CALL TO ORDER / ROLL CALL:

1. Vice Chair Fielding called the meeting to order at 1:39 pm. Quorum was present.

COMMISSION: (Items 2 – 17)

2. Approval of Commission Meeting Minutes – Thursday, May 12, 2011

Commissioner Tilton submitted minor corrections to the minutes. The changes were not substantive.

M/S (Alma Martinez / Marv Southard)
APPROVED AS AMENDED

NOTE: The agenda items were discussed out of order. The following represents the order in which items were discussed during the meeting.

5. Chief Executive Officer’s Report

CEO Martinez submitted her report as presented. In addition, CEO Martinez provided the following verbal update.
• **Assembly Proposition 10 Proposal:** Both the State Assembly and Senate took action on the May Revise budget, with differing results. While the Senate approved the Governor’s proposal with regard to Proposition 10, the Assembly passed an alternative proposal that puts First 5 County Commission funding of $500 million back on the table for the 2011-2012 fiscal year.

The Assembly proposal, introduced by Assemblywoman Holly Mitchell, would rescind AB99, the law which directs Proposition 10 Commissions to surrender $1 billion to the State. However, this repeal would only be acted upon if County Commissions voluntarily gave $500 million to local programs that are no longer receiving State funding. The Assembly proposal also assumes that First 5 California would relinquish $50 million to the State Department of Developmental Services. A number of First 5 County Commissions have discussed the Assembly proposal and are fairly resolute that Commissions should respectfully reject the offer. Relying on Proposition 10 funding to fill a budget gap, even if given voluntarily, would amount to fund supplantation, which is one of the main arguments lawyers are using to challenge AB 99.

First 5 Association Director, Sherry Novick, will draft a letter for our joint signatures to the Assembly subcommittee chair, Assemblywoman Mitchell, expressing thanks to the subcommittee for its proposed compromise, but indicating the proposal would not be possible to implement at this late date in the budget process. She will emphasize that given the legal issues and actions County Commissions have already taken in response to AB 99, it would be unlikely that individual local County Commissions could respond to the proposal.

• **Forgivable Loan** – The idea of a forgivable loan was floated by one of the County Commission’s Executive Directors that would avoid supplantation, but would still be responsive to the Assembly proposal and would offer the State a forgivable loan that would direct $500 million, or an amount agreed upon by County Commissions, to a universal screening program for Medi-Cal children ages prenatal to five years. This idea was discussed but ultimately viewed by a majority of Executive Directors as not feasible, at least not at this time with a number of County Commissions in litigation with the State.

• **Legislative Outreach** - First 5 LA staff met with elected officials or their legislative directors during a visit to Sacramento this past month. The purpose of the meetings was to urge legislators to repeal AB 99 since the law has led to Commissions making painful cuts in order to be in compliance with the law even though the funds would not be used to close the budget gap. Staff met with Assemblywoman Julia Brownley of Santa Monica and with staff from the following offices: Governor Jerry Brown, Senators Fran Pavley of Agoura Hills, and Ed Hernández of Los Angeles, and Assemblymembers Bonnie Lowenthal of Long Beach, Mike Gatto of Burbank, and Bob Blumenfield of Van Nuys.

• **Promise Neighborhoods** - One of the bills First 5 LA is actively supporting is AB 1072 by Assemblymember Felipe Fuentes. This bill would create 40 “Promise Neighborhoods” in California, adding to the three communities within the State that have won federal pilot planning grants. Promise Neighborhoods is President Obama’s signature anti-poverty program that invests resources in high-need communities. This place-based program
reflects a growing interest in targeting and consolidating resources in economically distressed neighborhoods.

3. Approval of Monthly Financials – April, 2011

M/S (Nancy Au / Marv Southard)
APPROVED AS RECOMMENDED

12. Approval of the GASB 54 Policy

Director Hause reported that in order for the Commission to be in conformance with generally accepted accounting standards, the Commission must report the fund balance consistent with Statement 54 of the Government Accounting Standards Board (GASB). Comprehensive Annual Financial Reports for fiscal years beginning after June 15, 2010 must report fund balances consistent with Statement 54.

The purpose of the GASB 54 Policy is to classify current fund balance categories in accordance with the new pronouncement. The proposed categories are (1) non-spendable fund balance; (2) restricted fund balance; (3) committed fund balance; (4) assigned fund balance; and, (5) unassigned fund balance.

Director Hause recommended adoption of the policy for the Commission to be in compliance. She also reported that the Executive Committee had previously reviewed the policy at their meeting of June 2, 2011 and recommended adoption by the full Board of Commissioners.

Commissioner Williams commented that the attack of the State Legislature on Commission funds has been related to the fund balance. In the Executive Committee’s review, she asked if reporting the fund balance in a different way would put the Commission in more jeopardy as the policy makes the fund balance more specific.

Legal Counsel Steele responded that adopting the GASB standard, which is required in order for the Commission to receive a clean audit, is not going to have an impact on AB 99. Furthermore, Legal Counsel Steele commented that AB 99 does not look at the classifications of the fund balances.

Commissioner Yancey asked what is the current criteria for taking action and reallocating funding. As she understood it, at the County-level, it required four votes. Vice Chair Fielding commented that GASB 54 was not related to the reference that Commissioner Yancey was making.

Commissioner Au commented that although it may not have an impact on AB 99, for her, as a Commissioner, this policy helps her to work out the fund balance in a more informed way. Prior to this, when the Commission was under scrutiny, it was very difficult to really identify what funds were committed. Commissioner Au commented that GASB 54 was helpful and lent itself for clearer articulation and clearer responses by the Commission when asked about unspent funds.

M/S (Neal Kaufman / Nancy Au)
APPROVED AS RECOMMENDED

Prior to the introduction of this item by Director Hause, Vice Chair Fielding proposed new language under Section II – Goals of the Long-Term Financial Plan. The proposed new language stated that action to be taken by the Commission as set forth in this section will be taking place later this year based on the disposition of Item 6 of the current Commission Agenda.

M/S   (Jonathan Fielding / Jane Boeckmann)
AMENDMENT WAS APPROVED AS RECOMMENDED

Director Hause reported that the Commission has historically approved the Long-Term Financial Plan in June of every year for the following ensuing year. There is uncertainty with the resources available, and since the time of the report, things have changed.

Director Hause recommended adoption of the Long-Term Financial Plan, recognizing the uncertainty of the amount of revenue available with the current State budget and the Commission’s actions on further allocations. She also stated the Long-Term Financial Plan could be amended during the year, dependent upon the actions to be taken over the next few months.

Vice Chair Fielding commented the Commission was required to have a Long-Term Financial Plan that could be changed at any given point by the Commission. The recommendation complies with the annual requirement.

Director Hause reported that the Ad Hoc Executive Committee has reviewed the document and recommends approval.

Vice Chair Fielding commented that the action to be taken was more administrative in nature and could be amended at any point.

Commissioner Yancey commented that the worst case scenario was assumed when the Long-Term Financial Plan was developed. She said that if the challenge to AB 99 was not successful, then next year’s revenue ($100 million) would be withheld the following year until the Commission paid out whatever amount required by the State.

Vice Chair Fielding commented that the action being taken did not change anything pertaining to the fund balance and lawsuit.

Legal Counsel Steele commented that the Long-Term Financial Plan provided a snapshot of the Commission’s financial position. There is a statutory requirement to do this approval within the timeline being proposed. He reiterated that the Long-Term Financial Plan could be changed based on subsequent events.

M/S   (Nancy Au / Alma Martinez)
APPROVED AS AMENDED
15. **UPDATE: Countywide Augmentation – Data Partnership with Funders Project**

During the Special Commissioner Workshop, held on November 15, 2010, the Commission approved the County-wide Augment proposal introduced by Commissioner Kaufman. The proposal was the Data Partnership with Funders Project and was approved for $5 million over a five year period.

Director Jimenez reported that upon the approval of the County-wide Augmentation Projects, he felt a sense of urgency to start thinking about how to build the partnership and how to have discussions around this partnership; and how to divide the funding among the buckets. Staff has been actively involved in coordination meetings and discussions around this project. The sense of urgency was that staff felt they could potentially be some information that staff could produce to be helpful in the context of the discussions currently taking place.

Director Jimenez reported on the process that has been engaged. There have been several meetings and conversations have taken place on what the Data Partnership would look like, how it might be composed, the kind of membership needed, and the focus. As the meetings were convened, it was realized that the Data Partnership could do something to help the decision-making of not only the Commission but also of other agencies in Los Angeles County. In the spirit of one of the elements of the Data Partnership, the Rapid Response Research, it was determined that, perhaps, there were some Rapid Response Research action items that could be done as a partnership right away. As a result, two critical areas were identified—(1) child care; (2) maternal and child health access. The latter area would support women who are pregnant and want to produce good birth outcome.

