APPROVED: 07-12-12

FIRST 5 LA

SUMMARY ACTION MINUTES
Commission Meeting
June 14, 2012

COMMISSIONERS PRESENT:

Commissioners:
Nancy Au
Philip Browning
Jonathan Fielding (Vice Chair)
Neal Kaufman
Marv Southard
Antronette Yancey
Zev Yaroslavsky (Chair)

Ex-Officio Commissioners:
Patricia Curry
Arturo Delgado
Duane Dennis
Deanne Tilton

COMMISSIONERS ABSENT:

Commissioners:
Jane Boeckmann [Excused]

STAFF PRESENT:
Craig Steele, Interim Chief Executive Officer
Yolanda Bosch, Chief Administrative Officer
Antonio Gallardo, Chief Program Officer
Armando Jimenez, Director of Research & Evaluation
Elizabeth Iida, Director of Program Development
Raoul Ortega, Interim Finance Director
Maria Romero, Executive Assistant

LEGAL COUNSEL:
Nancy Takade, Principal Deputy County Counsel

CALL TO ORDER / ROLL CALL:

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

CONSENT CALENDAR: (Items 2 – 4)

2. Approval of Commission Meeting Minutes – Monday, May 21, 2012

M/S (Nancy Au / Marv Southard)
WITH NO FURTHER DISCUSSION OR OBJECTION,
THE ITEM WAS UNANIMOUSLY APPROVED

3. Approval of the Monthly Financial Statements for the Month Ending April 30, 2012

   Interim Director Ortega presented the regular financial statements for the month ending April 30, 2012 for the Commission's review.

M/S (Nancy Au / Marv Southard)
WITH NO FURTHER DISCUSSION OR OBJECTION,
THE ITEM WAS UNANIMOUSLY APPROVED

4. Approve Proposed Amendments for Existing Contracts Approved in the FY 2011-12 Programmatic Budget and Authorize Staff to Complete Final Execution of the Contract Amendments Upon Approval from the Board

CAO Bosch reported that staff was requesting approval of the proposed amendments for existing contracts in FY 2011-12 that were in the programmatic budget and to authorize staff to complete final execution of the amendments upon approval.

M/S (Marv Southard / Nancy Au)
WITH NO FURTHER DISCUSSION OR OBJECTION,
THE ITEM WAS UNANIMOUSLY APPROVED

COMMISSION: (Items 5 – 12)

5. Announcements by the Commission Chair

None.

6. Interim Chief Executive Officer's Report

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

- **Special Meetings:** Commissioners were reminded that a special Commission meeting has been scheduled for June 28, 2012. The meeting will be at First 5 LA. The meeting is taking place for the purpose of approving the contract actions that are necessary to implement the budget that is on the agenda. Additionally, a Closed Session meeting has been scheduled for June 27, 2012 at Supervisor Yaroslavsky's office for the purpose of considering candidates for the permanent Executive Director position.

- **State Budget Update:** The Constitutional deadline for the State Legislature to submit a budget is June 15, 2012. The Governor then has until the end of the month to sign the budget. The Assembly Democrats have released a budget proposal in response to the Governor's budget that also has the backing of the State Senate leaders. This version of the budget includes fewer cuts to Health and Human Services than the Governor had proposed in his May Revise. In part, this version of the budget reduces some of the impact of the Governor's cuts by lowering the anticipated reserve that would be left at the end of the budget from a $1 billion to a little over half a billion dollars. Additional savings would come from some accounting changes, assumptions regarding revenue that are, perhaps, rosier than what the Governor was assuming, and using a larger share of settlement money that has been received from banks related to the mortgage foreclosure abuses.

  This year, the Governor and the State Legislature seem to be working a little more closely to try to avoid last year's process where a placeholder budget was adopted and then vetoed almost immediately. It seems that both sides would like to get a compromise budget adopted and signed by Governor; thus, avoiding the process from last year. The Governor's initial response to the State Assembly proposal was that it was not structurally balanced but there have been a number of continuing tweaks. The State Legislature remains hopeful that they can meet the Governor's concerns and get a budget that is mutually agreeable by the June 15 deadline. Related to First 5 County Commissions, there is an assumption that First 5 California will be hit hard with some take back of revenue but not County Commissions, at this point in the budget process.

- AB 99 Lawsuit – All of the Counties that were involved in the lawsuit, including Los Angeles, filed motions to recover attorney fees. The motion was heard in Fresno County on June 4, 2012. There seemed to be an opened and fair discussion of the issue. The judge took the matter under submission and will render a ruling in 30 to 60 days.

Commissioner Yancey inquired about the process for determining how letters of support were provided for legislative issues. Interim CEO Steele commented there was a legislative agenda that was developed and approved by the Commission which listed bills the Commission was supporting over the course of time. With regard to general policy statements, letters of support are provided on issues that are within the strategic plan and that relate to particular legislation. A request was made by Commissioner Yancey for a copy of the legislative agenda.

(NOTE: Supervisor Yaroslavsky arrives and takes leadership of the meeting.)

7. Adopt the FY 2012-13 Proposed Operating & Program Budgets and Approve Supporting Actions to Comply with GASB 54 and Other Fiscal Reporting Requirements

Interim CEO Steele reported that a workshop had taken place regarding the programmatic and operations budgets at the May Commission meeting. Minor adjustments have been since then.

