

LEGEND:

- ✓ - Bylaws
- ✓ - Strategic Plan
- ✓ - Board Policy
- ✓ - Internal Policy

First 5 LA Governance Guidelines

As approved March 13, 2014

Statement of Purpose

- The First 5 LA Board of Commissioners will make its decisions guided by the principles of transparency, financial responsibility and accountability, and adherence to the Commission’s Strategic Plan.

Objectives

- Update and conform First 5 LA decision-making guidelines to reflect current organizational practice and best practices.
- ✓ • Promote transparency and consistency in decision-making.
- ✓ ✓ • Promote coordination, coherence and integration of First 5 LA investments.
- ✓ ✓ • Ensure accountability for First 5 LA’s declining revenues.
- ✓ ✓ • Establish Commission expectations for contractors and grantees that they not expect First 5 LA to be a permanent source of funding for programs and services.
- ✓ • Maintain Commission flexibility to respond to significantly changed circumstances and emergencies by authorizing exceptions to the Governance Guidelines via a vote of 7 of 9 of the voting members of the Commission.

Governance categories

Process

- ✓ 1. Sequencing of action items. Agenda items requiring Commission action will first be introduced as information at a full Commission meeting prior to action at a subsequent meeting. Staff presentations will be provided and public comment received in one meeting, with referral to appropriate Committee(s) for further discussion. Non-substantive issues will return to the full Commission on the Consent calendar; substantive issues will be agendaized for further Commission discussion pre action. Public comment will be incorporated for both Consent and non-Consent action items.
- ✓ 2. Staff presentations. Staff presentations on Commission agenda items will precede public comment.

Fiscal Accountability

- ✓ 3. Long-term financial projection. At least annually, the Board will review and adopt the next five-year financial projection that represents estimated 5-year trends of First 5 LA expenditures, revenues, and, if applicable, staff recommendations regarding the re-classification of unexpended funds.
- ✓ ✓ 4. “Paygo”*. Board decisions that have a fiscal impact will require identification of the funding source: e.g., “assigned” funding (per the current Strategic Plan), “committed” (per previous Board-approved allocations) or “unassigned” funds (operations and Reserve). Staff will present to the Board a 5-year spending projection for all service-related investments with a fiscal impact, prior to Board action. Committed funds from an approved allocation cannot be redirected to a different, unintended purpose.
- ✓ ✓ 5. Sustainability*. It is the Commission’s expectation that successful applicants for First 5 LA grant support will be able to sustain project efforts beyond the contract period and First 5 LA funds. As a condition of funding, applicants must provide a Sustainability Plan, including sustainability goals, other (anticipated) sources of funding, and action steps. To inform Plan development, First 5 LA will provide specific program outcomes and objectives expected to be sustained and examples that reflect a continuum of possible approaches and recognize the diversity of potential applicants (i.e., size of investment, type of program, capacity of applicant). Sustainability provisions will be included in First 5 LA solicitations, scoring tool, and performance evaluation, unless the Executive Director finds such provisions not practical or consistent with a particular grant program and reports that finding and its bases to the Commission prior to the time the solicitation is issued.
- ✓ ✓ 6. Leveraging*. It is the Commission’s expectation that successful applicants for First 5 LA grant support will identify opportunities to leverage First 5 LA funding to support the scope, quality and sustainability of program activity. As a condition of funding, applicants will report other financial resources they have secured for use in the project other than the First 5 LA funds requested. In addition, for multi-year funding, applicants will provide a detailed description demonstrating incremental increases in leveraging consistent with First 5 LA determined benchmarks. Applicants not able to secure leveraged resources at the time of submission will provide a plan to acquire these funds during the project term. Where appropriate, First 5 LA may establish milestone-based funding based upon progress in meeting financial and/or programmatic benchmarks. Leveraging provisions will be included in First 5 LA solicitations, scoring tool, and performance evaluation, unless the Executive Director finds such provisions not practical or consistent with a particular grant program and reports that finding and its bases to the Commission prior to the time the solicitation is issued.

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7. Expiration of contracts/grants. Each First 5 LA contract/grant will have an expiration date. Multi-year First 5 LA services-related investments will end pursuant to the time stated in the original allocation or grant award. The Commission is under no obligation to continue funding beyond the initial contract term. Should future requests be forthcoming after the contract term is over, these requests will be evaluated based on the 2015-20 Strategic Plan criteria (see below). Staff will provide an annual Board update each spring on expiring grants and contracts.

Strategic Planning (2015-20)

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8. Decision-making document. The Strategic Plan will represent a decision-making document that focuses First 5 LA’s strategic direction, aligns the organization’s efforts and activities, and clarifies its intended impact.

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9. Alignment of “legacy” investments (from previous Strategic Plans) with 2015-20 Strategic Plan. Prior Strategic Plan initiatives must expire pursuant to their terms or be clearly aligned with the 2015-20 Strategic Plan criteria (see below).

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10. Criteria for new initiatives/programs. To be included in the new Strategic Plan, initiatives/programs must include an analysis of each of the following criteria:

- Alignment with Strategic Plan outcomes, objectives, and strategy.
- Clearly defined and measureable outcomes and performance metrics.
- Evidence of or potential for effectiveness relative to outcomes and metrics identified.
- A budget and fiscal impact analysis, including a spending projection for at least 5 years.
- Realistic implementation timeline.
- Evidence of or potential for sustainability of results.
- Evidence of or potential for scalability, if scalability is an intended outcome.

The appropriate Board Committee will review such requests, make findings and provide a recommendation to the full Commission.

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*** Definitions:**

Guideline #4: “Pay Go”

- Assigned: Funds available for use within the parameters set by the current Strategic Plan. For example, under the 2009-15 Strategic Plan, funds would be available for use within the guidelines of 30-45% for Countywide Activities, 45-60% for Place-Based Activities, 5% for Research and Evaluation, and 5% for Administration.

- Committed: Funds have been set aside by the Commission for a specific purpose via Resolution. This can include either annual appropriations or multi-year allocations approved by the Board. For example, in FY 2010-11 the Board approved a \$7.5 million multi-year investment in the Healthy Food Access initiative. These funds remain in Committed unless the Commission takes action to redirect the funds for other purposes via Resolution. In contrast, for a zero-based investment, such as Public Education, only the annual FY 2013-14 appropriation approved by the Commission of \$2.3 million is shown as Committed because this investment does not have an approved multi-year allocation; any spending in future fiscal years would come from Assigned assuming sufficient funds were available.
- Unassigned: Funds have been designated for First 5 LA operations (via the annually approved fiscal year Operating Budget) and the Fund Balance Reserve, which is calculated annually as 25% of the total fiscal year budget approved by the Board in June.

Guideline #5: Sustainability

- The ability to maintain programming and its impact on the well-being of children and families after the expiration of First 5 LA funds.

Guideline #6: Leveraging

- Additional funding that is awarded and/or accessed as a result of First 5 LA funding (distinct from existing funding).