The Data Partnership brought collective resources together and thought about the implication of the State budget. If there was a specific reduction, this group could look at the implications resulting from the reduction. Two different discussion groups were coordinated to address the possible implications of the funding cuts and how this might reflect upon Los Angeles County.

Director Jimenez shared a couple of maps with the Commissioners that demonstrated the significant change in child care capacity among the communities and the capacity of child care seats per 100 children, ages prenatal to four years in Los Angeles County.

In closing, Director Jimenez reported that the Data Partnership has created momentum where the membership is vesting its time and efforts without spending any funds from the allocation. He also committed himself to providing handouts to the Commissioners after the meeting.

Commissioner Stockwell asked if the educational institutions were going to be included in the training to be provided through the Data Partnership. Director Jimenez clarified that education institutions were going to be included.

Vice Chair Fielding commented that the $5 million allocation was a significant amount and mentioned that the Data Partnership should not feel obligated to spend it all. He asked what had been the cost of the analyses that were acquired. Director Jimenez commented that the analyses were all efforts that individuals voluntarily produced. There was existing
data and the meetings that were held to discuss maternal child health were coordinated by members of the team at no cost. The only expenditure has been the hiring of a consultant to provide facilitation. At this point, what has been used of the allocation has been extremely small.

Vice Chair Fielding praised the Data Partnership for its cost-effectiveness and hoped that this would continue.

Director Jimenez also commented that one of the top priorities of the Data Partnership was the leveraging of funds. He felt that the relationship with other funders would help expand and sustain the Data Partnership through their knowledge and resources.

Vice Chair Fielding commented that it was important to see how the Data Partnership was bearing fruit and its low cost. He stated that the work of the Data Partnership would help in making informed decisions at the local level.

Commissioner Yancey asked to what extent the assessment included elements of healthy food choices and increasing physical activity in child care centers. In terms of gathering data, she asked if the Commission would be assessing the extent to which child care centers are adhering to those guidelines.

Director Jimenez responded that one of the things that the Department of Research & Evaluation is working separate from this project is how child care centers are moving toward a standard rating. Through the Office of Child Care and the Commission’s work with the STEP Project, one of the areas of concern and of great interest is to what extent can the quality rating involve nutritional and physical activity elements. This is something that Director Jimenez would like to very much integrate into the work moving forward. A lot of the individuals within Los Angeles County are in tune with this more than some of the individuals outside the County. He said that he was not sure if this had resonated at the State level as much as at the local level.

Commissioner Stockwell commented that educational institutions are great at data gathering. However, the big flaw comes on the application and utilization of data to make real changes like in the school’s instruction. She asked if anything regarding the application and utilization of data had been included in the Data Partnership.

Director Jimenez commented that the Data Partnership was working on how to take all the data that has been collected, has been underutilized or not used at all, and be brought into the context of the prenatal to five year old population. The next step is to talk about what are the implications for policy and programs. This is the educational piece of the Data Partnership.

Commissioner Dennis commented that the degree to which the Commission can make informed decisions was very important. First 5 LA cannot work in a vacuum and must be aware of what is going on in the external world. The preliminary charts shared with the Commissioners reflect this. He felt the Commission had the responsibility of supporting the areas where gaps will be formed due to State and federal cuts.

Commissioner Kaufman commended Director Jimenez for the Logic Model that had been developed but felt that it did not emphasize enough the effort of the Data Partnership in
making sure that data was used in policy decisions. He suggested that “strengthening data use and need” should be moved to the activities and outcomes sections to emphasize the importance of data. He asked that the Data Partnership help the Commission to show how the data is used and what policy change it can bring about.

Vice Chair Fielding thanked Director Jimenez for an excellent and useful presentation.

14. Role and Structure of the Program & Planning Committee

Commissioner Kaufman commented that in thinking about the Program & Planning Committee, he wanted to present to his fellow Commissioners his view of how it would function. The Committee has five members. The meetings must be public and comply with the Brown Act. As Commissioner Kaufman understood it, any Commissioner could attend the meetings as well as the public. Any Commissioner could speak as they chose to speak. If there is a particular vote that has to happen, such as the Committee making a recommendation to the full Board of Commissioners, only the five members of the Committee are eligible to vote. In order to have a vote, it is presumed that three out of the five Committee members must be present at the meeting. Commissioner Kaufman also stated that the Committee meetings could also be scheduled as a full Commission Meeting with all voting members being eligible to vote.

Commissioner Kaufman commented that the Program & Planning Committee would meet monthly and would be a forum for staff to seek guidance on a particular strategic question or activity. Occasionally, the Committee would also set up ad hoc subcommittees that are time limited, have set goals or objectives, with membership being composed of Commissioners, staff and members of the public. The assumption behind setting up ad hoc subcommittees is for such committees to make suggestions to the full Commission on specific topics; for example, looking more closely at place-based strategies.

Commissioner Southard asked if the agenda for the Program & Planning Committee would be set by the Committee or the Commission. Commissioner Kaufman stated that the agenda would be set by the Committee. Commissioner Southard commented that one of the problems that may happen in a venue such as this one, was that the Committee’s agenda could end up being different or more specialized than the Commission as a whole. He wanted to make sure that there was a way of sorting these kinds of issues. Commissioner Southard said that he wanted to avoid “subcommittee circles” when addressing issues so that this would not become a venue for “continuous re-dos.”

Using realignment as an example, Commissioner Southard commented that the Program & Planning Committee could look at the effects of realignment and analyze how this affects the Commission’s programs. The ad hoc subcommittees could focus on different components with all information then being shared with the Program & Planning Committee who would then bring a recommendation forward to the Commission. Commissioner Southard suggested that in an effort to eliminate continuous re-dos, that the Program & Planning Committee not take up an issue that has not been approved by the Commission.

Commissioner Kaufman was in agreement with Commissioner Southard’s suggestion about how the Committee’s charge would be delegated by the full Commission for more discussion specific to an issue.
Commissioner Williams offered clarifying language on the appointment of members to a subcommittee. She suggested that subcommittee members should be appointed by the Chair of the Program & Planning Committee.

Commissioner Kaufman stated that he was making the assumption that an ad hoc subcommittee would have a limited number of members, no more than three Commissioners (who do not have to be a member of the Program & Planning Committee), staff as appropriate, and members of the public.

Commissioner Martinez asked if the meetings of the Program & Planning Committee would take the place of the strategic planning meetings that were previously scheduled. Commissioner Kaufman responded in the affirmative and stated that ad hoc subcommittees would only be created as appropriate.

Commissioner Martinez further asked if the practice of having working groups would no longer apply. Vice Chair Fielding commented that the Commission Chair could still appoint working groups.

Commissioner Martinez then asked how Commissioners who were non-members would be notified of the Program & Planning Committee meetings. Commissioner Kaufman responded that Commissioners will be notified by email and the agendas would be posted on the website 72 hours in advance per the Brown Act guidelines.

Commissioner Au asked for distinction. She stated that the Committee was subject to the Brown Act because it had five Commissioners appointed to it. Since the Committee was not going to take action, she wanted to know if this Committee would have the same requirement of having all agenda items posted one or two weeks before. Commissioner Au asked if items could be added to the agenda at the time of the Committee meeting because things do happen.

Legal Counsel Steele commented that the agenda requirement is 72 hours in advance. The Commission receives a meeting packet earlier than the 72 hours.

Commissioner Au pressed and asked that since no action was to be taken by the Committee, why could agenda items not be added when the Committee met.

Legal Counsel Steele responded that the action part of an agenda did not make a difference whether an item was going to be discussed, deliberated or presented.

Commissioner Kaufman commented that there would be a standing agenda item for updates. The real reason for letting the public know about the meetings was for transparency. If there was an issue of interest to the public, then the public should be at the Committee meeting.

Commissioner Au asked how requests made by the public during Public Comment would be handled. Commissioner Kaufman commented that the Committee could take into consideration the public’s request and asked that it be placed on the agenda of a future Committee meeting or on the Commission agenda, as appropriate.
Legal Counsel Steele commented that the Program & Planning Committee could decide to place the public's request on a future agenda or give direction to staff, even if the item does not appear on the agenda. If the issue is of importance, the Committee could ask that such issue be placed on the next Commission agenda.

Commissioner Dennis said that the very nature of public comment is that there is no control over it. Even during the Commission meetings, someone can come to the microphone during Public Comment and the Commission cannot address an issue just because it was not on the agenda.

