COMMISSIONERS PRESENT:

Commissioners:
William Arroyo (Alternate)
Nancy Au
Jane Boeckmann
Cynthia Harding (Alternate)
Alma Martinez
Gloria Molina (Chair)
Carolyn Wilder

Ex-Officio Commissioners:
Duane Dennis
Deanne Tilton
Harriette Williams

COMMISSIONERS ABSENT:

Commissioners:
Jonathan Fielding (Excused)
Neal Kaufman (Excused)
Marvin Southard (Excused)
Evangelina Stockwell (Excused)

STAFF PRESENT:
Evelyn V. Martinez, Executive Director
Carol Baker, Director of Public Affairs
Yolanda Bosch, Director of Grants Management & Legal Compliance
Tracey Hause, Finance Director
Armando Jimenez, Director of Research & Evaluation
Teresa Nuno, Director of Planning & Development
Maria Romero, Executive Assistant

LEGAL COUNSEL:
Craig Steele, Attorney-at-Law

CALL TO ORDER / ROLL CALL:

1. In the absence of Chair Molina and Vice Chair Southard, Commissioner Au called the meeting to order at 1:36 pm. Quorum was present.

CONSENT CALENDAR: (Items 2 – 3)

2. Approval of Commission Meeting Minutes – Thursday, January 14, 2010

M/S (Carolyn Wilder / Alma Martinez) APPROVED AS RECOMMENDED

3. Approval of Monthly Financials – December, 2009

M/S (Carolyn Wilder / Alma Martinez) APPROVED AS RECOMMENDED

COMMISSION: (Items 4 – 8)

NOTE: Item 5 – Executive Director’s Report was discussed prior to Item 4.

5. Executive Director’s Report

RECEIVED AND FILED
Executive Director Martinez acknowledged the service of two children’s advocates who recently left the Commission, Jacquelyn McCroskey and Corina Villaraigosa, for their contributions and support of children’s issues.

In addition to the written report, the following items were highlighted:

- **State Budget** – There is a very brief window period in which to act to prevent the governor’s proposal to divert First 5 funding from being put on the June ballot. First 5 LA staff, grantees and parents have mobilized to outreach to legislators, urging them to maintain funds for local Prop 10 programs for children and families. These efforts are beginning to yield positive results. The State Senate Budget Committee has released its proposed budget solutions and their list did not include diverting Prop 10 dollars through a ballot initiative.

First 5 LA will continue to aggressively reach out to the Los Angeles County delegation of legislators by sending correspondence apprising them of the core services funded by First 5 LA. In addition, families who receive First 5-funded services are engaging in a postcard campaign to reach legislators. The postcards are in English and Spanish. Commissioners were also urged to take advantage of the letter template that had been previously sent to them and to contact elected representatives.

Staff, grantees and parents have recently testified at the budget committee hearings in Sacramento, including an Assembly hearing on March 10th that was attended by eight Los Angeles County grantees and parents from Healthy Kids, Partnership for Families, the Family Literacy Network and other programs funded by First 5 LA. More than 50 First 5 families, grantees and stakeholders from across the State testified at the March 10th hearing. While in Sacramento, First 5 LA staff, parents and grantees conducted a number of legislative office visits in the Capital building, and staff also met with the Governor’s staff members assigned to health and human services issues.

**NOTE:** Chair Molina arrives and assumes leadership of the meeting.

4. Announcements by the Commission Chair

   **NONE**

6. Approval of Motion Regarding the Oral Health Community Development (OHCD) Project

   Chair Molina announced that this item was going to be continued due to the confusion resulting from the misinformation circulating via email that First 5 LA was eliminating the fluoridation campaign. Although many efforts have been employed in trying to get water districts and municipalities to respect and understand the importance of fluoridation in oral health for children, unfortunately First 5 LA has not been successful.

   Chair Molina clarified that the motion did not call for the elimination of oral health but for a reallocation of these designated funds into other areas of oral health. Given that the motion was so misunderstood by so many people, the item was being continued so that misunderstandings could be clarified. The email that was erroneously sent by one
of the County’s public health dentists stated that First 5 LA was going to end its oral health campaign. Chair Molina clarified that this was never the intent of the motion.

Executive Director Martinez also clarified that the item was being continued to the April 8th Commission Meeting to give staff time to develop options for the reallocation of funding to other oral health programs and activities. Prior to the April 8th Commission meeting, correspondence would be sent to all water agencies and municipalities letting them know that the Board of Commissioners would be reconsidering this item but that there was still time for them to apply for funding, if they so desired.

Commissioner Au asked if there would be a mechanism for these water agencies and municipalities to communicate their interest in applying for funding. Executive Director Martinez commented that different strategies were used with no response from the water agencies and municipalities. It was at this point that the process became open and continues to be open, where water agencies and municipalities can apply at any time. First 5 LA staff continues to meet with representatives from water agencies and municipalities with no success. Executive Director Martinez also commented that one water agency serving seven cities has recently expressed interest in applying for fluoridation funding but has yet to submit an application. Lack of follow through on the part of interested water agencies and municipalities has also contributed to unsuccessful outreach efforts.

