634, 0636, 0637, 0639 Totals:				
Total cigarette and tobacco tax revenue	\$88,712,603	\$83,253,440	\$80,213,440	\$77,363,440
Total resources per year	\$192,738,902	\$176,512,356	\$82,344,017	\$77,717,753
Total expenditures per year	\$104,245,466	\$175,113,974	\$82,716,587	\$81,086,348
Total Over/Under:	\$88,493,436	\$1,398,382	(\$372,570)	(\$3,368,595)
Total 15% Reserve	\$13,306,891	\$12,488,016	\$12,032,016	\$11,604,516
	\$75,186,546	(\$11,089,634)	(\$12,404,586)	(\$14,973,111)
Administration (0638)				
Projected Carryover	\$24,360,806	\$23,089,422	\$16,333,273	\$13,179,273
Beginning Balance	\$24,360,806	\$23,089,422	\$16,333,273	\$13,179,273
Administrative Expense	\$4,850,153	\$6,862,718	\$7,230,193	\$7,323,232
Furlough Buyback	\$798,864			
SCO/PRORATA/ADJUSTMENTS	\$379,240	\$344,459	\$206,566	\$382,000
Total Budgeted Expenditures	\$6,028,257	\$7,207,177	\$7,436,759	\$7,705,232
Prior Year Adjustments				
Adjusted Fund Balance Expenditures	\$6,028,257	\$7,207,177	\$7,436,759	\$7,705,232
Subtotal	\$18,332,549	\$15,882,245	\$8,896,514	\$5,474,042
Projected Revenue	\$4,669,084	\$4,381,760	\$4,221,760	\$4,071,760
Projected Interest	\$87,788	\$69,268	\$61,000	\$51,538
Transfer		(\$4,000,000)		
Other Revenue				
Year End Balance	\$23,089,422	\$16,333,273	\$13,179,273	\$9,597,339
NOTE: Revenue Projections based on 2012 DOF May Revise.				
ALL FIRST 5 CALIFORNIA FUNDS				
Total cigarette and tobacco tax revenue	\$93,381,688	\$87,635,200	\$84,435,200	\$81,435,200
Total resources per year	\$221,856,581	\$200,052,806	\$102,960,050	\$95,020,324
Total expenditures per year	\$110,273,723	\$182,321,152	\$90,153,346	\$88,791,580
Total Over/Under:	\$111,582,858	\$17,731,655	\$12,806,704	\$6,228,744
Total 15% Reserve	\$14,007,253	\$13,145,280	\$12,665,280	\$12,215,280
	\$97,575,605	\$4,586,375	\$141,424	(\$5,986,536)