Commissioner Stockwell asked for clarification on the Commissioners who were eligible to serve on ad hoc subcommittee. Commissioner Kaufman responded that all Commissioners were eligible to serve on an ad hoc subcommittee, not just those Commissioners on the Program & Planning Committee.

Commissioner Tilton asked if subcommittee membership would be limited to two or three Commissioners so as not to get into Brown Act issues. Commissioner Kaufman responded in the affirmative.

Commissioner Tilton asked if Commissioner participation in the subcommittee needed to be in person. Commissioner Kaufman responded that participation could also be via conference call.


Director Nuno commented that the presentation by staff was in response to the request for a progress update on the oral health and nutrition project. As requested by Mayor Antonovich’s motion in February, the activities being reported also reflect an update that was provided to the Commission in March with regard to plans of disbursing some RFPs for direct services as well as capital improvements and other leveraging activities to enhance oral health and nutrition services across the County. Several strategic partnerships have been established on oral health and nutrition. Director Nuno reminded Commissioners that this effort did require collaboration across the entire organization.

Staff presented an overview of the activities that have taken place highlighting the strategic partnerships that have been established with The Children’s Clinic in Long Beach and South Bay Children’s Health Center. Potential future strategic partnerships include the Western University of Health Sciences and LA CARE Health Plan. These four strategic partnerships are expected to expend $2.6 million over a three year period.

Staff are also in the process of developing several RFPs with different outcomes— (1) aiming to strengthen the dental safety net in Los Angeles County through capacity building, policy change, and leveraging of funds related to oral health provisions in the Patient Protection and Affordable Care Act (ACA); (2) supporting direct services by funding a broad partnership that will include up to 12 community clinics; and, (3) support the expansion and enhancement of the medical safety net by establishing new dental access points.
Staff also reported that the Oral health Ad Hoc Committee was convened. Members of the Committee were selected based on their expertise of working on early childhood oral health issues.

Commissioner Martinez asked what was the policy with respect to treating the other family members of children who were within the prenatal to five year old population. Staff responded that the Commission would fund programs that provided services for the prenatal to five year old population and did not make policy as to who could receive services.

Commissioner Martinez commented that part of policy change was to change the whole dynamic with respect to education and early screenings. If there is a child who is four years old with two siblings that are nine and 10 years old, were these siblings excluded?

Staff responded that although programs are only funded if they serve the prenatal to five year old population, capacity is being built by the providers; therefore, providing educational services to the entire family. Direct services funded by the Commission are only for the prenatal to five year old population.

Regarding the funding of dental clinics, Commissioner Martinez asked if new sites were included. Staff responded that it did.

Commissioner Martinez asked when in June would the RFPs be released. She was concerned about the moving timeline. CEO Martinez commented that the RFP would be released by June 30, 2011.

Commissioner Au asked why there seemed to be hesitation regarding the date for releasing the RFP. She asked if there was something that needed to be addressed so that staff could be more definitive as to when the RFP could be issued.

Director Nuno commented that staff has been prepared and the RFP will be released in June. Perhaps some of the hesitation is simply that the RFP has been on hold due to the discussions around the budget considerations. It is her understanding that the Commission is moving forward in June.

Vice Chair Fielding commented that there was $17.8 million in total and asked for the period of time in which this funding was going to be disbursed. Staff responded that the RFPs covered a three-year period.

Vice Chair Fielding asked what was being done about the issue of sustainability. Staff responded that the RFP related to capacity building will help providers look for sustainable options because many of the innovative practices will be funded through the Patient Care and Protection Act of health care reform. Regarding other strategic partnerships, the partners have helped support program funding as well as infrastructure changes that will either help improve operations or allow for the provision of services in a different way resulting in long term sustainable practice change.

Commissioner Kaufman requested more specificity on the number of children served, per child charge and the type of service received. This information should be provided at a later time, perhaps when the contract comes back to the Commission for approval.
Director Nuno commented that this information would be provided at the next scheduled update to the Commission. Based on the last update, approximately 80,000 children had received services.

Commissioner Au also requested that staff provide information on unmet need in those communities that are getting funding for direct services. This would be helpful information to the Commission.

Commissioner Williams asked for clarification on why OBGYN clinics were being included in the oral health activities. Staff responded that the connection was for OBGYN clinics to refer pregnant women to dental clinics.

Commissioner Dennis inquired if there were other models that took into consideration hard to reach populations. He further inquired if there was some type of mobility service that could go to clinics and provide services. Staff responded that there is consideration for this type of direct service through the RFP that focuses on capacity building.

Commissioner Dennis asked that staff work with entities that represent child care programs such as HeadStart and preschool where children can easily be reached.

Vice Chair Fielding thanked staff for an excellent progress report and was glad to hear that the RFP would be released at the end of the month. He stated this was the type of progress that the Commission hopes to see with all initiatives.

6. Motion to Continue Discussion and Action on Allocations of Remaining Commissioner Funds Within Each of the Five Approved Funding Strategies

Commissioner Au commented that during the CEO Report, it was said that there would be an opportunity for the Commission to get an update on the status of the lawsuit. She asked for the update as the uncertainty created by the Commission’s funding status has created some problems in terms of the staff being able to move forward in many of the projects that have been authorized by the Commission.

Legal Counsel Steele reported that the First 5 Commission for the County of Los Angeles joined a number of other counties in filing a lawsuit challenging the validity of AB 99. The lawsuit was filed in the Los Angeles Superior Court in May and served the Governor, Attorney General and State Controller. The other County Commissions, approximately a dozen, have filed similar lawsuits.

The Attorney General’s first response to the lawsuit was consolidating the cases in Orange County. A motion was made to consolidate Orange County and Riverside County challenges before the judge in Orange County. The motion was denied and advised that these two counties go through a different process to try to bring all the lawsuits together. Subsequent to this hearing, all of the County Commission lawyers came together and agreed that all of the cases would be consolidated in Fresno County. The Fresno County and the Central California County Commission cases were the first ones to be filed. These County Commissions moved very quickly, had already a hearing date scheduled, and were very happy with the judge that was drawn to hear the case. At first the Attorney General did not want to agree to that consolidation. The Attorney General did not want to be in
Fresno County but once the motion in Orange County was lost, they became more agreeable to consolidating the cases.

As a matter of strategy, based on the judge assigned to the case, Fresno would be a good place to be because of their advanced state in the case. In addition, the Fifth District Court of Appeals where Fresno County is located and where the case would go, if it ever went on appeal, is considered to be a very conservative panel and deferential to voters’ decisions. This is also the panel from which the recently appointed Chief Justice of the Supreme Court was taken from. This is a good form of pedigree for a lawsuit that could reach the Supreme Court. All of the County Commissions signed a stipulation to have the case litigated in Fresno County. A court appearance took place on Monday and Legal Counsel Steele is confident that the judge will approve the stipulation and take consolidation of case. A hearing will be held in the summer with a decision forthcoming by the end of the summer. This is a good timeline considering it would have been well into the fall for a court appearance based on Los Angeles County cases.

The agreement between the Counties is that the lawyers for Fresno County and Los Angeles County will take the lead in legal issues briefs, the merits of the case and the motive of AB 99. The other Counties will file factual briefs that are going to be shorter and focus on the effect of AB 99 in each one of their counties. The court will have the full view of the legal issues as well as the practical impact of AB 99. The Attorney General’s position seems to be lax with no real rush to resolve this issue as AB 99 takes effect July, 2012. The County Commissions will continue to press for an earlier resolution as AB 99 will impact programs and people receiving services.

Based on the stats of the lawsuit, Legal Counsel Steele requested that the Commission continue its discussion of the budget related allocations until after the hearing is held. Not knowing what the results of the litigation will be, it will be difficult for the Commission to make a fully informed decision on what the allocations are going to be going forward. Legal Counsel Steele would also like to present to the court an accurate picture of the Commission waiting to decide what to do with $450 million until a decision is rendered by the judge.

Commissioner Au commented that there seems to be some hesitation to move forward on many of the projects that have been added. In the context of strengthening the Commission’s position, if the Commission was to present to the judge the fact that a number of RFPs have been released and also demonstrate that the Commission is in the process of entering into contracts, would this help to make the point that it is imperative that a decision be made quickly.

Legal Counsel Steele commented that the incremental help of adding facts is going to be any more or less effective. Legal Counsel Steele said that the strategic plan will be used to let the judge know what is dependent upon having a decision made. The meeting minutes reflecting the Commission’s action of not adopting an allocation plan going forward pending the judge’s decision will also be presented. This should be a sufficient level of urgency to present. All of the other County Commissions will be doing the same.

