

SUMMARY MEETING NOTES

FIRST 5 LA

SUMMARY MEETING NOTES  
Program & Planning Committee  
June 27, 2013

**COMMITTEE MEMBERS PRESENT:**

Philip Browning  
Arturo Delgado (Vice-Chair)  
Duane Dennis (Chair)  
Deanne Tilton

**STAFF PRESENTERS:**

Aleece Kelly, Senior Program Officer  
Stacy Lee, Policy Manager  
Barbara Dubransky, Senior Program Officer  
Diana Careaga, Program Officer

**COMMISSIONERS PRESENT:**

Nancy Au  
Patricia Curry  
Suzanne Bostwick (Alternate)  
Marvin Southard  
Sylvia S. Swilley (Alternate)

**RECORDING SECRETARY:**

Linda Vo, Executive Assistant

**1. Call to Order**

The meeting was called to order by Chair Dennis.

Chair Dennis went around the room and had everyone introduce themselves, including the public, and welcomed everyone in attendance.

**2. Review and Approval of Program & Planning Committee Meeting Notes from May 30, 2013:**

**THE ITEM WAS RECEIVED AND FILED AS AMENDED BELOW:**

On Second page, first paragraph, Commissioner Dennis was the Commissioner who stated the following: "To what degree does First 5 LA have in their responsibility to universal preschool in the county."

**3. Los Angeles Universal Preschool Discussion of Options**

As directed at the June Commission meeting, First 5 LA returns before the Committee with the following:

1. Four budget options that were presented at the June 13, 2013, Commission meeting, including the LAUP proposed budget for FY 2013-14
2. An overview of key considerations of the budget options
3. Key questions for Committee discussion as First 5 LA plans for the July Commission meeting.

Budget Option #1:

LAUP's proposed FY 2013-14 is \$64,673,081, approximately \$4.9 million more than its FY 2012-13 budget.

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### Budget Option #2:

Proposed FY 2013-14 budget of \$64.67 million, using a portion of LAUP's earned Performance Incentive Fund dollars to support the \$4.9 million requested increase

### Budget Option #3:

FY 2013-14 budget at FY 2012-13 level (\$59.81 million) by reducing spaces through mandated reductions to fund the \$4.9 million augmentation request

### Budget Option #4:

FY 2013-14 budget of \$63 million by reducing spaces through natural attrition while funding the \$4.9 million augmentation request. Mandated spaces in future years would be decreased annually, with savings used to extend the contract through June 30, 2017.

### Some of the key considerations:

1. Mandated reductions in FY 2013-14
  - Commitments made to parents and providers
  - Legal commitments to school-based classrooms
2. Natural Attrition in FY 2013-14
  - Geographic equity
  - Commitments to parents

### Questions for Committee:

1. Is there an interest in maintaining an increased balance in the Sustainability Fund at the close of 2016?
2. Is there interest in exploring a "glide path" for reducing First 5 LA supported pre-school slots beginning FY 2014-15, thus extending the contract to extend through 2017?

Executive Director Kim Belshé recognizes that it will not be a simple decision in choosing a budget option.

### Next Steps:

1. At the July, 2013 Commission meeting, First 5 LA plans to present to the board these same options and take action on which option would be executed.
2. Develop an alternative business model and align policy and advocacy strategies related to the FY 2013-14 executed contract amendment

Chair Dennis begins public comment, starting with the Commissioners.

Before beginning his comments, Commissioner Delgado asks if there is a conflict of interest on his part to be included in the conversation today since he sits on the Board of LAUP. Executive Director Kim Belshé notes that his is a good question and asks that the public comments section continue on while First 5 LA tries and gets in contact with its Legal Counsel, Craig Steel, to confirm how to proceed with Commissioner Delgado being present.

Public comments proceeds with Commissioner Au and continues on to the remaining Commissioners, who are present, to see if there are any questions or comments.

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### Commissioner Comments/questions:

Commissioner Au would like to know what the impact will be as First 5 LA moves forward with any decisions re: LAUP and the end of its contract and how First 5 LA plans to manage it.

Commissioner Browning would like to know what the geographic impact is on the spaces that are lost. Aleece Kelly indicates that District 2 has the most significant losses in spaces. Executive Director Kim Belshé notes that it is important for Aleece Kelly to explain that the basis of the distribution of spaces and slots are in those areas with the greatest needs. In agreement, Aleece Kelly continues with explaining that those areas with the greatest need have a greater preschool gap, so inherently, LAUP is invested more heavily in these areas. As a result, more spaces are/will be lost in these areas. In response, Executive Director Kim Belshé would also like more clarity on whether or not attrition happens to occur evenly across all the areas or is it due to the nature of the providers in those districts? Aleece Kelly indicates that it is a combination of both factors that lead to the reduction of spaces in those areas.

