COMMISSIONERS PRESENT:

Commissioners:
William Arroyo (Alternate)
Nancy Au (Arrived @ 2:10 pm)
Yvonne Burke (Chair)
Cynthia Harding (Alternate)
Evangelina Stockwell
Corina Villaraigosa
Carolyn Wilder

Ex-Officio Commissioners:
Jacquelyn McCroskey
Connie Russell
Deanne Tilton
Harriette Williams

COMMISSIONERS ABSENT:

Commissioners:
Jane Boeckmann (Excused)
Jonathan Fielding (Excused)
Neal Kaufman (Excused)
Marv Southard (Excused)

STAFF PRESENT:
Evelyn V. Martinez, Executive Director
Carol Baker, Director of Public Affairs
Anthony Bellanca, Finance Director
Yolanda Bosch, Director of Grants Management & Legal Compliance
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. Vice Chair Fielding called the meeting to order at 1:37 pm.

RECEIVED

CONSENT CALENDAR: (Items 2 – 3)

2. Approval of Commission Meeting Minutes – Thursday, January 10, 2008

The minutes of January 10, 2008 were amended to reflect that Commissioner Stockwell had received several letters from parents during the discussion of Item 5: Approval of the Full Cycle 2 School Readiness Initiative Funding (Option 1) For an Amount Not-to-Exceed $42 Million.

M/S (Angie Stockwell / Carolyn Wilder)  APPROVED AS AMENDED
3. Approval of Monthly Financials – December, 2007

M/S (William Arroyo / Cynthia Harding) APPROVED AS RECOMMENDED

Approval of Monthly Financials – January, 2008

M/S (William Arroyo / Cynthia Harding) APPROVED AS RECOMMENDED

COMMISSION: (Items 4 - 9)

4. Announcements by the Commission Chair

RECEIVED

Commissioner Burke welcomed Connie Russell as the newest member of the Commission. Ms. Russell joins us with over 40 years of experience as an educator of elementary and special needs children. Commissioner Russell will be representing the Policy Roundtable for Child Care on the Commission.

Commissioner Burke made the following designations for her term as Chair of the Commission for 2008.

- **Operations Committee**: Commissioner Jonathan Fielding will serve as Committee Chair. Other Commissioners appointed to the Operations Committee are Neal Kaufman, Jane Boeckmann and Carolyn Wilder.

- **Public Affairs Committee**: Commissioner Harriette Williams will serve as Committee Chair. Other Commissioners appointed to the Public Affairs Committee are Deanne Tilton and Corina Villaraigosa.

- **Planning Committee**: Commissioner Jacquelyn McCroskey will continue to serve as Committee Chair.

Commissioner Stockwell asked if the Commission could consider having term limits for Committee appointments so that Commissioners could have the opportunity to serve on the different Committees not just the same Committees each year.

Executive Director Martinez commented that these types of issues could be addressed through bylaws amendments and asked the Commission to consider doing this. The Commissioners were agreeable to this suggestion. Executive Director Martinez will work with legal counsel on the process for amending the bylaws.

Commissioner McCroskey commented that Commission policies and procedures were also being addressed as part of the strategic planning process.

5. Executive Director’s Report

RECEIVED AND FILED
In addition to the written report, Executive Director Martinez reported on the following Commission-related issues:

- **2006-2007 Annual Report for First 5 California:** First 5 LA has received copies of the 2006-2007 First 5 California Annual Report submitted to the Legislature and Governor. The report is available on the First 5 California website (www.ccfc.ca.gov) which is linked from the First 5 LA website (www.first5la.org).

6. UPDATE: Los Angeles Universal Preschool (LAUP)

Director Bosch reported that at a Special Commission Meeting on November 28, 2007, the Commission approved a motion that, in part, stated the following:

> To Approve a FY07-08 LAUP budget not to exceed $60 million; that LAUP’s FY07-08 scope of work was approved to scale back to conform to $60 million budget approval amount; and, that First 5 LA staff should meet with LAUP to produce these two documents.

In addition, at that meeting, the Commission asked that First 5 LA staff report back to the Commission at this March 2008 meeting regarding the status and progress of these items.