Commissioner Au asked if it would be helpful to contact a representative from the group who felt that First 5 LA was taking this money away so that they could be privy to the frustration experienced by First 5 LA in its outreach efforts. Executive Director Martinez commented that First 5 LA has been open in its communication and has also been meeting with an expert panel, which included dentists and other oral health professionals, on the frustrations being encountered.

Chair Molina commented that she had attended a meeting with contract cities where First 5 LA had made a presentation regarding fluoridation. There was a total disinterest by most of the meeting attendees. She wrote letters to City Mayors within her District urging them to apply for funding and received very little response.

Chair Molina also commented that the Los Angeles County Department of Public Health has a fluoridation program that has been equally unsuccessful in its outreach efforts to water agencies and municipalities.

Given the unsuccessful outreach efforts, it seems that funds could be redirected and be better utilized in public education and more direct services such as the creation of dental chairs for special needs children.

Jonathan Freedman, Deputy Director of Public Health, addressed the Commissioners regarding the County’s fluoridation program. He stated that the County’s fluoridation program has only been successful with the larger water agencies and has faced challenges with the smaller water agencies, similar to those faced by First 5 LA. Some of the challenges have legitimacy as well as myth and mystifications. Mr. Freedman stated that the Department of Public Health supported the Commission’s fluoridation program but also understood the reality of redirecting these funds into more productive uses in oral health.
7. Approval of the Percent Ranges for the FY 2009-2015 Strategic Plan

Director Nuno commented that the information being presented was built upon a series of policy conversations and decisions made by the Board of Commissioners during the past two years. Currently, First 5 LA is in the process of planning the implementation of the blueprint that was adopted last year. At the January Commission meeting, Commissioners requested that staff return this month with a recommendation on allocation percentages. Staff will also be returning in May with a proposed budget for Year 1 of implementation for discussion and for final approval in June.

Traditionally, First 5 LA has made allocations toward broadly defined initiatives or goal areas prior to developing plans to inform those allocations. Once an allocation is made, dollars are committed for that activity until it is completed and then a request is made to return remaining funds to the general fund.

The resource allocation section of the FY 2009-2015 Strategic Plan includes Place-Based Investments, Countywide Investments, Evaluation and Operations as the categories for funding allocations. General discussions around possible percent allocations for each of these areas have assumed that once the percentages have been determined for each category, they would remain constant throughout the Strategic Plan.

After considering alternatives for determining the percentage allocations, staff feels that it is not possible to accurately determine the level of resources needed for the place-based work for the next five years until communities are selected and staff has assessed their capacity and infrastructure. In addition, crucial decisions need to be made around program models and other activities. As a result, staff recommends approaching this decision with the understanding that percentage allocations for Place-Based Investments or Countywide Investments will not be static for the next five years. Such inflexibility limits the Commission’s ability to effectively fund needed activities in the target communities or take advantage of timely opportunities countywide. Further, a flexible allocation strategy would allow the Commission to address unforeseen events or fluctuations in First 5 LA’s funding stream over the next five years.

Ten years of grant-making at First 5 LA have resulted in lessons learned about the amount of time needed for the start-up and implementation of new projects. First 5 LA’s place-based approach will necessitate a community planning process in order to be implemented successfully. This time period will require less funding than subsequent work. Once in implementation the costs of this work will likely increase yearly until in full implementation. Other strategies may be ready to roll-out more quickly as they build upon existing work. Therefore, it is anticipated that the percentage of the total budget allocated to place-based or countywide investments could vary from year to year. Staff is recommending that funding for each category fall within a range to allow for this flexibility. Recommended percent ranges are as follows:

- **Place-Based Activities**: 45-60%
- **Countywide Activities**: 30-45%
- **Research & Evaluation**: 5%
- **Administration**: 5%
Approval of these percentages represents the Commission’s long-term commitment to funding these activities for the next five years, or beyond. This predictability is needed so that staff and communities can budget and plan appropriately for activities and it reflects the commitments made by Commissioners to Place-Based and Countywide investments through the FY 2009-2015 Strategic Plan.

Commissioner Dennis inquired if the funding percentages had been changed from a five-year basis to a year-to-year basis because of the uncertainty of projected revenue and the economy. Finance Director Hause responded that it was one of the reasons but also added that flexibility was being provided to address issues as they arise since it is very difficult to anticipate exactly what is going to happen over the next five years.

Commissioner Dennis further inquired if funding was going to be for five years without having to go through an annual refunding process. Finance Director Hause responded that the commitment for the programs to be implemented would be for five years.

Executive Director Martinez commented that without knowing what specific communities were going to be selected, the strategies to be implemented may vary in cost depending upon the communities’ readiness, leadership, and infrastructure. Once the communities have been selected, then it will also help staff estimate what some of the anticipated costs might be.

