1 **Action**	**The Impacts of AB 99 on Commission Funding** Supporting Documents At the April 4th Commission meeting the Executive Director was directed to return at the May Commission meeting and provide a framework with options that show the impact on current and future funding. Three different funding scenarios will be presented for the Commission's consideration pertaining to the local impacts of AB99 which was signed by the Governor on March 24, 2011. **Overview:** On March 16, 2011 both houses of the California Legislature approved AB 99 by a two thirds vote. This bill requires the State First 5 Commission to remit $50 million, and the combined County Commissions to remit $950 million to the State Treasury by June 30, 2012. Commissions that receive less than $600,000 per year in Prop 10 revenue are exempt from this requirement. The bill was signed by the Governor on March 24, 2011. Each County Commission not exempt from the requirement will remit 50% of its Fund Balance as of June 30, 2010. If the State receives more than $950 million, they will send the excess back to the County Commissions. First 5 San Diego's Fund Balance was $176,749,177. It is anticipated that the San Diego County First 5 Commission will be required to send $88,374,588 to the State Treasurer by June 30, 2012. **Staff Recommendation:** 1) Approve one of the scenarios, including any recommended changes, noted in Attachment 2: Details by Contract, which identifies specific dollar amounts for contracts/programs for FY 2011-12 through FY 2014-15, and direct the Executive Director, or her designee, to negotiate contract amendments as required. 2) Direct the Executive Director to return at the June Commission meeting with a FY 2011–12 Operations Budget and specific Long Range Financial Plan for future funding. **Fiscal Impact:** First 5 San Diego must send $88,374,588 by June 30, 2012. Each scenario reflects specific funding cuts to expenditures as required, to adjust long term spending to levels that can be sustained and includes a management reserve of 6 months of Prop 10 revenue.	**Executive Director Jiménez**