Director Bosch also commented that at the Commission’s direction, First 5 LA staff scheduled a mutually convenient meeting with LAUP staff for January 23, 2008. First 5 LA staff was then directed to cancel that meeting at the request of Supervisor’s Burke office. This meeting was later re-scheduled for March 5, 2008 and was attended by First 5 LA and LAUP staff as well as Deputies from both Supervisor Burke and Knabe’s offices. The FY 07-08 budget for the period January 1, 2007 through June 30, 2008 and the SOW were discussed. It was agreed that LAUP would provide these documents to First 5 LA in a timely manner. Since then, LAUP has submitted the documents and First 5 LA has worked very hard to review these documents and to move forward.

Director Bosch also reported that a counter proposal to the action the Commission took at the Special Commission Meeting of November 28, 2007 had been presented to Supervisors Burke and Knabe earlier in the week by LAUP. Executive Director Martinez was also sent a copy by LAUP which has been given to staff for analysis. Since the staff analysis of the counter proposal has not been completed, the item was not placed on the Commission agenda.

Commissioner Stockwell asked for clarification on the LAUP counter proposal. Executive Director Martinez commented that the proposal had been sent to the Commission Chair and she wanted to obtain direction from the Commission Chair as to whether a copy of the counter proposal should be distributed to all Commissioners. Chair Burke thought it would be a good idea for all of the Commissioners to get a copy of LAUP’s counter proposal for their review.

Chair Burke stated that she had no intention of politicizing anything related to LAUP and First 5 LA. Chair Burke defined politicizing to mean a political person getting involved with the granting of money, or who it goes to, or the amount, if goes to them. Chair Burke also stated that she felt her responsibility was to resolve obvious problems that exist between both organizations. After speaking to Supervisor Yaroslavsky [immediate past Commission Chair], he seemed to feel it was his responsibility as well. Chair Burke further commented that it had been obvious to her, at her first Commission meeting, that there was tremendous disagreement between First 5 LA and LAUP.
Chair Burke commented that she realized that whatever was solved, it always helps if there can be some type of follow through, not just to the end of her term but for the future. Chair Burke also commented that it was obvious to her that it would be very important for the Vice Chair of the Board [of Supervisors], who is Supervisor Knabe, for him to join in any kind of discussion to try to resolve these issues. Supervisor Knabe was interested in doing this and felt that he had every right to be involved, just like he has the right to appoint someone to the Commission as well as the LAUP Board, as all Board [of Supervisors] members do.

Furthermore, Chair Burke also commented that she took issue when it was indicated that the process was being politicized because Supervisor Knabe was involved. Chair Burke commented that she did not believe this was the case. Chair Burke commented that she believed that any time you have a Chair and a Vice Chair of an organization, who is going to be the next Chair of an organization, it is appropriate for that person to be involved, if you are going to be talking about some of the things we were talking about which occurred two days before she took the position of Chair. Chair Burke said that while saying this, any time anything happens two days before someone takes an office, and it’s a specially called meeting, the person takes a look at it a bit closer than if the special meeting had taken place 30 days before they took over the responsibilities. Chair Burke said that she took a look at the statements made at the Commission Meeting of November 28, 2009 by staff of the both organizations, and subsequently sent a letter to First 5 LA and LAUP signed by both Supervisor Knabe and her. The letter stated “we have become increasing concerned about the disagreements and issues that exist within First 5 LA and LAUP. The problems between the two Boards and Executive Directors came to the forefront at a special meeting at the end of last year. We are eager to resolve these disagreements in order to move forward for the next two years in a manner that will allow for entities to magnify their potential to serve the greatest number of children. We acknowledge there are valid arguments on the side of each agency that must be recognized as well as personality conflicts that have developed, and these matters must be resolved right away. Please submit to us within the next two weeks the conflicts you have with the other organization and their Directors, we will ask them to do the same. When these areas of disagreement have been identified, we’ll set up a meeting for frank and direct discussion of how these issues can be resolved so that we can move forward. We hope that in the spirit of children, and their best interests, you will respond to our request so that the next two years can be met with greatest stability.”

Chair Burke stated that she did not consider these remarks to be interference. She considered this an attempt to work out a valid problem that cannot be swept under the rug. Chair Burke further stated that this is something that would be in the interest of everyone to resolve.

Chair Burke also mentioned that regarding the meeting that was to be held, there was never any intention to cancel to the meeting but to reschedule it hopefully after the meeting between the leadership of First 5 LA and LAUP had taken place as requested in the correspondence that had been sent. Chair Burke commented that she had received a number of things from each organization. For instance, Executive Director Martinez had shared that she felt LAUP did not respond to First 5 LA’s requests, that such responses did not come in a timely manner, and there were members of the LAUP Board who had said things that were unkind about members of the First 5 LA staff and the Commission. These issues have made it very difficult for First 5 LA to work with LAUP.