Commissioner Browning feels that if First 5 LA wanted to, it could protect the percentage of spaces lost. Consequently, he states there should be a way to evenly distribute the loss in spaces across all areas equally instead of it happening primarily in one geographic area, like District 2. i.e. If you have 100 spaces and there is a reduction by 20%, there should be a way to have equity in those reductions across all geographic areas. In response, Executive Director Kim Belshé acknowledges that there could be a consideration of an attrition approach that would have an eye towards equity consideration.

Commissioner Delgado responds to all comments, thus far, and talks about LACOE and the struggles it has had to deal with given its own budget cuts. As the largest funder of Head Start programs nationally, LACOE has had to make major adjustments as well in the way it operates. It has had to increase efforts of implementing a sustainability plan by doing activities such as fundraisers, which in itself has its own challenges.

Commissioner Delgado also acknowledges that given the nature of the cities poverty level, mobility problems do arise where parents are finding that they have to move around more often due to services being dropped in their own geographic area. Accordingly, understanding the mobility problems and the difficulties of initiating a sustainability plan, Commissioner Delgado recommends Budget Option # 1 as the one that the Board should approve because it is the least intrusive approach on LAUP.

Commissioner Curry makes the statement that she would like to know how First 5 LA plans to approach Best Start given the current situation of LAUP. She says it is important to look at ways of sustainability because she doesn't want to see the same thing happen to Best Start in the future that is happening to LAUP right now, as it is reaching its "Fiscal Cliff."

Commissioner Kaufman doesn't understand why decreasing spaces is the only option. He would like a little more clarity on whether or not there are any other ways of cutting costs/expenses that would lead to less spending. He gives several suggestions on belt tightening such as 1) Decrease the bonus that is paid out to those preschools that are receiving them as a result of providing higher quality preschools than others 2) Identify

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sites where there is less of a need than others and make cuts there. Commissioner Kaufman feels that LAUP's Board should have the responsibility of deciding how it would like to cut expenses and not First 5 LA. First 5 LA should determine the budget and LAUP Board should decide how to stay within that budget. In response to Commissioner Kaufman's prior statement, Aleece Kelly indicates that with the Commission's direction, these types of options can be explored with LAUP's Board.

According to Celia Ayala, CEO of LAUP, LAUP has spent less every year, while still meeting its performance measures, since 2009, so in essence, it has continuously made budget cuts already. To clarify, Dr. Ayala notes that LAUP does not want a reduction in slots. LAUP proposes Budget Option #1. Half of the increase that is being requested (\$4.9 million) is budgeted for LAUSD children. The other half is for its marketing campaign. Dr. Ayala stresses how big of an impact it will have on LAUP if it were to not receive this requested increase. It would inevitably mean they would have to go back and reevaluate the current budget plan that was already created and planned for.

Understanding the difficulties of the task at hand, Executive Director Kim Belshé reiterates that no matter what path First 5 LA takes, there will be challenges. LAUP is now getting close to its "fiscal cliff" and a decision has to be made that would be best for LAUP in regards to sustainability and the impact it would have on it, which is why First 5 LA suggests a reduction in slots, which is a softer "glide path." The existing contract with LAUP goes through FY 2016-17 and First 5 LA is trying to extend its sustainability past that period. And although First 5 LA does not intend on micromanaging LAUP and its contract with First 5 LA and how it spends its funds, as a funder, First 5 LA has an obligation to ensure that LAUP is meeting its contractual duties.

Next Steps: This item is set to be voted on at the upcoming July 11, 2013, Board of Commissioners meeting.

#### **4. A. Priority Policy Focus on Early Childhood Education and Family Strengthening B. State Policy and Sustainability Plan**

The goal of this presentation will be to:

1. Review existing policy investments in priority areas
2. Preview policy and sustainability plan developed by California Strategies and First 5 LA staff
3. Garner feedback from Program and Planning Committee

In staying consistent with previous Board Direction, staff is recommending that policy and sustainability resources and activities prioritize funding for high quality childhood education and family strengthening. First 5 LA currently expends 60% of its annual budget on school readiness investments, which many are slated to end over the next few years.

In order to sustain these important investments that have already been made in early childhood education, there needs to be substantial policy, advocacy and communications that will need to take place over the long-term.

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What this will mean?

Staff will work with First 5 LA's state and federal advocacy consultants to identify short and long-term policy opportunities. Staff will also create an ongoing campaign to garner support from policymakers, in addition to creating appropriate communications strategies to further the reach of the campaign.

Staff has also already undertaken several strands of activity in support of a developing sustainability plans that were shared with the Board back in Feb. 2013.