Commissioner Au commented that she was engaging in this type of conversation because she wanted to communicate to the staff that they should be moving forward while being fiscally responsible.
CEO Martinez clarified that she has directed staff to move forward with all the research, issue RFPs and RFQs up to the point of not signing any contracts until it is known what is the financial situation is. Staff has not been idle waiting for a decision to be made. There is a timeline that must be adhered to, unless different direction is given to staff by the Commission.

Commissioner Au stated that the directive to the staff is that they proceed forward as if there has been no reduction to the allocation and act accordingly. If there is any question regarding allocations, the response is to move forward with what has been approved as of the present time.

CEO Martinez commented that if there was an RFP or an RFQ that required an amount, the last agreed funding amount up to the strategic plan amount would be used with an explanation that based on the current budget situation, the numbers could change. It is challenging to release an RFP/RFQ that makes sense and have the right number of responses and potential grantees or contractors.

Vice Chair Fielding commented that staff had direction on how to proceed but with respect to clarity on some of the allocations, there needs to be a discussion once the judge’s decision is rendered.

CEO Martinez commented that there seems to be confusion as to which funding source is being used for projects. The funding source for the oral health activities is from the prior strategic plan and is not impacted by the current hold on the County-wide augmentation projects pending the outcome of the lawsuit.

Commissioner Martinez reiterated that the oral health program was passed and supported many years ago and has not moved forward. She commented that this particular program should not be jeopardized even if the $424 million is taken away.

Vice Chair Fielding was in agreement and stated that funding for this project was from the prior strategic plan and was never on the table for reduction.

Commissioner Stockwell expressed concern over making certain commitments in November, particularly the ECE Consortium, where the partners are still waiting for contracts to be executed. She was concerned about the timing of these types of programs.

CEO Martinez clarified that Workforce Development was part of the original strategic plan and was not part of the County-wide augmentation. What will be part of the bucket allocation discussion are the County-wide augmentation projects and the place-based strategy, whether there will be the $848 million fund balance or whether it will be less. The systems changes, public education, policy issues and community mobilization were part of the original plan. CEO Martinez commented that further clarification was needed for these components.

Vice Chair Fielding commented that everything was on the table for potential cuts and believed that nothing was exempted.
Vice Chair Fielding asked Legal Counsel Steele when it would be reasonable to expect a decision from the Fresno County court. Legal Counsel Steele commented that it would be late summer pending the approval of the court schedule.

Vice Chair Fielding suggested that the Commission would be better off waiting a couple of months to have the discussion on bucket allocations.

Commissioner Dennis said that part of what has been done over the last six months, in reduction type frenzy, is not to spend money. His concern is that there has not been an aggressive implementation plan for spending. Now, the Commission is going to wait another two months, leading to eight months of not spending anything. At the same time, there are new initiatives that are being voted on. There seems to be a level of insanity that really needs to be set straight. The Commission really needs to be clear on its position because the Commission continues to fund previously funded as well as new programs, then delays funding, yet the Commission is not broke. Commissioner Dennis stated this was not good public policy, not a good practice, and politically, it does not show well for when cuts are being done at the State and County levels. Waiting another two months before moving forward with spending is not the path that this Commission should take.

Commissioner Williams concurred with Commissioner Dennis. She asked why new programs are being funded when the period for introducing new programs was during the County-wide augmentation process. She said that the Commission needed to quit doing this and go back to where the Commission was prior to placing funding on hold.

Commissioner Dennis commented that the strategy of being stagnant now with regard to funding is not a good policy taking into consideration the need in Los Angeles County. Having a large sum of unspent funds is what got the Commission in trouble with the State. The fund balance being too high is not a good political practice at this particular time.

Commissioner Martinez asked if all the RFPs for the County-wide augmentation would be in alignment over the next three months. CEO Martinez clarified that this was not correct. Staff has been working on RFPs up until the point in which contracts need to be awarded.

Vice Chair Fielding asked what was the cycle time for the augmentation contracts. In other words, is it likely that most of these contracts would be ready by September for execution. CEO Martinez commented that it was dependent upon the stage that the County-wide augmentation project was at. There were 22 original proposals. A couple of the proposals could be consolidated. The only County-wide proposal that had an executed contract prior to the funding freeze was the $1.5 million allocated for the Funders’ Partnership. No contracts have been issued.

CEO Martinez clarified that no money has been spent on the countywide augmentation proposals, but the work that has been done on them is internal to staff. The only funding that has been expended was for those projects under the place-based strategy up until June 30, 2011 that had been previously approved.

Commissioner Martinez commented that saying that the Commission has not spent money is incorrect. The Commission has not had the opportunity to do this. She further stated that she would be the first one to move forward with spending money if the Commission
was at a point where RFPs were released, finalists had been selected, and the only pending thing would be the execution of a contract.

Vice Chair Fielding asked when the RFPs would be ready for release of the County-wide augmentation projects.

CPO Gallardo commented that it was important to clarify that this matter refers only to those projects that are subject to solicitations. There are projects that will move forward with exceptions or strategic partnerships. This can happen within the next two weeks but are being held until the "green light" is given. There is a RFQ for ECE Workforce, a project with ELAC (East Los Angeles College), and a project with CFS which are all very specific. The approval is pending.

Commissioner Stockwell asked for clarification on what is meant by approval. CPO Gallardo responded that it was dependent upon Commission action to move forward.

Vice Chair Fielding asked if there were no constraints, what would be the timeline for the County-wide augmentation projects. CPO Gallardo commented that some projects are ready to be issued by the end June or July.

Vice Chair Fielding clarified that if the RFPs and RFQs to be released in June or July, they will not be ready for contract status until September, after going through the process. CPO Gallardo reiterated that there are some projects that were ready to go.

Commissioner Martinez asked what projects were ready and what were the amounts of each project. CPO Gallardo reported that the projects were the ECE Consortium ($37 million), ELAC ($1,057,000), physical activity ($6 million), nutrition and reduction of obesity ($35 million), One Step Ahead Initiative ($18 million), and substance abuse services ($15 million).

Commissioner Dennis commented that the obesity project could move forward. This is an important issue, especially among the African-American community.

Commissioner Martinez asked who was receiving the $6 million for physical activity. Director Elizabeth Iida responded that the $6 million would be award through a strategic partnership with the Department of Public Health.

Vice Chair Fielding commented that two issues were being confused—what can move ahead and what contracts or MOUs could be signed now. He asked for clarification.

Commissioner Dennis stated that those projects that were ready to go were those projects that involved strategic partnerships as there is no requirement of a competitive bid.

CAO Bosch commented that there still needed to be a negotiation with a strategic partner to ensure that they can do the work, that there is a scope of work and a budget.

Commissioner Dennis commented that staff cannot do these things until the Commission grants them approval to move forward with these types of things.
Commissioner Martinez commented that these projects should not be on hold and should move forward. CEO Martinez clarified that this was not possible as a specific amount was required for the negotiation of the scope of work and budget.

Commissioner Martinez commented that the State has decided that contracts entered before the cuts are made are null and void. She felt that these contracts should not be any different and should move ahead.

CEO Martinez commented that there was a 30-day cancellation clause in the First 5 LA contracts but felt this was not the proper way to treat strategic partners and grantees. Commissioner Martinez stated that the partners could also choose not to participate.

Commissioner Au asked at what mindset does the Commission move from at this juncture in time. It seems that there is so much up in the air and all of this is creating an unintentional stoppage in the Commission’s ability to move forward. As Commissioners, staff must be provided with clarity—at this point in time, the Commission will move forward with the notion that it is all in tact, as there are strategic partnerships that are waiting for contracts to be executed, there are RFPs that are waiting or about to be launched. Until the Commission hears more definitively, then at that time the Commission can come back with different direction.

Vice Chair Fielding stated the issue was how to prudently and fairly go through all of the different buckets. Initially, the Program & Planning Committee was to make a recommendation to the Commission; however, this was not done as it seemed that the Commission was going to get a decision from the court fairly quickly.

Commissioner Au commented that the so-called bucket allocation discussion was cancelled and the message was sent that it would be a wasteful activity because there was a level of confidence that the lawsuit would prevail. She urged Commissioners to move forward with the provision that if the Commission needs to deal with reduction, then it should be dealt with when it happens.

Commissioner Kaufman said he was quite ambivalent to the discussion. Going forward, he imagined negotiating contracts to go as quickly as possible given standard practices, assuming the Commission has the money. He suggested a reasonable approach would be to take some proportion of the total allocation toward a particular project line item and have this be the working number—something like 70 percent for example. It is easier to increase an allocation than to decrease it, especially if the $424 million is not taken away by the State.