Interim CEO Steele provided an overview of the budget and of the minor changes that have been made since it was first presented to the Commission. The budget presentation is premised on the assumption that a discussion has taken place about the highlights of the operational budget; and the focus will then shift to highlights of the program budget. Part of the budget presentation will also focus on the fund balance analysis as well as on a discussion of the reaffirmation of all allocations of funding that have made over time by the Commission and which are still in effect. The budget implementation plan and new proposed policies that will guide implementation, but also future development of the budget, will constitute the final component of the presentation. All of the actions to be taken will be memorialized in Resolution 2012-06 included in the meeting packet.

Interim CEO Steele reported the total proposed budget was $199.8 million comprised of the proposed program budget ($183.1 million) and operating budget ($16.7 million). The administrative portion of the operating budget is $9 million or 4.53 percent of the total FY 2012-13 proposed budget. Each year, the Commission adopts a percentage for a cap on administrative expenses. This is part of the documentation that was being presented. Generally, administrative cap numbers, in the history of the Commission, have been five percent or lower; although some of the other County Commissions allocate costs differently and adopt different percentages. The 4.53 percent for administrative costs is consistent with prior years, which have been at five percent or lower.

Since the May 21 meeting, the FY 2012-13 Program Budget has been adjusted by a net increase of $2,109,010 to incorporate the following changes presented on pages 151-153 of the meeting packet.

- Actions taken by the Commission at the May 21, 2012 Commission meeting in regards to Family, Friends and Neighbors (FFN), School Readiness Initiatives (SRI) and the Welcome Baby! component of the Best Start Initiative.
- Final contract negotiations on several agreements including Parent Child Interaction Therapy (PCIT) and Oral Health Nutrition.

- Correction in the budget for The Children's Council budget that was presented in error. The budget will be increased by $1,010,000.
- Addition of one new program for matching funds through the Resource Mobilization program to support an ECE Recoverable Grant Fund that will bridge payments to center-based child care operators during delays in state budget approvals and/or delays in disbursement of contracted payments.
- Minor adjustments due to minor program or evaluation budget revisions.

Summary documents for the programmatic and operations budgets were provided to the Commissioners for review.

CPO Gallardo provided an overview of the programmatic budget. He presented a pie chart that provided an illustration of the diversity of strategies in the programs portfolio–all strategies are aligned with the strategic plan but not in terms of the proportion of investments. The strategic plan calls for at least 30 percent investments in County-wide projects, which have been accomplished, and at least 45 percent in place-based efforts, and which the Commission has not reach as of yet. When removing the prior investments out of the budget, and focusing only on elements of the current strategic plan, the County-wide projects represent 62 percent of the budget, and the place-based efforts represent 35 percent.

CPO Gallardo highlighted the following assumptions of the programmatic budget.

- Proposed program budget amounts were based upon the most realistic data at the time of preparation of budget with scope of work and budgets being the norm.
- For projects that had no scope of work and budget at the time of budget preparation, and which were to be continued, place holders were included in the budget with a minimum amount of funding totaling approximately six months of funding from the prior fiscal year investment. This will allow staff to come back to the Commission several times in the year to adjust the proposed amounts.
- Prior strategic plan activities go beyond the transition grants (i.e., FFN, Healthy Births, Family Literacy, PFF, SRI).
- Staff has continued to work with service providers in completing scope of works and budgets for activities in FY 2012-13.

Furthermore, CPO Gallardo reported that in comparing FY 2011-12 to FY 2012-13, although a slight decrease in the investments in the prior strategic plan activities is observed ($106 million down to $94 million), these investment still represent the highest percentage of the programmatic activities. As the Commission continues to ramp-up the County-wide initiatives, and continues the implementation of activities in the Best Start Communities, higher levels of investments were expected.

Other major highlights of the proposed programmatic budget included the following key points.

- *First year of Community level funding – $23.9 million (77% of Place-Based Budget)*
  - Per April action, $1.71 million was allocated for each of the 14 communities in Best Start. The budget will be contingent on community plans, scheduled for review by the Commission in June and July.

- *Welcome Baby & Select Home Visitation - $4.0 M (13% of Place-Based Budget)*
  - Twenty-four (24) Hospitals are being targeted for participation, representing approximately 80 percent of the Best Start births and 54 percent of the births County-wide (based on 2008 birth data). Of these 24 hospitals, staff expects to

contract with at least three hospitals for the program in FY 2012-13. Staff is also initiating outreach and recruitment strategy to encourage hospital participation in the program.

- *Countywide Strategies - $30,742,092 (17% of Program Budget)*
  - Workforce Development – $12.4 million (40% of CW Strategies Budget): This line item includes multiple programs, largest of which is the ECE Workforce Consortium.
  - Health Access (Healthy Kids) – $7 million (23% of CW Strategies Budget): Insurance coverage will be provided for eligible children, not to exceed 15,000 members per month at $117 per member per month.
  - Resource Mobilization – $6 million (20% of CW Strategies Budget): This line item includes funding for Matching Grants Program, Challenge Grants, Social Enterprise Grants, and the 50 Parks Program.

- *Countywide Initiatives - $ 23,455,731 (13% of Program Budget)*
  - Initiatives approved by the Commission during FY 2010-11 for County-wide direct services and one-time investments.
  - FY 2012-13 will be first full year of implementation for several initiatives started in FY 2011-12: Substance Abuse Services, Tot Parks and Trails, and first year of implementation for several programs, including PCIT, Reducing Childhood Obesity, One Step Ahead/Little by Little.
  - Continued funding for Black Infant Health.
  - Program Workplans specify milestones planned for next year and evaluation activities included as part of the workplan.