Chair Burke said that on the other hand, LAUP felt that there was antagonism and that they would be unable to carry out what they were required to do as a result of the November motion.
that was passed. If the number of children was increased, then capital expenditures could be worked for this year; but it would be difficult to serve the number of children being anticipated by the capital and facilities that were being developed. LAUP expressed that they had not had a clear expectation.

Chair Burke commented that as she understood it, the expectation First 5 LA has of LAUP is that they serve approximately 10,000 or 11,000 children. Her understanding is that LAUP, at present is serving 6,800 children.

Chair Burke said that she was the kind of person that if you have any difference with her, if you call her, and if you feel that there is something that is not based upon law or bylaws, first call me and you will get all the facts. She said she was not interested in causing consternation, not interested in causing problems, but if anybody believes there is no problem here, they have their head in the sand. Chair Burke said that there were serious problems and thought that a resolution to these problems should be attempted. Furthermore, Chair Burke expressed to everyone that if they felt that her trying to resolve these problems is a political act or violation of the bylaws, then the bylaws should be changed. As such, Chair Burke stated that a meeting did take place and believes that things are moving in some kind of direction. Chair Burke said that she was sorry that she had caused this type of consternation in trying to resolve problems, but believed these problems can be resolved and should be resolved. Chair Burke said that she thought that if there are things that LAUP is doing, they should respond and they should provide information. Chair Burke said that if the Commission has questions about LAUP spending money that is not in their budget, LAUP needs to have a budget and has to submit it in a timely manner. Chair Burke also said that she was not sure how the relationship should be between organizations but, there should be some consistency about what is the expectation based on the allocation of funds.

Chair Burke said that everybody has trouble with funds. Everyone knows there is less money coming to First 5 LA because of yearly declining revenues. Chair Burke recalled that she was present when the first $500 million was voted upon. Chair Burke also recalled that she had gone to all the taskforce meetings, chaired by Nancy Riordan and Bob Hertzberg, where there would be discussion on how universal preschool would be carried out. Out of this, it came about that LAUP would raise money. Chair Burke said that the money has not been raised. Everyone knows this but Chair Burke also thought that the Commission needed to look at this in terms of which came first. This was an organization that was created by First 5 LA and the Commission should approach it this way. Chair Burke encouraged a response to this issue.

Commissioner Stockwell commented that it was her understanding that First 5 LA and LAUP had ongoing meetings. Was this not accurate? Director Bosch responded that this was correct but that the meeting being referenced at today’s meeting was specific to the budget and scope of work.

Chair Burke commented that there was disagreement as to what happened prior to coming up with some kind of resolution and whether the Commission needs to vote to have further meetings to discuss the November 28th motion. Chair Burke asked for clarification from legal counsel.

Legal Counsel Steele commented that if the Commission was going to repeal the motion approved on November 28th, then yes. Furthermore, Legal Counsel Steele stated that if the Commission wanted to direct staff to engage in further discussions, then certainly the Commission can do this. Legal Counsel Steele commented that based on his correspondence (a
privileged document), the intention of staff was to set out where the Commission stood as of the
day the motion was passed. There was a vote by the Commission, in November, that directed
staff to implement a motion and to come back to the Commission in March; and essentially,
have the motion implemented with a report as to how the motion was being implemented.

Chair Burke inquired about staff having some direction as to not to do that. Legal Counsel
Steele responded that staff felt that because meetings had been cancelled or postponed, staff
was going to be delayed in implementing the motion.

Chair Burke commented that those meetings were on the budget for six months but these issues
were different. Legal Counsel Steele commented that the point of the November motion was the
six-month budget and six-month workplan.

Chair Burke commented that she thought the motion was a long term motion over a period of
years. Legal Counsel Steele responded that the motion specified a short-term and a long-term
implementation.

Commissioner Villaraigosa asked what was the purpose of the LAUP counter proposal. Chair
Burke clarified that basically, it was to modify the amount that was allocated relating to the
number of children that have to be served. The counter proposal was a response from LAUP to
the November motion passed by the Commission.

Executive Director Martinez commented that in doing a quick review of the counter proposal, it
amounts to LAUP requesting a no-cost extension and that any interest acquired on the $580
million investment should be allocated to them, which was approximately $58 million.