Commissioner Southard commented that a simple way needed to be decided; otherwise, the Commission could not move any faster than it would have anyway. He suggested that staff continue with negotiations at the full allocation with the recognition that the final signature will not take place until the lawsuit is resolved. This should be made known up front; so, if and when the Commission has the money, the process continues rather than beginning the process at that point.

Commissioner Kaufman commented that if the 70 percent approach was taken, then this would be a realistic number to consider given the pending cuts of approximately 28 percent across all buckets, and staff could negotiate scope of work at that minimum level.
Commissioner Southard stressed that there should be a process that staff can implement within a timeline. Sometimes, in an effort to be quick, the Commission slows down the process.

Commissioner Tilton commented that she completely agreed with Commissioner Southard. One of the problems is that people do believe the Commission has come to a halt and there is no expectation for RFPs and RFQs to be released. She believes that the Commission should move forward as though it was going at 100 percent with the understanding that there may be cuts. Each of the projects is different and to try to do an across the board percentage does not take into account the amount of money that is going out and who can actually be hired or what could be implemented. The Commission should not be worried about something that has not happened. The direction should be to move forward assuming that there is 100 percent funding.

Commissioner Yancey commented that it did not make a lot sense to not move forward given the need of the communities and the money just sitting in the bank.

Commissioner Williams commented that the penalty for not returning $424 million to the State was $100 million. She said one of the things that could be done was ignore the State and pay the $100 million penalty as it was a lot less than the $424 million.

Commissioner Kaufman asked Legal Counsel Steele that if the Commission chose to take this approach, could staff be given direction without the Commission taking a vote or was this a policy decision and a vote was then required.

Legal Counsel Steele commented that staff could be given direction since the bucket discussion is on the agenda although it was being continued.

Commissioner Kaufman commented that theoretically staff could be given direction to go through the allocations that have been approved as it if there were no concern, just as the Commission would have done so normally.

Commissioner Yancey commented that the other point to make was that the allocations in question are for a period of several years. With budgets being approved on a year-to-year basis, there is enough funding for the first year with the opportunity of adjustments, if necessary, in future years.

Vice Chair Fielding commented that there seemed to be a consensus of wanting to move ahead at the amounts that have been approved with the understanding and explicit proviso in the contracts that allocations may have to be reduced based on what happens as a result of the court case.

Commissioner Southard asked if the Commission wanted the final commitment to come back to the Commission for review and discussion prior to being made. The Commission does not want to stop the negotiation process but does want approval of final allocation pending the outcome of the lawsuit.
Commissioner Yancey suggested having only those projects with a significant allocation come back for final approval. With the smaller projects of $100,000, delegated authority could be given to the CEO.

Commissioner Williams asked if this meant the approval of the signing of the final documents or would it mean looking at the funding itself.

Vice Chair Fielding commented that it would only be for approval of the signing of the final documents. It would behoove the Commission to take a look at projects once again as in all fairness, staff have been given general direction on some instances and very specific direction in other instances.

Commissioner Kaufman stated this is the normal process for the Commission. CEO Martinez clarified that the normal process would have been to present a programmatic budget in June. She said that staff could come back in a July with a programmatic budget for approval; otherwise no determination can be made on what can be spent. Once the programmatic budget has been approved, then strategic partnerships can be negotiated and RFPs/RFQs can be released.

Vice Chair Fielding commented that his understanding of the discussion was that staff would recommend a programmatic budget for approval that was reflective of today’s action.

Commissioner Kaufman thought that the way CEO Martinez explained the process was very logical.

CEO Martinez commented that once the programmatic budget was approved, staff could be authorized, as usual, to negotiate contracts based on the approval granted. This would eliminate the extra step of coming back to get approval because it already has been given.

Commissioner Au asked that this question be taken up again for discussion when the programmatic budget is presented in July. In the context of approving the programmatic budget, the Commission can then make a decision regarding authorization to move forward with completing contracts.

Vice Chair Fielding suggested that the programmatic budget be presented in July and based on the already approved amounts, they may be some contracts that are ready to move forward. These contracts would already have been negotiated and which are then up for final approval. The RFP process can also begin for other projects pending the approval.

Vice Chair Fielding stated that it was the consensus of the Commission to ask staff to go ahead with previously approved projects, bring back the program budget in July and any contracts that are ready at that point for final approval by the Commission as well as to move ahead on RFPs and other strategic partnerships for projects previously authorized.

M/S (Jonathan Fielding / Neal Kaufman) APPROVED AS AMENDED

Note: Mayor Antonovich arrives and assumes chairing of the meeting.
4. Announcements by the Commission Chair

Mayor Antonovich announced that a Policy Roundtable was scheduled on Tuesday, June 21st. The focus would be sugary beverages as well as the preview of the Policy Brief being released by the Commission on this topic.

During the February Commission Meeting, the Commission approved the need for an outside financial audit to independently verify the obligated reserves and the fund balance. The auditors have spoke to various staff and thank them for their cooperation. The results of Phase I are anticipated by the end of the month.

Last month, Legal Counsel Steele had been asked to distribute the evaluation materials for the annual CEO evaluation with a return deadline of June 3rd. Under the newly adopted bylaws, participation of Commissioners on the Executive Committee is expanded through the ad hoc committee structure. Under the leadership of Vice Chair Fielding, Mayor Antonovich appointed Commissioners Neal Kaufman, Marv Southard and Jane Boeckmann to the Ad Hoc Evaluation Subcommittee for the CEO to compile the evaluation results based on the agreed upon process, in preparation for an Executive Session which will be held prior to the regular Commission Meeting on July 14, 2011.

8. Approval of $2.9 Million to Fund the Cal-Learn Program For One Year for High Risk Parent Teens

On May 17, 2011, the Los Angeles County Board of Supervisors requested in a resolution that the First 5 LA Commission consider bridge funding for the Cal-Learn Program. This is an urgency item. As a Commission, there has been discussion about creating a bucket for emergencies and this program would fit in that bucket. There is good evidence-based research to support the work that has been happening with Cal-Learn.

On March 24, 2011, the Governor signed SB 72 which cut $6 billion to health and human services State-wide. As a result, funding for the Cal-Learn Program was suspended. Cal-Learn is a County-wide program that deals with teens. In general, the population served by this program is at high risk because they are teens having to deal with pregnancies and parenting. There is an even more high risk population within that group of young women. This population is comprised of individuals who are dealing with risk factors such as homelessness, problems with substance abuse, domestic violence, mental health and involvement with gang activities and law enforcement. This is an enormously vulnerable community.

The State budget has eliminated this critical program that deals with teens and is very intense in its case management for the purpose of making sure they do not drop out of high school, get either their high school diploma or GED, and prenatal care. Data shows that teens in the Cal-Learn Program graduate with high school diplomas and GEDs and significantly have higher survival rates and successfully get off welfare programs. The Cal-Learn Program is a component of the CalWORKs Program. Case managers are the “moms and dads” who guide youth in the right direction and hold them accountable. The current Cal-Learn Program is dealing with the most troubled teens. All of these teens generally have children under the age of five years. The bridge funding from First 5 LA will sustain
the program for high-risk teens. There are current 3,256 participants in the program and the bridge funding will support 1,304 teens.

Supervisor Molina and Mayor Antonovich introduced a motion requesting First 5 LA to consider bridge funding for one year. Coincidentally, this program was first introduced by Supervisor Molina when she was in the State Assembly. Providing bridge funding for this program would also send a message to the State about the local efforts to fund programs that it is cutting.

M/S  (Alma Martinez / Michael Antonovich)
APPROVED AS AMENDED

Note: The discussion was combined for Agenda Items 9 and 10.

9. Approval of Motion Extending Funding for the School Readiness Initiative (SRI) Grantees

10. Approval of Motion Extending Funding for the School Readiness Initiative (SRI) Grantees

Mayor Antonovich commented that the two motions before the Commission extend funding for the School Readiness Initiative (SRI) which were filed independently by Commissioners Yancey and Au. This was done following the unfortunate failure of the motion by Commissioner Kaufman last month. The School Readiness Initiative is an eight-year partnership between First 5 California, First 5 LA and the 42 agencies County-wide, including 20 agencies within the Best Start Communities and 22 agencies outside. The 42 contracts will terminate in three weeks on June 30, 2011 for no other reason than First 5 California no longer being a financial participant.