- *Prior Strategic Plan Investments - $94,641,931 (52% of Program Budget)*
  - Programs adopted in the Commission's previous Strategic Plan and carried over through the current plan.
  - LAUP – $ 52.6 million (56% of prior strategic plan investments): Funding will be continued for LAUP at approved level of 10,790 children in half-day preschool, assumes $2.5 million in funding from Sustainability Fund.
  - Family, Friends and Neighbors, Family Literacy, School Readiness, and Partnership for Families - $19.3 million (20% of prior strategic plan investments): Based on the recommendations of the Kindergarten Readiness Ad Hoc Committee presented to the Program & Planning Committee in May 2012, the budget will be amended, as necessary, to reflect the final Commission action on renewal of these programs.
  - Oral Health - $ 11.4 million (12% of prior strategic plan investments): Four oral health programs related to water fluoridation, infrastructure expansion, screening and treatment services, and establishment of a dental home model in 12 community clinics in six Best Start communities

- *Research & Evaluation - $2,180,146 (1% of Program Budget)*
  - The Research and Evaluation portfolio is consistent with approved Commission policy. The priorities include Best Start, LAUP, and specific program implementation including Data Partnership Network, Connecting Risk and Perinatal Services. The supplemental budget would provide capacity for expanded and integrated workforce evaluation and expand data integration projects.

Commissioner Dennis stated that although LAUP was a result of the initial strategic plan, it was part of one of the major strategic initiatives of the Commission. He further stated that LAUP was a part of the present, was a part of what is being done by the Commission, as well as being core to the current work of the Commission. Commissioner Dennis suggested that instead of being stuck in the past (as one of the prior strategic plan initiatives), perhaps LAUP should be made part of the County-wide initiatives or a part of something else to avoid any misrepresentation that LAUP was a part of the Commission's past initiatives.

Commissioner Browning asked if the budget comparisons presented tracked expenditures. Specifically, he asked if the expenditures tracked the budget in terms of percentage given the under spending in certain categories. CPO Gallardo commented that the comparison was budget to budget. There was also expenditure to expenditure comparison information which could be provided.

Commissioner Browning also asked if there was a breakdown in the marketing costs. CPO Gallardo commented that marketing costs were broken down by program.

Vice Chair Fielding commended the staff for the budget presentation. He said this was the clearest exposition of how the Commission was spending its money based on Commission approvals.

Commissioner Kaufman commented that the proposed budget provided a great description of how the Commission planned to spend its money and was not a description of how the Commission actually spent its money. Furthermore, Commissioner Kaufman commented that it was very difficult to project expenditures, particularly if contracts have not been signed. Aside from LAUP, the Commission does not know what will be spent. He would like to figure out a way that when reports are reviewed, Commissioners should know how much is allocated to a particular program and how much is supposed to be expended, and whether the spending target was being met.

Interim CEO Steele commented there was a plan to enhance the reporting that is done on a quarterly basis as it relates to expenditures. He also commented the expenditures at a specific time period are not always reflective of what will be spent in a year. In developing the workplan, the document was created as a task-based management tool that management can use to say the work is either being done or not done by staff, consultants and grantees. If the work is not being done that is outlined in the workplan, folks can be held accountable for not getting the work done. The workplan is also tied to expenditures.

Commissioner Kaufman stated his question was not about cash flow but more about meeting program goals and tasks. He felt that staff should be managing approved spending and corrective action should be taken by the Commission when this was not happening.

Interim CEO Steele commented that spending the appropriate amount of money and spending it as quickly as it should be was a major performance issue. Commissioner Kaufman agreed with Interim CEO Steele.

Commissioner Southard asked if there was a developed process for modifying a program to achieve its goals. For example, if Nurse-Family Partnership was having difficulty in achieving some goals in the Latino community but by adding a "promotora" to the program, they could better achieve their goals. Commissioner Southard asked what kind of process would be necessary to change the contract so that change could be made assuming it was within the same dollar amount. CAO Bosch responded that the Grants Management Department was responsible for working day-to-day with the contractors and/or grantees that may be having issues. Staff will work with contractors and/or grantees if they are having issues to see what would make the best sense to fix the problems and put things such as adding a “promotora” in place.

Commissioner Southard asked if these kinds of modifications needed to come back to the Commission for approval. CAO Bosch responded that if the necessary changes were within the approved allocation, they did not need to come back to the Commission for approval. The scope of work would be modified if changes were material.

Commissioner Kaufman reminded everyone that if there were added expenses above a specific threshold, then Commission approval would be required. CAO Bosch concurred.

Commissioner Au asked what the threshold amount was for requiring Commission approval. Interim CEO Steele responded that it was $25,000 and above.

Commissioner Delgado commented that the $199.8 million proposed budget was coming from the Commission's net assets as reported on page 25 of the meeting packet. Given this, less than $200 million was being spent from the total amount of the $850 million in the fund balance. He asked if the rest of the fund balance was in some type of restrictive fund. If it was not, was there some plan, long-term, to expand the programs that were meeting the needs to the community.

Interim CEO Steele responded that part of the action that the Commission was being asked to take was to reaffirm the way much of the remaining money was allocated for future years' spending. For example, with LAUP, there was a contract with LAUP through 2016 to provide preschool services but the contracted was budgeted on a year-to-year basis with a scope of work on a year-to-year basis. That money is allocated within the Commission's reserve to pay through the end of 2016.