Commissioner Tilton complimented staff for an excellent plan and presentation. She commented that she was really pleased with the percentages and the built-in flexibility because of the flux in so many areas. Commissioner Tilton would like for staff to try to broaden the definition of countywide investments beyond systems integration to help build some tangible services, whether it is a home visitation program or the new parent kit, to create visibility for the Commission. This way, the Commission could have more of a constituency when fiscally threatened so that it could say that it has done something for every new baby in the County. Commissioner Tilton also asked that the Commission look at profoundly important services that are being cut to see if those services could be leveraged in partnership with the County.

In response to Commissioner Tilton, Director Nuno commented that based on the Commission’s approval of the broad outline, staff will be bringing before the Commission more specific strategies in the near future. She said the countywide investments, previously approved by the Commission, will be in place and already touch upon some the suggestions being made.

Director Baker said that the Kit for New Parents was available to all parents through the State Commission. However, there has always been an issue with distribution. Executive Director Martinez clarified that the Commission had a contract with a distributor who would not only distribute the kits but also train hospital staff and parents on the use of the kit. The contract ended and it was no longer a priority for the Commission to renew the contract. Executive Director Martinez also commented that this was something that could be further explored to see how the distribution process could be improved.

Commissioner Arroyo underscored the need to consider leverage opportunities. He inquired of staff what considerations were given in developing the percent ranges. Commissioner Arroyo also asked what where the financial assumptions of the projected interest of $100 million.
The percentages were not developed specifically related to leveraging opportunities. However, in looking at the transition activities as well as the countywide strategies, the Commission is looking at creating ways to leverage opportunities. Staff will be making recommendations regarding these leveraging opportunities in April. Regarding the assumptions of the projected revenue interest, Finance Director Hause commented that the Commission had a cash flow for revenues over the next five years taking into consideration the decrease of tobacco tax revenues. Additionally, a conservative approach has been applied to interest earnings by not projecting any higher future yield than the current range of 1.6 to 1.75 percent on the portfolio.

Commissioner Martinez expressed concern about the communities that will not be funded. Specifically, Commissioner Martinez asked if the Commission was working with elected officials whose communities may be severely impacted by budget cuts and who may also not be selected as one of the target communities. Director Baker commented that the current focus is communicating with key leaders within the LA County Delegation that although the Commission is moving toward a place-based approach, areas of high needs are still being addressed. As part of legislative outreach efforts, Mayors and City Managers are being specifically reached out.

Commissioner Martinez commented that with respect to County cuts, how would the Commission ensure that supplanting does not take place of existing resources. Executive Director Martinez commented that a transition plan was being developed, with limited funding potential, for those communities and grantees that will not be funded under the place-based approach.

Finance Director Hause commented that the law does not allow for First 5 funding to backfill services that have been cut. The Commission will do what it can to legally proceed and staff would bring any recommendations for approval accordingly. Legal Counsel Steele commented that a fine line between backfilling and supplanting has been established by the Commission because the law has never given an actual definition of supplanting. It is the Commission’s policy to not provide another funder the excuse or the opportunity to remove their funding by putting the Commission’s funding in its place. If funding has been cut, it is not against the law for the Commission to step in and decide to backfill it all, or in part. The Commission does not want to be the inspiration for making a cut; but, in the past the Commission has acted as the rescuer when a cut has been made.

Commissioner Au asked if the Commission still had the where-with-all to make timely decisions and respond to what is happening in Sacramento as well as the impact locally in the County. Executive Director Martinez commented that this would be dependent upon whether the State cuts would impact current revenue holdings or future revenues. If the ballot is successful in June, then effective July 1st any revenue that would have been coming to any of the First 5 County Commissions would be taken off the top by the Governor with the remaining balance distributed later in the year. Should something drastic happen, the Commission would need to re-prioritize what it will continue to fund in the future. Furthermore, there would be enough revenue for the initial year of funding under the new strategic plan but the number of communities and strategies may need to change.
Commissioner Dennis suggested that information disseminated to communities on the proposed program models be user-friendly and clearly delineated for them to understand when and where feedback can be provided.

Commissioner Wilder asked if the Commission had a model on how to monitor the high quality of preschool. Director Jimenez commented that there are local and State-wide efforts to do a quality assurance for preschool, childcare centers and family childcare centers. The State is also considering adopting standards for quality. Locally, the Commission is working with the County Office of Childcare Center to do the same thing.

M/S (Nancy Au / Carolyn Wilder)  APPROVED AS RECOMMENDED

8. Public Comment

   Liz Guerra, Family Literacy Support Network

ADJOURNMENT

Chair Molina reported that the Commissioners met in a Closed Session prior to the Commission meeting. There was no action to report.

The meeting adjourned at 2:45 pm.

The next regularly scheduled Commission meeting will be on:

   March 11, 2010 at 1:30 p.m.
   Multi-Purpose Room
   750 N. Alameda Street
   Los Angeles, CA 90012

Meeting minutes were recorded by Maria Romero.