Commissioner Au commented that Commissioner Yancey and she had a prior conversation. Commissioner Yancey is willing to fold her motion into Commissioner Au’s motion as one.

As a result of this informal agreement, Commissioner Yancey’s motion was tabled.

M/S  (Antronette Yancey / Michael Antonovich)
WITH NO FURTHER DISCUSSION, THE MOTION WAS SO ORDERED

Commissioner Yancey requested that the italicized language on page 63 of the meeting packet which begins with “I, therefore, also move...” within Commissioner Au’s motion be tabled until the discussion on bucket allocations takes place in September.

Commissioner Au was in agreement with Commissioner Yancey’s request. She also added that such language had been included as a courtesy to Commissioner Kaufman.

Commissioner Southard introduced an amendment to Commissioner Yancey’s motion which had the intention of doing what Commissioner Au was trying to do. To him, the important thing is that the Commission was trying to accomplish something in continuing the School Readiness Programs but not confuse those issues with the issues that are related to the approach for the proper implementation of the place-based services. These are two separate issues.
Commissioner Southard’s amendment focuses specifically on what the Commission would like to do in support of bridge funding for the School Readiness programs and does not get into policy matters with regard to implementation of the place-based strategy. The amendment was Commissioner Southard’s attempt for bridge funding.

Commissioner Kaufman asked for clarification on the amount of bridge funding being proposed by Commissioner Au. In her motion, the total funding request was approximately $16 million. Commissioner Au commented that she meant this funding to be for one year and wanted to be focused on retaining the SRI’s parent engagement piece. The $400,000 allocation per grantee was a number that she came up with as a result of talking with a number of SRIs. This is what it will take for them to retain and continue the two components—parent engagement and transitional kindergarten.

Commissioner Kaufman stated that a $400,000 allocation would be a significant cut to some SRI grantees as well as a significant increase to others.

Commissioner Kaufman asked if it would be simpler from a staff perspective to say that the ceiling is whatever the SRI grantee got last year (the 35 percent allocation made by First 5 LA). The $6.8 million constituted full funding for those agencies within the area. This is the upper limit.

Commissioner Au asked if those providers that have larger populations they are working with, be able to continue doing this with that kind of limitation because of the loss of the State funding.

Vice Chair Fielding said that he was back to the point of last month where there was a motion which basically provides 35 percent of funding from First 5 LA and not the 50 percent funding from the State. He was not in favor of increasing funding beyond 35 percent. Vice Chair Fielding commented that he was in favor of a motion with a 35 percent level of funding, if in fact, it is limited to one year.

Commissioner Au commented that she could appreciate such a comment. Yet, on the other hand, she was coming from a position that she had been at when wanting to capitalize on community capacity that has been invested in and has been already created as the Commission moves forward with Best Start Communities and initiatives. Commissioner Au commented that the Commission is running into a danger of allowing the funding to erode some of that capacity. Therefore, the Commission would no longer have the ability to capitalize on that capacity.

Referencing Commissioner Yancey’s proposal, the focus was on those SRI programs within the Best Start Communities. Commissioner Au stated that her vision of Best Start went beyond the 14 targeted communities. This is the vision that the Commission operated from when the new strategic plan was created. The 14 communities were going to be the starting point that based on the data and understanding of those communities, they were most challenged. Ultimately, Best Start was going to become a County-wide focus and a mechanism would be in place to have Best Communities not only in Best Start Central Long Beach, but Best Start in all of Long Beach for example. Commissioner Au said this was her thrust in doing this.
While $16 million may sound like a large amount of money, but given what has been invested and allocated for universal assessment and other projects, this is still a reasonable investment to make. The investment also speaks to the notion that Best Start is not just for 14 communities. Best Start is a County-wide effort of the Commission.

Commissioner Dennis commented that he did not disagree with Commissioner Au but was unsure if he agreed. The point is that one of the things these SRI sites will have to do is to regroup and rethink. They will go from 65 percent to 35 percent of funding. Prior to allocating more money to a grantee, the Commission needs to see what they are going to do as they revamp and restructure the existing programs. Commissioner Dennis recommended having grantees try to figure the 35 percent level of funding and then revisit next year this issue.

Commissioner Martinez commented there was some spirited conversation at the May Commission Meeting where the focus was that outcomes, deliverables and evidence based data for some of the star initiatives were not the same. Commissioner Martinez’s expressed concern about giving back the money for a six-month period followed by a RFP with the new version of SRI and the releasing more funding with such varied outcomes within the collaboration.

Commissioner Au commented that the reason why she resurrected this motion again was that when Director Jimenez spoke quite eloquently about all the SRI projects, one thread that ran through all of the SRIs was that they had a very effective or required a parent engagement piece and required a transition piece to kindergarten. In all of these projects, Director Jimenez was able to say that each had done great work. The issue of not being able to determine the impact and outcome for all of the SRIs has to do with each SRI being somewhat different beyond those two components. It is really these two components that Commissioner Au would like to capitalize on. The Best Start Communities is really about parent engagement and about institutional or systems changes where these institutions begin to do a shift in terms of them having to tailor their services in response to the children and families rather than the other way around.

Commissioner Martinez commented this was a great response but this would mean that a budget adjustment would need to take place since these SRIs would need to focus in two strategic areas. She suggested having an RFP go out on these two items in six months.

Commissioner Au commented that she was gun shy about the RFP process because of what has been transpiring with the County-wide augmentation. Commissioner Au commented that in her motion she was requesting an up to $400,000 funding level and it may not add up to $16 million. Presently, she does not know the cost of the individual SRI projects.

Commissioner Martinez commented there have been many years of good results but very different among all groups. This is a golden opportunity to get the train going in the same direction. This does not mean that each group loses its own individuality.

Commissioner Au is envisioning having the contractors or grantees retain their parent engagement piece and their transitioning piece. These are the only two components she views as important as the Commission moves forward with the Best Start Communities project. The other thing is when capitalizing on capacity, these SRI projects are slated to sunset at the end of June. Her fear is that these SRI projects will be dismantling their
capacity. Realistically, through an RFP process, contracts are not going to be executed until next year.

Commissioner Martinez also commented that some the SRIs have already closed. Her concern is that allocating funds to groups that may no longer exist.

Assistant Director Ellis clarified a few points. Out of the 42 SRI grantees, only six grantees receive $400,000 in funding. The bar would be raised for everyone in terms of funding. The SRI programs are scheduled to end June 30, 2011 and a number of programs have already given notice to their staff and parents. To have the programs end and then ramp them back up would mean that they are dismantling their infrastructure. It does not seem that an RFP process is the most feasible. The decision can be determined by deciding what is the ultimate outcome.

Commissioner Au asked if the providers would be able to continue, at least the two components of parent engagement and transitioning, at a lesser level of funding. For the First 5 LA share of funding, the lowest amount funded is $92,000 for the smallest program.

Assistant Director Ellis asked Commissioner Au what she meant by parent engagement. The School Readiness Initiative has four components; one is directly related to parent engagement but the types of services provided vary across programs. She asked if Commissioner Au had a particular model of parent engagement in mind or was that being opened up for discussion.

Commissioner Kaufman asked to be reminded of the four components of SRI. The four components are (1) improve family functioning; (2) improve child development; (3) improve health; and, (4) improve systems of care. The systems of care component is where kindergarten transition takes place.

For purposes of focusing the discussion, Commissioner Southard proposed that his motion be substitute motion to get toward some decision.

Commissioner Martinez commented that Commissioner Southard’s motion did not address the two components in Commissioner Au’s motion.

M/S (Marv Southard / Jonathan Fielding)

Vice Chair Fielding reminded Commissioners that one of the reasons why there was a different approach to the strategic plan and the various modifications was that the Commission was concerned that SRI and other programs that had been funded were serving too few kids. This was very expensive to do although the programs were doing an excellent job with the families that they serviced. Common outcomes could not be achieved because it was a State-run program. As far as he was concerned, he would like to see SRI continue because there is an opportunity in the Best Start Communities. Funding SRI grantees at the level for last year is the right amount and there is flexibility for staff to provide more funding to some and less funding to others. Vice Chair Fielding commented that he fully supported the motion by Commissioner Southard.

Commissioner Stockwell asked if, indeed, $1 billion had been spent on SRI. Director Hause responded that according to Commission records, $1 billion had not been spent. CEO
Martinez commented that the correct amount was closer to $205 million. Furthermore, CEO Martinez commented that it was important to have the correct budget numbers as the motion presented was a public document.

Commissioner Au commented that according to Commissioner Yancey, the $1 billion figure included the State portion as well. Assistant Director Ellis stated that with the State portion of funding was $226 million over eight years.

