Vice Chair Southard called the meeting to order at 2:36 pm.

Former First 5 LA Finance Director Anthony Bellanca was presented with a scroll in recognition of his service and dedication to the Commission. The scroll was presented by Nick Ippolito on behalf of Supervisor Don Knabe.

CONSENT CALENDAR: (Items 2 – 13)

2. Approval of Commission Meeting Minutes – Thursday, January 8, 2009

   M/S (Evangelina Stockwell / Jane Boeckmann) APPROVED AS RECOMMENDED

3. Approval of Monthly Financials – December, 2008

   M/S (Evangelina Stockwell / Jane Boeckmann) APPROVED AS RECOMMENDED
COMMISSION: (Items 6 – 12)

4. Announcements by the Commission Chair

None.

5. Executive Director’s Report

RECEIVED AND FILED

In addition to the written report, the following item was highlighted:

- **Commission Membership:** Connie Russell submitted her resignation to the Policy Roundtable for Child Care. Her replacement, Duane Dennis, has been appointed to the Commission to serve the remainder of her term. He will be joining the Commission once the Board of Supervisors’ approval process has been completed.

- **State Budget Update:** The Proposition 10 bill attached to the budget submitted to the Governor for signature takes all “unencumbered” First 5 California Commission reserves (about $340 million) and an additional $268 million annually, off the top, of all Proposition 10 revenue beginning in fiscal year 2009-2010 for five years.

  The $268 million figure currently represents about 50 percent of all Proposition 10 revenue, but with the natural revenue decline and the new SCHIP hit of $0.61 per pack of cigarettes, that figure will amount to a larger percentage share of revenue in future years.

  First 5 County Commissions and legislators had been told that the bill’s language adhered to the 50 percent rate of revenue diversion language. Unfortunately, the legislation that passed instead used the $268 million annual revenue diversion figure.

  Executive Director Martinez also reported that First 5 LA staff and the First 5 Association did everything possible to get the language changed, but no legislators, including Speaker Karen Bass, were willing to substitute language this week, even after it became clear that Senator Dave Cox’s vote could not be counted on to pass the budget.

  Assuming the governor signs the bill, Proposition 10 is headed for a May 17th statewide election ballot along with four other measures.

6. Approval of the Following Financial and Planning Parameters for the FY 2009-2014 Strategic Plan:

   A. To Plan for $767,693,643 in Funds with Contingencies In Place in the Event that a Lessor Amount is Received
   B. To Prioritize New Investments Through Both a Placed-Based (Funding Activities in Specific Communities) and County-Wide Approach (Funding Activities Across All Communities)
SUMMARY ACTION MINUTES

Director Nuno reported that at the June 2009 Commission Meeting, First 5 LA Commissioners will be approving a Strategic Plan for FY 2009–2014. The current recommendations address the financial and programmatic planning parameters that will inform the development of the plan. These parameters were originally presented to Commissioners at a Strategic Planning Commission Meeting on January 15th. Along with members of the general public, Commissioners present at this meeting were Commissioners Fielding (and alternate Cindy Harding), Kaufman, McCroskey, Southard (and alternate Bill Arroyo), Stockwell, Tilton, and Williams.

Director Nuno reported that as was discussed at that time, the final recommendations agreed to by staff and Commissioners are being brought to the full Board for approval. The following information summarizes the information presented at the meeting along with the recommendations agreed to by Commissioners.

Recommendation #1: Financial Parameters for Strategic Planning
Staff presented three sets of financial projections for FY 09-14, reflecting how much money the Commission could receive during the next Strategic Plan. The rationale for presenting several scenarios included:

- The current uncertainty around revenue projections during the next strategic plan due to the ongoing state budget crisis and the specific proposal in the Governor’s budget to cut County commission revenue by half and to eliminate the State commission.
- Additional threats to revenue under the next strategic plan due to a potential decrease in tobacco purchases in California as the result of a proposed federal tobacco tax.
- The desire to create a focused and clear strategic plan that prudently plans the use of incoming monies that may be anticipated under each of the most realistic revenue-projection scenarios currently facing the Commission.