The fund balance is not a restricted fund but it is allocated initiative funding for future years' spending. In addition, if the budget is approved and the fund balance analysis is generally accepted by the Commission as a starting point, after some consultation with the Commission Chair, in the next month or so, a plan will be proposed to significantly spend down the fund balance and accelerate some of the spending. The hope is to meet more of the community needs more quickly with some of the fund balance. The Commission needs to recognize that over time, the revenue is dropping on an annual basis very quickly, three to four percent a year, and going forward past the end of the current strategic plan, the Commission will be at a point where the income is very significantly reduced over what it has been during the last few years. A balance needs to take place between the needs of the Commission going into the future to account for that revenue drop while also recognizing that the Commission should be spending some of that fund balance more quickly.

Commissioner Delgado asked if there was a report showing the Commission's commitments for future years so that Commissioners could see what that looked like in total. Interim CEO Steele referred to page 154 of the meeting packet for the information being requested.

Interim CEO Steele commended the Finance staff as well as staff across the organization for their work on the fund balance analysis. He also thanked Christina Altmayer for leading the budget process after the Finance Director left for another job several months back.

Ms. Altmayer reported that on page 154 of the meeting packet, a forecast of the Commission's financial position as of June 30, 2012 was presented. This information would be subject to the year-end audit and projections have been made on anticipated projections subject to change based on the final audit results.

Based on the discussions with the Budget & Finance Committee, there were two actions that are no longer included as commitments—(1) a reserve for public education and (2) a reserve for research and evaluation. This year's budget transitions those expenses to be annual expenses rather than being included in the program budget. This was a change in process so that on an annual basis, based on what the Commission is funding, the Commission will establish a research and evaluation agenda and a public education campaign to implement those programs. However, there continues to be a research and evaluation allocation for the LAUP evaluation that is under way through 2016. As a result of these changes, the unrestricted fund balance will be at $191 million as of June 340, 2012. This amount will be reflected on the financial statements as assigned because there is a strategic plan that assigns those funds based on percentages. For management and financial clarity, these funds are available to be specifically redirected within the Commission's strategic plan. The Finance staff will be putting together a multi-year forecast at the beginning of the new fiscal year. This type of analysis will be done in advance of the FY 2013-14 budget process.

One of the management policies being presented for approval was a policy that stipulates that First 5 LA will annually have a program budget and operating budget. This policy recommends accelerating the annual budget process. This would be a benefit to the expenditures because waiting until June to adopt a budget does not allow for the Commission to be working ahead of its grantees. The proposed policy stipulates that budget adoption will take place in March; thus, providing adequate notice to the partners who will be executing the budget on behalf of the Commission.

The second change focuses on the administrative cost and functions. Interim Finance Director Ortega reported that based on the response to the Harvey M. Rose audit, the Finance Department re-evaluated many of the internal policies and procedures. One of those being the calculation of the Commission's administrative costs. On page 158 of the meeting packet, the administrative limit calculation was presented. Two key components have been changed to calculating the administrative costs: (1) 100 percent of the Public Affairs staffing, supplies and services is being included as administrative costs where in the past such costs were labeled as program costs; (2) all of the Director and administrative assistant positions from the program departments are being labeled as administrative costs. The actual change to the policy adds clarifying language to delineate that the maximum percentage rate will be used to determine the administrative dollar limit. The Commission will monitor costs to such administrative dollar limit. These policy revisions are referenced on pages 159 to 164 of the meeting packet.

Commissioner Au asked if the Budget & Finance Committee weighed in on the proposed policy changes. Interim Finance Director Ortega responded that the proposed revisions were presented to the Budget & Finance Committee.

Commissioner Au asked if the Budget & Finance Committee was in support of the proposed policy changes. Interim CEO Steele responded that although there was not a quorum at the meeting where the policy changes were presented, the members of the Committee who were there instructed staff to move forward with the policy.

Commissioner Au commented that part of the recommendation was for the Commission to begin a two-year budgeting process. With revenue dropping, there might be some concerns of whether or not the Commission would be able to moderate two-year contracting if revenue projections did not meet expectations.

Interim CEO Steele stated that two-year contracting was part of the two-year budget process. All of the contracts, now, provide for a roll-back in the event the Commission funding gets taken away or there is a significant drop in the funding. The Commission would continue with this contracting policy if it was to enter into multi-year contracts.

Interim CEO Steele clarified that the approval was for all of the multi-staff recommendations including the approval of the resolution.

M/S (Jonathan Fielding / Marv Southard)
WITH NO FURTHER DISCUSSION OR OBJECTION,
THE ITEM WAS UNANIMOUSLY APPROVED

Chair Yaroslavsky congratulated Interim CEO Steele and the staff for a responsive budget process that yielded a transparent and more digestible budget than most of the other bodies he serves on. This has not been the case at the Commission before; but it just goes to show what can be done when the culture of the organization is changed and there is leadership from the top. Chair Yaroslavsky also commended his colleagues on the Commission.

Public Comment:

Kate Anderson, Children Now

8. Approval of Findings to Establish Strategic Partnerships with 24 Hospitals in Los Angeles County to Implement Welcome Baby/Universal Assessment for Newborns Strategies, with Contract Amounts to be Approved Through Future Commission Action

Director Iida reported that staff was seeking an approval of findings to establish strategic partnerships with the 24 hospitals listed on page 171 of the meeting packet. The strategic partnerships are throughout Los Angeles County. Staff was asking to proceed with strategic partnerships rather than employing a competitive bidding process to implement the Welcome Baby and Universal Assessment for Newborns programs. This item is brought forth pursuant to Commission policy that the Commission must make specific findings of fact to enter into strategic partnerships. The findings can be found on pages 172 to 174 of the meeting packet and indicate that hospitals are essential to implement Welcome Baby and Universal Assessment of Newborns because they are the only venues where risk screening can be conducted of all mothers upon birth of their newborns.