Commissioner Au asked where the $1 billion figure came from. CEO Martinez commented that this figure as included in the motion from Supervisor Ridley-Thomas’ office. Commissioner Au was under the impression that First 5 LA’s contribution was less than $1 billion but still significant.

Commissioner Yancey commented that her understanding of the shift toward place-based was that the direct service investments would be in those communities to generate the greatest return on investment because of concerns about relatively large dollar investments for relatively small numbers when the need is so great across the board. Commissioner Yancey asked if the movement toward the most disadvantaged communities was where the Commission directed its direct services and where it also had infrastructure investments for the rest of the County.

Commissioner Au said this was not as simple. During the course of the planning conversation, when the Commission came up with the concept of Best Start, it was really about a systems change approach in a real paradigm shift. In looking not only at direct services but also in terms of community capacity and the fact that First 5 LA dollars were time limited, the Commission was expending dollars that which in five or six years or sooner would have less dollars available to allocate.

The Best Start approach was to utilize what dollars the Commission had in unspent dollars to focus in on those initial 14 communities because they were the communities that presented the Commission with the most challenges. There were two considerations in selecting these communities—(1) compelling needs existent in the communities; and, (2) the communities had some infrastructure that could be utilized by the Commission to move those communities towards wellness and Best Start. In the course of doing this, the Commission could take a look at a finite community and actually be able to track where those resources are coming from because it is not all going to be from First 5 LA investments. It is going to be other sources as well. The Commission will be able to track how its dollars were going to facilitate the communities’ ability to then be able to address those challenges that erode the positive outcomes for their children and families. It was going to be that learning opportunity as well, for the Commission to then look at other communities and say based on the Commission’s learning and understanding of what is happening in those initial 14 communities, that other communities could come to First 5 LA and request a nominal amount of investment to galvanize the community so that everyone would be on the same page on how to address those compelling changes within the communities. These communities would become Best Start communities but not at the same level as the initial 14 communities.

Commissioner Yancey commented that the commonality between motions is to invest heavily in those communities to try to generate that change, treating them as models to figure out what the best investments are. She said that funding other communities outside
the Best Start Communities at the same level would defeat the purpose of concentrating the investment to see what kind of infrastructure could be built.

Commissioner Au commented that with the information just learned, the allocation is no way near $16 million. She stated that the allocation should be closer to the allocation being requested in Commissioner Southard’s motion.

Mayor Antonovich stated that viable real numbers were needed, not approximations.

Commissioner Au asked for the assistance of staff.

Commissioner Stockwell commented that she was a strong supporter of School Readiness when they are effective programs and have given the Commission results. Being a school professional, she strongly supported School Readiness; however, when she looked at the amount of $400,000, she knew that some SRI programs were small and others were large. Commissioner Stockwell asked if parameters would be set on administration versus direct services. Secondly, Commissioner Stockwell expressed concern over the restructuring that is being proposed because School Readiness addresses child growth, child development, and getting kids ready for school. By taking only the parent piece and the transitional piece, there is nothing to communicate and articulate with parents if the preschool component has been removed. Thirdly, there are 50 grantees that have the preschool component. She was concerned about taking this component away. Commissioner Stockwell asked for clarification on what was meant by kindergarten transition. Furthermore, Commissioner Stockwell stated that there was a strong need to tie the school districts into the concept of kindergarten transition. She also asked why the Commission could not have its own School Readiness program and suggested ending the current school readiness programs and putting out an RFP for its own program. Currently, the grantees are being set up to fail since they will be back in six months to ask for more funding.

Commissioner Kaufman commented the Commission should not micro-manage. This is not good governance. Good governance is to say that the Commission has outcomes that it wants to see, there are partners we want to work with, the Commission either wants or does not want to maintain the infrastructure of SRI, and the instruct staff to come back with a new model. For today’s vote, what is needed is a funding allocation up to a certain amount, it does not have to be an RFP since it is a contract negotiation, and then just move on to the next item.

Commissioner Martinez commented that this Commission made the decision to cut the funding of this organization for real reasons. She also commented that she did not want to see high salaries being paid to SRI program coordinators when funding has been cut in half.

Commissioner Au said that she was open to a provision in her motion that would not fund SRI program in excess of current Commission funding levels and expected staff to moderate funding levels of grantees to reflect the two components of the motion.

Commissioner Williams suggested language extending grantees to June 30, 2012 without a funding allocation. Commissioner Southard stated that he would like to leave the language in his motion as presented.
Commissioner Williams also suggested that convening the delegate SRI agencies to design a project unique to First 5 LA. Commissioner Southard was agreeable to this suggestion if this SRI redesign was delegated to the Program & Planning Committee for further discussion.

Legal Counsel Steele commented that whichever motion gets approved, the Commission should consider directing the CEO that prior to extending funding, the grantees must be in compliance with the existing contract. There is one contract compliance issue right now and the CEO should be granted the authority to not extend that contract. Mayor Antonovich agreed to have this language apply to whichever motion passed.

**VOTE #1 – SOUTHARD AND YANCEY MOTION**

M/S (Marv Southard / Jonathan Fielding)  
APPROVED AS AMENDED  
(6-3-0)

Roll Call Vote:

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**VOTE #2 – AU MOTION**

M/S (Nancy Au / Antronette Yancey)  
MOTION FAILS  
(2-7-0)

Roll Call Vote:

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**Public Comment:**

Delmy Pereira, Parent

**11. Approval of Motion for Increasing Investment in Autism**

Commissioner Yancey commented that this was a motion that originated in the recommendation from the Board of Supervisors to put a greater focus on the issue of
autism. There is evidence that autism spectrum disorders which includes issues from the milder forms like Asperger Syndrome to the severe forms that pose a greater compromise to functioning for the child and challenges to the family.

There are a substantive number of children in Los Angeles County that are affected by this condition and that it is one very much in alignment with First 5 LA’s desire to improve outcomes for children and families, especially those with these kinds of challenges. Staff provided documentation that explained and provided background information on developmental disorders. Staff also identified three key factors to ensure that children with developmental disabilities, including autism, are supported to reduce the impact of the disability and to improve development factors. These factors were (1) early identification; (2) appropriate referral and referral follow-up; and, (3) availability and quality of services.

The purpose of the mini-grants, not to exceed $150,000 per grant, would authorize a budget totaling $900,000 and would initiate a RFP process for expanded autism investment to identify providers that are currently serving this population with a report back in 30 days on the status of the RFP and a recommendation for provider approval.

Commissioner Au commented that staff responded to a number of her requests from the May Commission Meeting through a report attached to Commissioner Yancey’s motion. She really appreciated the good job done by staff in outlining the Commission’s previous investments through the EDSI project. In being in alignment with her thinking and principle of operation at his juncture, she also believes that the Commission needs to capitalize on its investment in EDSI. Knowing that particular contract did sunset in January, Commissioner Au still believes there is still an important role for an EDSI component to Commissioner Yancey’s motion. Even thought her motion is focusing on mini-grants in terms of service support, there still is a need for an EDSI piece. She proposed as a friendly amendment that the Commission consider a strategic partnership with the UCLA Center for the Healthier Children, Families and Communities.

Legal Counsel Steele commented that there were two issues to be addressed before embarking on this issue. There are two Commissioners who have a conflict of interest regarding the UCLA center. These Commissioners cannot participate in the full discussion. Secondly, this is not an item on the agenda relating to the issue of a strategic partnership.

Mayor Antonovich stated that this issue would be placed on next month’s Commission Meeting agenda.

CAO Bosch reminded Commissioner Au that there is a rigorous test that has to be applied to any strategic partnership.

Commissioner Kaufman asked that this discussion not take place as he is one of the Commissioners who have a conflict of interest.

Commissioner Au commented that she was looking to capitalize on Commissioner Yancey’s mini-grants and make certain that there is a connection to the EDSI component as well by creating a strategic partnership that would act as a consortium and would be able to connect with other individuals in the Los Angeles County community dealing with autism, spectrum disorder issues, and other special needs. She said that the Commission should move away from silo funding with investments capitalizing and complementing each other.
Commissioner Stockwell asked if there was a way to broaden the motion because developmental disabilities come in many forms. By broadening the motion, the Commission may be able to deal with some of the disabilities that could be taken care of quickly and soon so that children can go on to having a successful life in preschool and kindergarten.

Commissioner Yancey said that this issue has been emerging as a major problem and providers are needed with specific expertise in autism.

Commissioner Stockwell asked what would be the focus of the RFP. Commissioner Yancey commented that she would rely on staff writing the RFP in such a way that it would seek the best of what a community can offer in terms of how best to strengthen the existing services.