Because the scenarios presented range from $134 million to $767 million, the scope of the strategic plan naturally will vary based on Commission decisions on how to utilize anticipated allocations resulting from each of the three scenarios. It is important to note that included in these projections were only unexpended, unallocated dollars. All allocated dollars (i.e. current initiative or project dollars), even those that are currently unobligated, are included as Total Current Commitment.

Recommendation #2: Planning Parameters for Strategic Planning
At the January 15th meeting, the staff-consultant team recommended that the Commission prioritize its new investments through a place-based approach while also funding countywide investments that support these targeted activities. After considering the pros and cons of the proposed recommendation, the Commissioners present proposed a revised recommendation for Board approval that would not only prioritize new investments through a place-based approach but also countywide investments.

National and local trends around place-based funding highlight that funders who have traditionally funded broad-based approaches are choosing to focus their funding on specific communities. An analysis of First 5 LA’s current investments reveals that 23 zip codes are presently served by four or more First 5 LA initiatives, representing a
significant opportunity for the Commission to better integrate its investments and a foundation from which to build and leverage its impact. While the Commission has passed policies indicating its interest in this approach, to date place-based funding has not been the central focus of the Commission’s portfolio.

The population and geographic size of LA County, along with the challenges of leveraging funding, have limited the opportunities for the Commission to fund direct service initiatives that benefit every child in LA County. However, certain types of investments, particularly those where a physical location is not central to the delivery of services, have been funded through a countywide approach by the Commission.

Funding through place-based and countywide approaches, allows the Commission to maintain its focus on outcomes while utilizing both its unique position in the County to advocate for young children and the large number of community-based networks that it has created. A community focus allows funders to increase measurable impact and fund different types of activities. Systems level improvements made through policy change, systems change, public education, and collaboration can be connected with grassroots efforts within communities in order to maximize their impact.

Clearly defining the implications of a “place-based” and “countywide” approach will be critical to their successful implementation. In order to better understand these approaches, staff is proposing the following questions to be answered through the strategic planning development and implementation processes:

1. How will the Commission’s portfolio be balanced between place-based and countywide approaches?
2. What criteria will be used to determine the activities that will be countywide versus place-based?
3. What will be the criteria and process by which specific communities are selected? For example, will the Commission prioritize communities where it has historically made significant investments?
4. What countywide approaches will the Commission continue to fund and how will these be bridged with place-based work?
5. What are the implications for existing and new initiatives that fund services in geographic areas outside of the selected communities?

Vice Chair Southard asked for clarification on Recommendation #2 since the way it reads implies that new investments must fit into both categories – placed-based and county-wide. In his view, new investments should fit into either category.

Commissioner Au commented that she was not comfortable with the language of Recommendation #2. It seems terribly confusing to Commissioners as it is not clear what approach is to be used. Commissioner Au expressed that clarity was needed in how the Commission was going to define its strategic plan. She urged the Commission to be more focused in making the initiatives more of a community placed-based approach.

Commissioner Harding commented that her recollection of the January 15th meeting of the original recommendation was that the focus on only placed-based investments was too limiting. As a result, the Commission wanted to ensure that while prioritizing placed-based initiatives with new investments, the Commission would also be able to use
new investments to invest in universal kinds of policy or other work impacting children. The reason why this is important is because of the current funding crisis where funding is in jeopardy. Commissioner Harding commented that the Commission could have a stronger position by investing in universal types of programs and initiatives that are not only specific to Los Angeles County.

Commissioner McCroskey commented that part of placed-based investments should include integration of current investments and the identification of strategic partners.

Commissioner Stockwell commented that she was in agreement with Commissioner McCroskey’s comments on integration and strategic partnerships. She commented that in this next strategic planning process, Commissioners should assess whether they are sufficient processes in place to ensure political objectivity and ethical behavior when making funding decisions.