One of the concerns that Executive Director Martinez has was that First 5 LA had not been able
to get a cost per child ratio. This is a key piece of information that is needed from LAUP to
prepare an analysis of their proposal. At the meeting with Supervisors Burke and Knabe,
LAUP agreed to provide a timeline as to when seats would become available, the costs for the
new slots, the cost for the providers, and the number of providers receiving LAUP funding.

LAUP also agreed to provide First 5 LA with the number of contracts that LAUP had with
providers, the number of children served under each of those contracts, a timetable of when
seats currently under construction would come online, and the number of children coming on
board over a period of time.

Executive Director Martinez commented that it is staff’s objective to provide unbiased
information for the Commission to make its decision.

Chair Burke commented that there was never any discussion on changing the six-month
budget. The discussion focused on how to move forward. In short, on November 28th, the
Commission passed a resolution and a motion that made a considerable curtailment in terms of
LAUP funding and future allocation of funding, year-by-year. LAUP’s response to that motion
was the counter proposal as to how this affects them.

Chair Burke commented that the interpretation of the November 28th motion by LAUP was that
they had 90 days to respond. Chair Burke also said it was reasonable to expect this type of
response from LAUP given the level of curtailment in their funding.
7. UPDATE: Legislative Update

Director Baker reported that since Government Affairs staff members last updated Commissioners about health care reform efforts and other legislative matters at the Commission meeting of January 10th, a number of significant developments have occurred, including:

- the failure of the health care reform bill crafted by the Governor and state Assembly leadership. The proposal, which passed the Assembly, received only one vote in the Senate Health Committee, where it died. The bill would have drawn funding from First 5’s Healthy Kids programs.

- the failure of a Republican health care reform funding bill authored by Senator Dave Cox (R-Fair Oaks) that would have stripped First 5’s of their funding. This bill also died in the Senate Health Committee.

- assertions by Senator Cox and two of his GOP colleagues that First 5’s are “sitting on” $2 billion in unspent funds and spending money on bogus programs. These allegations were made at a Capitol news conference covered by the *Sacramento Bee* and repeated in other media venues.

Director Baker also reported that of significant concern is the state’s continued budget crises and the possibility that First 5 funds – now under intensified scrutiny by legislators – could be diverted to help fill the $16 billion budget gap. Senate Budget Chair Denise Ducheny made a public statement in a Budget Committee hearing last week to the effect that Prop 10 revenues need to be considered (along with other off-budget special funds) as a way to keep services intact, especially those services that can bring in federal financial participation, like Medi-Cal. So far, no formal budget proposal exists to seize First 5 funding, a move that would require a two-thirds majority vote.

Laying the ground work for a State-wide response to criticisms by Republican Senators, First 5 California and the First 5 Association have gathered information from County Commissions to explain fund balances and show positive outcomes. The intention is to share that information with legislators. First 5 LA and Commission staff members in Orange County, meanwhile, are tailoring a separate response that we hope to extend to other First 5’s in the Southern California region for use as an educational tool with legislators.

8. UPDATE: Early Developmental Screening and Early Intervention Initiative (EDSI)

Director Nuno reported the EDSI project completed its second year at the end of November, 2007. The second year of the project focused on completing the planning, design and implementation of the learning collaborative, detailing the policy leveraging report and agenda, and piloting a parent education session within WIC centers in Los Angeles County.

Director Nuno also reported that as the EDSI project enters Year 3, areas of focus include continued work with the pilot Learning Collaborative, planning for the expansion Learning Collaborative that is slated to launch in several new geographical areas in September 2008, coordinating EDSI with STEP activities, planning for the policy meeting in June 2008, adapting the parent education curriculum for use in additional WIC programs, and working with the state ABCD team and local policy efforts to build a more favorable environment for EDSI goals.
With the implementation of Best Start LA, another area of focus during the third year will be pursuing opportunities for integration and joint leveraging with BSLA and other First 5 LA investments.

9. Public Comment

Gary Mangiofico, CEO, Los Angeles Universal Preschool

ADJOURNMENT

The meeting adjourned at 3:38 pm.

The next regularly scheduled Commission meeting will be on:

February 14, 2008 at 1:30 p.m.
Multi-Purpose Room
750 N. Alameda Street
Los Angeles, CA 90012

Meeting minutes recorded by Maria Romero.