Commissioner Stockwell asked if the universal assessment of newborns project would include this type of screening. Commissioner Kaufman responded that it was not as it is generally not possible to see the early warning signs of autism in babies. The recommendation is actually 18 to 24 months when formal screening is done.

Commissioner Kaufman commented that what Commissioner Stockwell was referring to is early intervention and diagnosis. He made the following suggestions:

   a. Use the term autism and other developmental conditions of abnormal child development.
   b. There are a range of approaches that staff could choose to use for the same goal. The RFP process is too specific. Staff should be requested to develop a mechanism to get the approach desired by the Commission through an RFP, RFQ or strategic partnership.
   c. A period of 30 days does not make sense. Typically, the Commission grants 90 or 120 days for staff to report back.
   d. Part B of the motion is dependent upon what approach staff will pursue. Staff may be granted authority to negotiate with individuals rather than providers which has a different meaning.
   e. An allocation of $150,000 is not a mini-grant. This is a significant amount of funding.

Commissioner Yancey stated that the spirit of the motion was to focus on autism. Commissioner Kaufman stated that he did not like this because if there is discussion on diagnosed autism, there is a treatment component and the Commission may not want to engage in required treatment components. As a Commission, better work is done if the focus is not on a particular subset of vulnerable children.

Commissioner Yancey asked if language such as development disorder with a focus on autism be an appropriate compromise.

Mayor Antonovich agreed with the language suggestion.

Commissioner Tilton commented that there is a Senate select committee on autism and related disorders which created a State Council with a network of 12 community councils—six in Northern California and six in Southern California. The Commission has the
opportunity to glean and integrate and coordinate this incredible wealth of knowledge through the autism investment.

Vice Chair Fielding commented that staff has done a very good job of pointing out current investments. What is missing is a clear recommendation. He suggested that staff come back with a recommendation, however long it takes, where primary gaps are identified. Vice Chair Fielding commented that he felt that staff needed to come back with specific recommendations. While he does not have a problem with the allocation, he feels the motion is not sufficiently cooked.

Commissioner Stockwell commented that there are a lot of experts such as Barbara Firestone from The Help Group that could make recommendation on how to spend the funding. She suggested staff reach out to here.

Public Comment:

John Fairamond
LaShawna Grant
Whit Hayslip
Laura Mabie

M/S (Antronette Yancey / Michael Antonovich)

WITH NO FURTHER DISCUSSION, THE MOTION WAS SO ORDERED

7. Approval of the First 5 LA Operations Budget for FY 2011-2012

Mayor Antonovich commented that in 1999, the Economy Efficiency Commission, was charged with the review of the County’s one year compliance in implementing provisions of the initiative that was approved in November, 1998. The Commission conducted a presentation on the status of Proposition 10 implementation in the County of Los Angeles. Following this presentation before the Board of Supervisors, two questions were interjected by Commissioner Philobosian as to the overhead expenses of Proposition 10 asking if they have been determined; and, since the revenue is a flexible stream that may diminish over time, he asked how would this impact overhead expenses which could be a fixed cost. Philobosian also stated his concern that by increasing the bureaucracy, this would use up undetermined amounts of money and reduce the amount of available funds for the children intended to serve.

The proposed operating budget has a fixed overhead expense which also affirms reduced revenues over the last few years primarily as a result of the decrease in the sale of tobacco. The proposal further affirms the uncertainty of the impact of the State taking Commission approved programs; yet, the proposed budget includes a $300,000 increase over the 2010-11 adopted spending plan and a cost of living increase of two percent. In the County, there has been no cost of living increase for the past three years which the Board of Supervisors has unanimously approved as have the labor organizations. In addition, the County achieves maximum cost-effectiveness whenever possible through contracting out, relying on technology, eliminating and consolidating various functions and agencies. The fiscal restraints have been beneficial because the State wanted to borrow from the County because of its high bond rating.
Mayor Antonovich stated the problem he has is that what has been done at the County is the opposite of what is being proposed by the Commission especially not knowing what the fiscal realities are going to be in the coming year because of the federal and State budget crisis.

Vice Chair Fielding commented that he was sensitive to the issue of staff raises but it was true that the County has not had a cost of living adjustment for the past three years. Although the Commission is not part of the County, it is closely aligned in many ways. As a placeholder, Vice Chair Fielding ask if the budget for this year could be adopted going into next year. The Commission is open to looking at the budget for potential revisions.

Vice Chair Fielding further commented that if Mayor Antonovich was suggesting that the two percent cost of living adjustment not be approved, he wondered why the Commission would want to increase the budget beyond last year given the fact that there is reduced revenue.

CEO Martinez commented that is important to know that the proposed budget reflects a flat budget from the previous year given the budget cuts. The increase of $306,000 reflects the need to have back on staff a Grant Management Department, given all of the previous initiatives that the Commission keeps refunding. In addition to these grants, there are the County-wide augmentation programs that will, hopefully, be implemented within the next fiscal year. At this point is it undetermined how many grantees or contractors will be assigned per initiative.

CEO Martinez stated that she was sensitive to the cost of living adjustment issue. At the request of the Ad Hoc Executive Committee, a quick survey was done of the 10 largest County Commissions. For some commissions, if they are part of the County, they are not getting increases for cost of living; some are getting very small merit increases. Overall, most are not getting increases in the next fiscal year.

Commissioner Williams stated she could agree with what is being said. She does not feel that the Commission needs to do what the County does. The Commission is smaller than the County and believes Commissioners are not sensitive to what has been done to staff. A strategic plan has been put in place that is very ambitious, staff is being stretched, and she is absolutely opposed to trying to hold staff down while at the same time, the Commission is trying to go up. It makes no sense.

Commissioner Kaufman asked that when operating expenditures total $15.4 million in FY 2010-11, was this number projected or actual. Given that there is a projected $1.2 million in budget savings, he asked if there was a way to make this year’s budget more than last year’s expenditure. Commissioner Kaufman commented that he did not understand why each year’s operating amounts are budgeted at eight percent higher than what is actually spent.

CEO Martinez stated that the savings are from salary savings as a result of positions not being filled by the original timelines. Due to the significant savings this fiscal year, she requested that her senior management team look closely at their budgets for the FY 11/12 and prepare a more realistic budget.
Director Hause commented that the newly approved SRI extension was not reflected in the budget being recommended.

Commissioner Stockwell echoed Commissioner Williams comments on staff increases. She also asked if any hiring freeze took effect. CEO Martinez commented that certain staff salaries were frozen as a result of a compensation study that was never adopted by the Commission. The employees who had their salaries frozen were Administrative Assistants.

Mayor Antonovich asked how many positions were vacant longer than 10 months. Director Hause commented that there were not many and the guessed that the cost of these positions was approximately $600,000.

Mayor Antonovich commented that he could see positions not being filled for up to three months. Many times when there are unfilled positions, this is a way of building up a budget to be used for other purposes.

CEO Martinez commented that this is not how the commission’s budget is prepared. When the budget was prepared last year, a timetable was provided as to when these new budgeted positions would be coming on board. These were positions that were geared specifically to the new strategic plan and the reorganization. Although things have changed along the way, the number of people and staff that were required did not change. One of the discussions had in the Ad Hoc Executive Committee was whether Program Development had sufficient staff given their overall responsibilities while in the opinion of one commissioner, another department had more than sufficient staff. These are things that a CEO tries to balance in an organization that is constantly under public scrutiny. CEO Martinez commented that her aim was transparency. She said that as the CEO of the organization, she has tried to be as fiscally conservative as possible. In fact, she has a meeting scheduled next week where there is a vacancy in one of the departments and she is questioning if the position really needs to be filled.

Commissioner Au suggested that approving funding based on last year’s level, eliminating the $306,000 increase. At the six-month interval, a budget amendment could be considered at that time.

M/S (Nancy Au / Michael Antonovich)

WITH NO FURTHER DISCUSSION, THE MOTION WAS SO ORDERED

Commissioner Dennis asked if the savings have been consistent throughout the past three years or if last year was an anomaly. Director Hause commented that there are always some budget savings but this year was certainly an anomaly.

Commissioner Dennis asked what was the percentage of budget savings. Director Hause commented that it was typically four to five percent.

17. Public Comment

Celia Ayala, LAUP
ADJOURNMENT

The meeting adjourned at 5:37 pm.

The next regularly scheduled Commission meeting will be on:

July 14, 2011 at 1:30 pm
Multi-Purpose Room
750 N. Alameda Street
Los Angeles, CA 90012

Meeting minutes were recorded by Maria Romero.