Commissioner Tilton felt that placed-based seemed too restrictive in the Commission’s approach in providing services to children.

Commissioner Williams commented that she felt the language was too restrictive and suggested that the Commission prioritize its investments using either placed-based or county-wide approaches to capture a larger target population.

Commissioner Kaufman commented that there should be a balanced portfolio of investments. In his view, implementation should be focused on a more narrow approach while changing public will and public policy, so that when shown to work, these models can be scalable and sustainable. He was supportive of a community-oriented approach, with targeted and specific universal approaches, that help to make the targeted approach in the community scalable and sustainable.

Commissioner Boeckmann agreed with Commissioner Kaufman’s comments but also reminded Commissioners that the purpose of Proposition 10 was to serve all children under the age of five years. The end goal is to serve as many children as possible while being realistic that is not likely that the Commission’s resources will be able to serve all the children.

Based on the discussion, Commissioners supported Recommendation #1 as presented and amended Recommendation #2 to read as follows:

The Strategic Plan for FY 2009-14 will target its funding to specific communities in order to integrate its current initiatives and prioritize new investments, while continuing to fund new and/or current countywide investments to support this targeted, place-based approach.

M/S (Nancy Au / Jane Boeckmann) APPROVED AS RECOMMENDED & AMENDED

7. Approval of an Estimated Budget to Support the Hiring of Staff

Director Nuno reported that the unique design and structure of Best Start LA will require staff to practice high engagement philanthropy (or its principles) to successfully implement this comprehensive place-based investment and positively affect child, family, and community outcomes. BSLA’s innovative focus on integrating family-,
community- and organizational-strengthening strategies with the flexibility required to be successful in diverse communities within Los Angeles will require staff to truly partner with grantees and operate in an intensive hands-on manner which will look significantly different than the more traditional grantee-grantor relationship.

The Commission has approved an incremental approach to implementing five demonstration communities to ensure that BSLA encompasses diverse settings with unique assets. Each community will launch with a lead entity or entities that will be responsible for convening and collaborating with the multiple partners necessary to implement all strategies within the model, including the family engagement, place-based and community mobilizing strategies. Additionally, the Commission approved the building blocks which are designed to strengthen and support the five demonstration communities and provide a county-wide foundation for BSLA outcomes and strategies to be adopted in all communities. As noted above, given the magnitude and breadth of this investment and the commitment that the Commission has made to maintain an internal operational structure, additional First 5 LA staff will be necessary to provide adequate oversight and management to support the achievement of the identified BSLA outcomes.

Staff is requesting the approval of an estimated budget of up to $2,505,924 over seven years to support the hiring of three new full-time staff positions—Public Affairs Officer II, Research Analyst II, Research Analyst III. These positions are required to support the ongoing needs of the currently implemented components of Best Start LA, as well as the launch of the demonstration communities and will provide each lead entity and their partners with the level of support and coordination necessary to succeed with this investment. These positions are critical the success of all five demonstration communities as well as the building blocks that are creating a county-wide foundation for BSLA. It is important to note that the proposed budget covers a seven-year time frame that spans the life of the demonstration communities based on an implementation timeline for all five demonstration communities.

Commissioner McCroskey expressed her strong disapproval to the hiring of additional staff. She commented that given the current economic hardship, the Commission would be placing itself in a position to be criticized for hiring additional staff.

Commissioner Au commented that additional staff was needed because the Commission was moving forward to becoming an implementation catalyst. To date, the Commission’s role has been that of monitoring and compliance.

Commissioner Kaufman commented that this was an investment in the implementation model for Best Start LA. He stated that now was the time for the Commission to make such type of investment.

Commissioner Stockwell commented that this provided the Commission with the opportunity to include an evaluation component from the planning stage through program implementation.