Entering into strategic partnerships with these 24 hospitals will allow First 5 LA to engage a vast number of new and expectant mothers and impact a significant number of births County-wide within each Best Start Community as well as, collectively across the 14 Best Start Communities. Within the Best Start Communities, these hospitals account for delivering 80 percent of all births and in a single community up to at least 75 percent. Outside of Best Start Communities, these hospitals deliver 48 percent all births and 54 percent County-wide. These findings also indicate that entering into the strategic partnerships with the targeted hospitals align with the strategic plan of the Commission as described on page 174 of the meeting packet. Approval of the findings to establish strategic partnerships with the 24 identified hospitals will ensue with staff establishing contracts in amounts that will be brought back to the Commission in future meetings.

Vice Chair Fielding commented he was glad to see this program moving. He mentioned that staff had an opportunity to interact with hospitals at a recent event at California Hospital where a description and function of this program was provided to those in attendance to get a sense of how the program would work.

Vice Chair Fielding asked what was the pace expected for implementation. He asked if there were expectations by quarter or year to understand how the strategic partnerships would take place with the 24 hospitals. Specifically, he asked if there was a timeline as it was not clear in the staff report.

Staff responded that at the time the budget was prepared, there was only knowledge of three hospitals that had demonstrated interest in this program. After the event at California Hospital, interest among hospitals has been increased to eight. Staff expects to come back at the quarterly budget adjustment period and request additional funds because the interest has been stronger than initial expected.

Vice Chair Fielding asked what was the capacity to implement this program (i.e., three or four a year, one a quarter, two a quarter, etc.). Staff responded that at this point, the hope was to have very streamlined contracts and budgets because it is formulaic given that the births and cost per child is known. Staff said they would be able to execute contracts for as many interested hospitals that come up. At this point, either seven or eight hospitals were a good starting point for this year while outreach would continue to additional hospitals.

Vice Chair Fielding said he was more concerned about the technical assistance and start-up components than of the contracting part because that was a critical part as this did not happen overnight. He believed that was the limiting factor. Staff responded that in the scope of work for California Hospital, technical assistance has been included and an oversight entity has been included for funding in the programmatic budget. A procurement process will take place to identify an entity that can provide ongoing technical assistance during the life of the project. Taking lessons learned from the Baby Friendly Hospital program, technical assistance was very important.

Commissioner Au asked how many of the 24 hospitals being discussed attended the event at the California Hospital. Staff responded that 11 out of the 24 hospitals attended the event. Commissioner Au asked if all 24 hospitals had been invited. Staff responded that 21 out of the 24 hospitals had been invited. At the time the invitations were sent out, an older set of data was used. When updated data was received a week prior to the event, an additional three hospitals were identified.

Commissioner Au asked if any other outreach has been done of hospitals that were not in attendance at the California Hospital event. Staff responded that information emails have been sent, phone calls have been placed, and an invitation has been extended by staff to visit the hospitals and make a presentation on all aspects of the program.

Commissioner Au asked if reasons were provided by those hospitals who were not interested in pursuing this opportunity. Staff commented that they plan to reconnect with these hospitals to learn of the reasons why they would not like to partner with the Commission on this program.

Commissioner Au has asked if there have been conversation of what would happen in the event that 24 hospitals cannot participate in this program. Her concern was more on the utilization of the allocation. She said that Welcome Baby was a core service of the Best Start place-based work. Commissioner Au expressed concern over any delay and resulting impact on the place-based approach within Best Start Communities. If the pace was seven to eight hospitals being brought on board per year, then it would take three years to get the 24 hospitals on board which would be pretty much the end of the current strategic plan template of allocations.

Staff responded that they were not intentionally enrolling the 24 hospitals in tiers. Staff was assertively going out and continuing to recruit hospitals. In theory, if all 24 hospitals were on board, staff would work toward getting contracts for all. The response from the hospitals has to do with the level of interest by the hospitals hoping that other hospitals continue to come on board. Staff do expect to come back to the Commission either quarterly or semi-annually with a report and recommendations for other potential hospitals to be included in these strategic partnerships.

Commissioner Au asked if there was any role that community health centers could play in terms of ensuring more participation in the target communities. The community clinics have expressed interest in being participants with Welcome Baby and home visitation components. She asked if there have been any conversations around this issue.

Vice Chair Fielding commented that he was very encouraged by the level of interest shown. He also said that there was a snowball effect in this program, where momentum would be generated. The focus needed to be on the advantages of engaging hospitals, including competitiveness among hospitals.

Vice Chair Fielding commented that he concluded that not all of the 24 hospitals would be on board for this program but did concur with Commissioner Au that there needed to be a Plan B for those community areas where there was not sufficient penetration.

Commissioner Tilton commented that this was a great avenue for healthy babies and child abuse prevention. She also said that the elements that were included in the helpful information did not include safe sleeping and asked that such information be provided.