1. Developing data systems to support the building of an evidence base to support Welcome Baby
2. Analyzing the viability of reimbursement from public and private insurance programs
3. Developing research and evaluation projects to support sustainability policy and advocacy efforts
4. Supporting policy grantees to advocate for expanded home visiting and quality early childhood education programs
5. Securing the services of Sacramento advocate, California Strategies, to help First 5 LA develop and execute a comprehensive legislative agenda. Cal Strat will provide additional coordination and expanded activities for a key group of advocate organizations to support advocacy related to the Local Control Funding Formula (LCFF) and will develop a targeted communications plan to increase support of quality ECE and HV, since an organization cannot receive any state funding until they initially work with the LCFF.

Staff wants to clarify that with this new recommendation of the State Policy and Sustainability plan it is not recommending that other issues within the Policy Agenda be abandoned, but rather that particular focus and attention be given to the priority areas.

In response to Commissioner Dennis' question of wanting to better understand First 5 LA's current investments, Staff will do an overview of those related to policy and advocacy around early childhood education, including home visitation.

Current early childhood education (ECE) investments for FY 2013-14 include:

1. LAUP- \$1.1 million
2. LACOE, for the ECE Works project - \$900,000
3. The Advancement Project- \$300,000/3 years
4. Several contracts through the Policy and Advocacy Fund, including organizations like Crystal Stairs, \$500,000/5 years

Current Home Visitation (HV) investments for FY 2013-14 include \$500,000 to support the following:

1. Los Angeles Best Babies Network- \$250,000/2.5 years
2. LA County Perinatal Mental Health Task Force- \$493,895/5 years
3. Maternal Child Health Access- \$500,000/3 years
4. Western Center on Law and Poverty- \$450,000/5 years

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The objective of the Policy and Sustainability Plan is to help Policymakers understand the value of HV and early intervention and support system. The hope is that it will also align First 5 LA with these Policymakers to do the following:

1. Advocate First 5 LA policy priorities – to include leveraging President Obama’s ECE and HV proposals and exploring Title 19/Medi-Cal options
2. Develop coalitions and partnerships – to include building HV coalitions with hospitals, insurers and medical groups
3. Execute strategic communications – to include working with LAUP and others to build on existing strategies and messaging
4. Redirect and allocate resources

Commissioner Au would like clarity on how LAUP fits within the Policy and Sustainability Plan. Executive Director Kim Belshé responds by saying it is First 5 LA’s responsibility to advancing quality preschool to as many children in LA County as possible. Accordingly, a principle means of accomplishing this, of course, is through the creation and support of LAUP, especially given the LAUSD reductions that have also created budget pressure on First 5 LA.

Executive Director Kim Belshé states the importance of working with the Executive Branch since all major policy changes will go through it. And because it is common for Governors to not be reactors, and instead be cheerleaders, it will take some time to engage them. Accordingly, there are two takeaway’s from Cal Strat’s presentation today: 1) First 5 LA’s work with Cal Strat is both an investment of time and resources (It will not happen overnight) 2) The Legislative Branch is just as important as the Executive Branch, with 40 new members who are really into early childhood education. And because these congressman plan to be around for 12 years, it is important for First 5 LA to think long-term, and not just near-term, with its Policy and Sustainability plan. And although it does take some time to engage the Legislative and Executive Branch, there are some near –term opportunities that Cal Strat has identified with LCFF. Executive Director Kim Belshé now defers to Commissioner Delgado to get the perspective of school districts on LCFF.

Commissioner Delgado states that school districts do view LCFF as a way to give back to the 2008 funding it had in the past that would reestablish some prior programs that were taken out. What it really does is it also gives some districts flexibility with regards to early childhood programs.

Commissioner Au would like to know if there is a role for Cal Strat to play in regards to initiating a conversation with First 5 LA, LACOE and LAUSD with regards to early childhood education programs. Stacy Lee responds to Commissioner Au’s question by informing the Committee that at the state level, First 5 LA is already proposing that Cal Strat work with Children Now, located in Sacramento, an organization that has been providing staff support to the Governor on LCFF on many related early childhood education issues for many years. In LA County, First 5 LA is working with Advancement Project, who it is already funding, on projects related to early childhood education. To summarize, there are current plans in the works, but it is really leveraging these current plans to First 5 LA’s advantage and advancing its mission at the same time of providing quality preschool for children in LA county ages 0-5.

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Next Steps: This item is set to be voted on at the upcoming July 11, 2013 Board of Commissioners meeting.

**5. Scale of Family Strengthening Implementation**

This item was not discussed due to the lack in time remaining.

**6. Public Comment for Items Not on the Agenda**

None

**ADJOURNMENT:**

The meeting was adjourned at 4:50 pm.

**NEXT MEETING:**

The next regularly scheduled meeting will be taking place as follows.

Thursday, August 29, 2013  
1:30 pm – 4:30 pm

First 5 LA  
Multi-Purpose Room  
750 N. Alameda Street  
Los Angeles, CA 90012

Meeting minutes were recorded by Linda Vo, Secretary to the Board of Commissioners.