M/S (Neal Kaufman / Nancy Au) APPROVED AS RECOMMENDED
8. Los Angeles Universal Preschool (LAUP) Motion

Vice Chair Southard read the following motion submitted by Chair Knabe:

At the Commission meeting in January, we discussed the very real need to continue preschool throughout the summer. LAUP has indicated that they have operational carryover that will substantially meet the funding need to accomplish this. However, it is my understanding that the Commission would need to approve use of their carryover funds for this purpose. Furthermore, an additional augmentation from First 5 LA of up to $1.3 million would have to be appropriated to fully meet the need. It is critical that we ensure that thousands of children throughout the County who benefit from a quality preschool program each day can continue on through the upcoming summer.

I THEREFORE MOVE that the Commission approve use of LAUP's carryover funds for the express purpose of funding the summer preschool program in 2009, and instruct the Executive Director to identify up to $1.3 million to augment the operational carryover LAUP has identified to fully fund summer preschool programs across the County.

Commissioner Stockwell commented that she needed more information in order to make an informed decision. Commissioner Stockwell requested historical background information such as the number of children impacted by summer program, what percentage of children are enrolled, and cost of the program. Furthermore, Commissioner Stockwell inquired why LAUP is designed in a traditional school model of 166 days rather than in a model with 244 school days.

Commissioner Au requested that LAUP submit an annual budget covering a period of 12 months rather than submitting a 10-month budget. As such, LAUP would not need to ask the Commission for summer program funding at the end of the fiscal year. LAUP needs to structure their budget to base it on a 12-month period rather than the traditional 9-month school year.

Commissioner Kaufman commented that as a result of sustainability conversations that took place last year, it was decided, at the time, that LAUP would develop a budget using a 9-month academic year so that a specific number of preschool slots could be funded. Otherwise, LAUP would have reduced the number of preschool slots unless the Commission increased its yearly allocation to them. As part of these same sustainability conversations, there was a policy decision made on unexpended revenue where any revenue that was unspent at the end of the fiscal year was to be placed in an endowment fund. The rationale was that this fund would continue to grow over time providing LAUP with an opportunity to generate revenue and allow for the Commission's investment to be reduced each year.

Furthermore, Commissioner Kaufman asked if the Commission was willing to allow LAUP to use the projected $4.3 million in unspent revenues for the summer program rather than placing this amount into the endowment fund, as this would go against the policy decision previously made by the Commission. Commission Kaufman stressed that
the Commission needed to make a decision on how future policy was going to be implemented.

Commissioner Williams commented that this was the first year of the endowment fund and based on the motion of June, 2008 any end-of-year surplus was to be placed into this fund. In her view, she believed that the sustainability plan agreed to by the Commission and LAUP was very specific and not placing unexpended revenues into the endowment fund was possible a breach of contract. Commissioner Williams was not in favor of diverting unexpended revenues from the endowment fund for the funding of the preschool program. She suggested that LAUP review its budget to find other sources of funding.

Commissioner Boeckmann commented that if the Commission had established policy regarding LAUP unexpended revenues, then the Commission should be adhered to such policy regardless of how supportive the Commission is of funding the summer school program.

While sitting in audience, Gary Mangiofico, LAUP CEO, commented that LAUP has a projected budget surplus of $4.2 million which it would like to use as carryover for the summer program. Dr. Mangiofico further stated that the additional $1.3 million being requested from the Commission was not really needed to fund the summer program. In fact, Dr. Mangiofico commented that he seriously doubted that the additional $1.3 million was going to be used as he believed there was an additional $1.3 million that could become available to LAUP from pending projects that could possibly not materialize. The summer program would include Head Start and State preschool children.

Commissioner Au, once again, stressed that LAUP should submit a budget for FY 2009-10 to include summer program funding. As the summer program begins on July 1st, this funding would be part of the FY 2009-10 budget; and thus, LAUP would not need to request summer program funding.

Commissioner Kaufman asked that the Commission split and vote separately on the proposed motion. He was willing to authorize LAUP to use the projected budget surplus as a carryover amount to fund the summer program but he was not in favor of authorizing the Executive Director to identify an additional $1.3 million to augment the operational carryover that is already going against the Commission’s policy on unexpended LAUP revenue.