Commissioner Tilton asked how other hospitals would be engaged. Vice Chair Fielding commented that at this point, hospitals have been introduced to the idea. It is very early for adoption but a commitment has been made by a number of hospitals that they would welcome a visit to see how this program would work because they were very encouraged by the presentation at the California Hospital event.

Vice Chair Fielding said he was optimistic, although early in the adoption phase. He would be very pleased with getting seven or eight hospitals on board this year and would be surprised if more than eight could be accommodated in this period of time.

Commissioner Kaufman commented that he was completely in favor of this program. However, he would like to either require or expect that health insurance or health plans be identified as they are the agents of sustainability. Home visits are paid by these components. The success of this program was based on finding the hospitals, having them sign up, providing support but then having somebody pay for it. Commissioner Kaufman said this was missing from the proposal. Staff responded that one of the strategies was to pursue Medi-Cal reimbursement in the next fiscal year.

Commissioner Kaufman proposed amending the staff recommendation and adding that staff come back to the Program & Planning Committee in 90 days and report on how to engage potential payors of home visitation services in this program and the strategy for achieving this outcome.

Commissioner Au commented that as a result of the Commission being more aggressive in identifying potential partners, the Community Investment Department was created. She asked for the work of the Community Investments Department to be embraced by the

Program Development Department and to come up with a comprehensive strategy. She also suggested that the Policy Department be included in the development of the strategy.

Commissioner Browning asked if a hospital was not on the list and wished to participate, how that would come about. Staff responded that as hospitals demonstrate interest, staff would assess whether or not those hospitals would be brought back to the Commission for approval to include them in potential strategic partnerships.

Chair Yaroslavksy asked how the 24 hospitals were selected. Staff responded that hospitals were selected by a two-step criteria and process—(1) ranking of Best Start births from most to least; (2) elimination of hospitals that did not have at least eight percent of the births in any Best Start Community to get to at least 75 percent penetrations in each of the Best Start Communities. Upon looking at the effect County-wide, it was determined to be half and more than ambitious.

Commissioner Curry said that future legislation on health care as well as healthcare reform needed to be part of the strategy. Vice Chair Fielding agreed with Commissioner Curry's comments.

Vice Chair Fielding commented that in the long-term, these preventive services would be saving money but evaluation data was needed to support this notion.

Commissioner Curry commented that there was a trend in preventive care being included in insurance policies because people are starting to recognize the importance of prevention versus treating things after the fact. She suggested hopping onto the prevention bandwagon might be helpful.

Commissioner Tilton asked who the contact people at the hospitals were. Staff commented that contact was established with a variety representatives including Foundation representatives, heads of nursing, heads of Community Benefits, and executive leadership. Commissioner Tilton stated that there was a directory of hospital contact people for every hospital in the County. She offered to share that information with Commission staff.

Public Comment:

Jan French, LA Best Babies Network

M/S (Jonathan Fielding / Philip Browning)
WITH NO FURTHER DISCUSSION OR OBJECTION,
THE ITEM WAS UNANIMOUSLY APPROVED

(Per the Commission's Activity Break Policy,
the Commission took a 10-minute break for Instant Recess).

9. Approve Family Survey Data Collection Project Proposal
10. Approve the Comprehensive Workforce Development Evaluation Plan

NOTE: Director Jimenez commented that for efficiency purposes, Items 9 and 10 would be presented together. One vote would be taken for both agenda items.

Director Jimenez reported these two items were in response to the Harvey M. Rose audit recommendation that policies be developed for the development and approval of research and evaluation projects so that the Commission and the public can be provided with an opportunity to provide input in the development of the evaluations. At the March Commission meeting, the Commission approved the revised Accountability and Learning Framework and two separate policies. The specific policy that relates to these two items is referred to as the Policy for the Development and Approval of Research and Evaluation Projects. The policy requires that staff bring forward a proposal that provides a statement of purpose, a list of expected learning outcomes, a timeline, a list of activities, and the proposed cost for the evaluations moving forward.

The Family Survey Data Collection and the Workforce Development Evaluation Plan proposals and memos began pages 176 of the meeting packet. Both of the proposals were presented to the Program & Planning Committee in May where direction was given to bring these proposal to the full Commission for approval.

For the Family Survey Data Collection proposal, the Program & Planning Committee asked staff to look at the feasibility of adding comparison community to the data collection plan. Staff will look into this request and bring back findings for discussion at a future meeting of the Program & Planning Committee. For the purposes of today's meeting, the request pertained to baseline data collection in just the 14 Best Start Communities.

The Family Survey was approved as a part of the 2009-2015 Accountability and Learning Framework and was designed to be the primary tool for identifying trends in the Best Start Communities for those intermediate outcomes that appear in the strategic plan prioritized pathway. Since the approval in 2009, staff has engaged consultants and the Research Advisory Committee to identify the questions that will appear in the survey and to develop and refine the methodology that will be used to administer it. Having concluded this work, the next step is to contract with an experienced survey administrator to begin collection efforts in the communities. Upon approval of the project, a RFP will be released to allow staff to identify that entity. One of the long-term goals of the project, potentially with a comparison piece subject to Commission approval, is to administer the Family Survey to all First 5 LA program participants County-wide as the programs and services come online.

The Family Survey is a survey that will be conducted in each of the 14 Best Start Communities. The survey is designed to measure indicators of the intermediate outcome in the prioritized pathway for the current strategic plan. The intermediate outcomes were listed on page 178 of the meeting packet. The goal of the project is to survey a representative sample of families with children ages 0 to 5 in each community in order to establish a baseline. In the future, subsequent administration of the Family Survey will allow staff to monitor trends over time for those indicators. Other expected outcomes include the ability to compare Best Start Communities to Los Angeles County, as a whole, as well as to the State and nation. The Family Survey will facilitate the Commission's ability to support and guide the Best Start Communities. Data from the survey can also be used by communities as they plan, prioritize and implement their programs. The major activities, cost and timeline for the Family Survey were all outlined in the proposal.

Vice Chair Fielding asked if the Family Survey data was being done to look at how things were going in the 14 Best Start Communities versus the rest of Los Angeles County. Staff responded that all of the items that have been used in the Family Survey have been used in either the LA County Health Survey and/or the WIC Survey. The uniqueness of this survey is that it would allow staff to get a representative sample in the Best Start Community which is something that has not been possible with either the LA County Health Survey or the WIC Survey.

Chair Yaroslavsky asked if the Family Survey was designed to evaluate the Best Start programs or other statistical factors that take place in the geographic areas demarcated by the Best Start communities. Specifically, Chair Yaroslavsky asked what was this contract designed to do or the contractor's charge. Staff responded that basically a snapshot would be taken of where the Best Start Communities are with respect to the indicators and looking at how those indicators change over time as Best Start is implemented in the communities.

Chair Yaroslavsky commented that at this point, the Best Start program was anemic, to put it generously. He asked what would happen if the number of Best Start Communities should change. Furthermore, Chair Yaroslavsky asked what would happen if there were eight Best Start Communities instead of 14 communities. Staff responded that a baseline was to be established of the 14 identified communities. If this number changed over time in subsequent administration of the Family Survey, an adjustment would be made in the data collection to reflect how the Best Start model has changed. The Family Survey was not designed to be an outcome study and it was really looking at trends and how the communities were changing. The subsequent phase where the survey may be administered to program participants will allow for how program participants in the Best Start Communities look different than the general populous. For the purposes of this request, this was an ideal time to establish how things look know before major programmatic activities take place in the Best Start Communities.

Chair Yaroslavsky asked if the proposed budget was based on 14 communities. If the communities were cut into half, would the cost associated with this evaluation be cut in half or close to it. Staff responded that costs would be reduced proportionately.

Chair Yaroslavsky asked when the contractor would come back to the Commission for approval. Staff responded that such approval would take place in the fall.

Staff commented that the approach would be the same regardless of the number of communities. The approval being requested would allow staff to develop an RFP that could be expanded or shrunken as necessary.

Chair Yaroslavsky commented potential contractors should be on notice that there exists a possibility of the number of communities changing either upward and downward. He asked that the proposal be scalable.

Commissioner Kaufman asked if comparison communities were included in the proposal. Staff responded that further investigation needed to take place and they would come back in the future with their findings. Adding comparison communities would be a subsequent phase or an offshoot of the current proposal before the Commission.

Commissioner Kaufman then commented that the comparison decision needed to be made and budgeted beforehand with analysis of benefits, costs and why it should be done or not done.

Commissioner Kaufman commented that he read the proposal and found the recommendations to be very vague with very little specificity. Moving away from past practices and for recording keeping purposes, the motion needed to be very specific so that Commissioners were aware of what they were voting on. Commissioner Kaufman stated that the staff recommendations for Items 8, 9 and 10 lacked specificity. He felt that the auditors would not be able to find exactly what was voted by the Commission. He then asked if Items 9 and 10 could be approved in concept with staff returning with more specific language in the motion. Commissioner Kaufman cautioned about slipping in how recommendations needed to be worded.

Interim CEO Steele responded that with regard to Items 9 and 10, the Attachment A document for each item provided the level of detail that Commissioner Kaufman was seeking.

Chair Yaroslavsky stated the motion would include the details as provided in Attachment A for purposes of clarity.

Commissioner Browning asked if the survey instrument had been validated. Staff responded in the affirmative. Commissioner Browning said he appreciated the timeliness of the survey to establish baseline data. Commissioner Browning also asked if there was an expectation that the survey would be done on an annual basis. Staff responded that the survey would not be administered as frequently. Data from the LA Health Survey and WIC Survey would be used in the interim years. The most likely time period for the Family Survey would be about four years.

Commissioner Browning asked if the survey was going to be conducted face-to-face. Staff responded that it would be a telephone survey.

Commissioner Au commented that her understanding early on when the Commission talked about the ability to determine the impact of investments in the community, which lead to the place-based approach, the context of that conversation educated Commissioners on the difficulty of doing a cause-and-effect and impact design in any kind of research. The focus on trends becomes really important for the Commission and the fact that it will be in a four-year timeframe is also very important because, oftentimes, effect is not seen that quickly.

Commissioner Au said it was important to be reminded as Commissioners that cause-and-effect is not being determined or established because a laboratory environment would need to be created in order to do this. However, trends can be tracked and if there was any improvement in communities around the issues of children 0 to 5, this was the way to do it.

Director Jimenez agreed with Commissioner Au and also said that one of the struggles has been that the real opportunity to look at actual effects of an intervention requires randomized selection or randomized placement and withholding of services for certain communities. This has been the debate for research and evaluation for many years. Recently, there has been literature that expresses the use of data trends to be able to estimate possible links to interventions. This has been done with other communities that have place-based efforts as well.

The Workforce Development Evaluation Plan was also presented for approval. With the workforce development investments, a comprehensive approach is being taken to the evaluation where it will cut across all of the workforce development investments. It is intended to allow the Commission to measure the collective impact of First 5 LA's investments in workforce development with a series of sub-studies within.