**MOTION #1**

*The Commission authorizes LAUP to use its carryover funds, if necessary, for the express purpose of funding the summer preschool program in 2009.*

M/S (Neal Kaufman / Nancy Au)

Ayes: Au, Boeckmann, Harding, Kaufman, Southard, Stockwell
Nays: None

**APPROVED AS RECOMMENDED**
MOTION #2

The Commission authorizes the Executive Director to identify up to $1.3 million, if necessary, to augment the operational carryover LAUP has identified to fully fund summer preschool programs across the County.

M/S (Neal Kaufman / Jane Boeckmann)

Ayes: Au, Harding, Southard
Nays: Boeckmann, Kaufman, Stockwell

MOTION FAILS

As the second part of the motion failed, Commissioners were made aware that this motion could be placed, once again, on the agenda for the March Commission meeting. Dr. Mangiofico stated that more information could possibly be available regarding the projected augmentation needed beyond the $4.3 million carryover amount for the summer program.

Commissioner Au requested that conversations be reopened regarding LAUP developing a 10-month budget versus a 12-month budget.

9. UPDATE: LAUP Performance-Based Contract

Due to time constraints, the information presented in the meeting packet was received and accepted as submitted.

10. UPDATE: Universal Preschool Child Outcomes Study (UPCOS)

Director Jimenez reported that in February 2007, First 5 LA contracted with Mathematica Policy Research, Inc. (MPR) and its subcontractors, Juárez and Associates, American Institutes for Research (AIR), and Berkeley Evaluation and Assessment Research (BEAR) Center, to conduct the First 5 LA/LAUP Universal Preschool Child Outcomes Study (UPCOS). With the guidance of the Universal Preschool Research Advisory Committee (RAC), comprised of national experts in early childhood development and preschool research, MPR conducted the study in two phases.

The spring 2007 pilot phase (Phase 1) examined the feasibility, reliability, and validity of selected child development measures in the large, culturally and linguistically diverse population of children served by LAUP programs. In early spring 2007, the study team selected a purposive sample of 418 4-year-olds enrolled in 14 LAUP programs. The children were predominantly Latino (60%), and 28% spoke primarily Spanish at home. Data collection included direct child assessments and a teacher interview encompassing ratings of children’s behavior and development. In addition, through focus groups and cognitive interviews with parents, the researchers developed a better understanding of how parents interpreted child behavior rating items. The psychometric analyses of the direct child assessments and teacher rating scales, along with results of the parent focus groups, led to firm conclusions about the psychometric qualities of measures to be used in Phase 2. MPR then recommended a set of measures for Phase 2 that significantly benefited from the pilot phase.
Dr. John Love, Senior Fellow at MPR and Project Director of UPCOS, presented key findings and implications from Phase 2 (fall 2007 and spring 2008). This phase of the study addressed the quality and overall implementation of LAUP programs, children’s growth from fall to spring, and the relationships between family characteristics and children’s development over time. In addition to the information it will provide to First 5 LA and LAUP, the study was designed to contribute to the larger early childhood program evaluation field through increased understanding of the issues involved in assessing young children from diverse linguistic and cultural backgrounds. The final report on Phase 2 will be available on the First 5 LA website by the end of February 2009.

11. INFORMATION: Program and Evaluation Funding Release and Selection Process

Due to time constraints, the information presented in the meeting packet was received and accepted as submitted.

12. INFORMATION: Investment Advisory Services Evaluation Results

Due to time constraints, the information presented in the meeting packet was received and accepted as submitted.

13. Public Comment

None.

ADJOURNMENT

The Commission meeting adjourned at 5:19 pm to a Closed Session.

The next regularly scheduled Commission meeting will be on:

March 12, 2009 at 1:30 p.m.
Multi-Purpose Room
750 N. Alameda Street
Los Angeles, CA 90012

Meeting minutes were recorded by Maria Romero.