The Research Advisory Committee was presented with the plan and discussed in great detail. A lot of helpful feedback and advice was obtained in terms of data collection methods, analytical approaches, and structure of sub-studies within the overall plan. Fundamentally, the Research Advisory Committee confirmed and validated the overall approach. Moving forward, refinement will take place in some of the details in terms of methodology and how studies are structured. The points outlined in the Attachment A document would remain the same.

Staff reinforced that it was requesting approval of the overall plan and any contracts issued for this project would come back to the Commission for approval through the Consent Calendar process.

The project is a comprehensive, multi-year evaluation of First 5 LA's early childhood education investments. The goal of the evaluation is to measure and document the combined effects of the Early Childhood Education (ECE) Workforce Development efforts funded by the Commission as part of a single evaluation rather than individual evaluation of each effort. The evaluation will examine outcome in six areas which include recruitment, qualifications, quality of care, retention, compensation, and systems changes. Specifically, the comprehensive evaluation aims to understand outcomes achieved by participants in the six areas. The evaluation will also look at which programmatic strategies are associated with the greatest progress. The evaluation seeks to identify and understand the nature and extent of system changes that Commission funding has contributed to. The major activities, cost and timeline for the comprehensive workforce evaluation are included in the proposal on page 182 of the meeting packet.

Commissioner Kaufman commented the survey was great in terms of what happens to workforce development. He asked if there will be an evaluation that will be able to determine how effective the Commission is at getting employers and others to support early childhood education workforce development. Staff responded that outcomes for the individual early childhood education providers that participate in Commission programs would be looked at. There was also a separate study where systems change would be looked such as policy changes and changes to the institutions that provide trainings.

Commissioner Kaufman said he was specifically looking at whether or not the Commission has changed perception of employers about the importance of workforce development around early childhood education or other entities that can help pass the message along. Staff responded to the degree this was the intent of Commission programs, it would be studied.

Commissioner Kaufman referenced the ECE Works project and how that project sought to have a partnership with the UCLA Anderson School of Management to bring in businesses and get them to understand the healthy young children population and why the workforce population cares about it.

Commissioner Browning asked if there was a standard instrument that would be used like the prior research that has already been developed. Staff responded this was the case for one of the outcome areas—quality of care. The standardized measure is known as the Classroom Assessment Scoring System (CLASS). This was an observational assessment that has been used in an number of studies. The CLASS would be employed as part of the evaluation. Some of the additional sources of information that would be used to measure the outcomes was the ECE Workforce Registry—a database in the process of being developed and piloted in Los Angeles County and San Francisco County. The developers of the registry have developed registries in other states and localities. The kinds of information that will be captured locally have been captured in other areas as well.

Commissioner Browning asked if this evaluation would not replicate what the providers have already done in terms of an evaluation. Staff responded in the negative.

M/S **(Jonathan Fielding / Nancy Au)**
WITH NO FURTHER DISCUSSION OR OBJECTION,
THE ITEM WAS UNANIMOUSLY APPROVED
AS DETAILED IN THE "ATTACHMENT A" DOCUMENT OF EACH PROPOSAL

11. Approve the Three-Year Lease Between La Petite Academy and First 5 LA for Use of the Child Care Center on the First Floor

CAO Bosch reported that staff was recommending the approval of a three-year lease with La Petite Academy. La Petite Academy has operated a licensed childcare facility since May, 2005 in the building. The initial intent was for it to serve as a model childcare facility that would be operated on site and the Commission would subsidize the center by providing free or reduced cost rent. Over the years, First 5 LA has not been able to create any kind of model program in the facility, although the facility is offering high quality service. Currently, the tenant pays no rent. As the current agreement expires in June, 2012, staff has negotiated a market rate lease with La Petite Academy. As First 5 LA does not want to have the space vacant for any period of time and does not want to pay market costs for tenant improvements, it is staff's judgment that negotiating exclusively with the childcare provider without the service of a broker was a reasonable thing to do.

Staff discussed the proposal with the Executive Committee. The Committee recommended that staff proceed with the negotiations but that La Petite Academy not be given the right of first refusal after the three-year lease expires. First 5 LA leaves of the option open to doing something different with the space, if it chooses to. La Petite Academy was given a right of negotiation which is not binding and gives First 5 LA flexibility to proceed as necessary with that space.

Staff has tentatively agreed with La Petite Academy on a rental rate of $15 per square foot for three years with automatic CPI adjustments. There is approximately 6,600 square feet of space that will be leased yielding approximately $99,000 in revenue per year. Upon approval of the staff recommendation, the lease would be effective July 1, 2012.

M/S **(Neal Kaufman / Antronette Yancey)**
WITH NO FURTHER DISCUSSION OR OBJECTION,
THE ITEM WAS UNANIMOUSLY APPROVED

12. Public Comment for Items Not on the Agenda

None.

ADJOURNMENT:

With the conclusion of the agenda, Chair Yaroslavsky asked for a motion to adjourn the meeting.

M/S (Jonathan Fielding / Marv Southard)
WITH NO FURTHER DISCUSSION OR OBJECTION,
THE MEETING WAS ADJOURNED

The Commission adjourned at 3:38 pm.

NEXT MEETING:

The next regularly scheduled Commission meeting will take place on July 12, 2012 at 1:30 pm.

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

Meeting minutes were recorded by Maria Romero, Secretary to the Board of Commissioners.