COMMISSIONERS PRESENT:
Commissioners:
William Arroyo (Alternate)
Nancy Au
Jane Boeckmann
Jonathan Fielding
Evangelina Stockwell

Ex-Officio Commissioners:
Duane Dennis
Deanne Tilton
Harriette Williams

STAFF PRESENT:
Evelyn V. Martinez, Chief Executive Officer
Carol Baker, Director of Public Affairs
Yolanda Bosch, Chief Administrative Officer
Tracey Hause, Director of Finance
Armando Jimenez, Director of Research & Evaluation
Teresa Nuno, Director of Community Investments
Maria Romero, Executive Assistant

LEGAL COUNSEL:
Craig Steele, Attorney-at-Law

COMMISSIONERS ABSENT:
Commissioners:
Neal Kaufman
Alma Martinez
Gloria Molina (Chair)
Marv Southard (Vice Chair)
Carolyn Wilder

CALL TO ORDER / ROLL CALL:
1. Commissioner Au called the meeting to order at 1:36 pm. Quorum was present.

CONSENT CALENDAR: (Items 2 – 3)

2. Approval of Commission Meeting Minutes – Thursday, June 10, 2010
   M/S (Jonathan Fielding / Nancy Au) APPROVED AS RECOMMENDED

3. Approval of Monthly Financials – May, 2010
   M/S (Jonathan Fielding / Nancy Au) APPROVED AS RECOMMENDED

COMMISSION: (Items 4 – 9)

4. Announcements by the Commission Chair
   NONE
5. Chief Executive Officer’s Report

**RECEIVED AND FILED**

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

- **Los Angeles Universal Preschool (LAUP)** - CEO Martinez congratulated Celia Ayala for her appointment as the new Chief Executive Officer for LAUP. First 5 LA looks forward to collaborating with her on early education and workforce development programs.

- **Dodger Day** - CEO Martinez thanked LAUP for asking her to throw out the first pitch at the “LAUP Dodger Day” event on Sunday, June 13, 2010. Supervisor Gloria Molina and LAUP CEO Celia Ayala also participated in the pre-game activities.

- **State Budget** - The State’s new fiscal year started without an approved budget and consensus on how to close the $19 billion deficit is not expected any time soon. Some of the pressures that led to a budget agreement last year, including the State running out of cash and needing to issue IOU’s are applicable to this year’s budget situation. The State has enough cash flow to last until late summer or early fall, prompting some lawmakers to project that the budget battle will extend into November.

As a result of the budget situation, many child care facilities that receive State funding are contemplating layoffs, turning away families who rely on state child care subsidies, and closures because the Governor’s May Revise proposed eliminating nearly all subsidized child care. Even though the Legislature rejected the Governor’s proposal, reimbursements for services are not forthcoming as of July, meaning many centers will need to find short-term financing and other alternative funding sources to meet existing child care demands.

First 5 funding has not been targeted, thus far, as a remedy for the State’s fiscal woes. First 5 LA’s staff continues to meet with legislators to educate them about the need for First 5 funding for young children and families.

- **California State Preschool Programs** – CEO Martinez reported that Darline Robles, LACOE Superintendent, has reached out to First 5 LA requesting bridge funding, in the form of a loan, for those programs located in the Los Angeles County that are impacted by the State’s deferral of program funds until the budget is signed. A formal letter of request will be sent to First 5 LA.

- **Best Start Kick-Off Receptions** – First 5 LA will be hosting three receptions for elected officials and grantees from selected communities during the month of July to celebrate the decision to adopt a place-based investment approach and to describe next steps in the partnership development efforts.

Referencing the bridge funding request from LACOE for the California State Preschool Programs, Commissioner Au reminded the Commissioners that as a Commission, a position had been previously taken to not entertain any type of loan requests. Commissioner Au asked Legal Counsel Steele if a loan could be viewed as supplantation.
Legal Counsel Steele reported that supplantation was a significant concern, especially because government loans tend to become grants. If these loans are forgiven or defaulted, then a significant concern about supplanting would exist. Another issue surrounding the issue of loans is whether First 5 County Commissions and other government entities have the authority to make loans. Typically, in government, specific statutory authority is referenced when making loans because in a loan situation, interest is charged. This statutory authority is not provided in Proposition 10.

CEO Martinez commented that First 5 Monterey County worked with Wells Fargo Bank. It was the bank who actually made the loans but the County Commission acted as the guarantor of the loan. First 5 Monterey County did not provide any direct loans but made arrangement for the bank to make the loans.

Commissioner Dennis stated that it would be incumbent for staff to research this issue. He said that other Commissions exist who have provided loans to those organizations when there was a threat to children and family services as a result of the State budget crisis. Commissioner Dennis also commented that he would not be supportive of a loan unless a guarantee is made by the State that the funding will be reimbursed.

Legal Counsel Steele commented that asking the State for payment guarantee may raise unnecessary flags in drawing attention to a large amount of money that is available for loans. With the political climate in Sacramento, this may incline lawmakers to take funding away from County Commissions. Commissioner Au commented that First 5 LA needed to communicate to First 5 California the concerns of the Commission regarding a loan program.

Commissioner Fielding commented that California is experiencing economic hardship with a bleak outlook over the next couple of years. Commissioner Fielding asked if there were specific opportunities to consider given the Commission’s mission, strategic plan, and some of the short-term needs of the community. He echoed the sentiments of Commissioners Dennis and Williams in having staff research potential options within supplantation parameters.

Commissioner Dennis recalled that in prior conversations regarding the State’s budgetary crisis, the possibility of establishing an emergency fund was discussed. He asked that staff could develop criteria that could be set in place around the use of emergency funds and in alignment with the needs of childcare providers and other organizations that would be in desperate need over the next couple of years.

Commissioner Arroyo commented that in addition to a State budget crisis, there was a federal budget crisis which could directly impact people living in Los Angeles County. More specifically, there is the failure of Congress to approve extension of the Federal Medicaid Assistance Program (FMAP), which was included in the State’s budget for this fiscal year. The State budget had assumed the federal government would extend the extension, bringing more money into California, but the only approval that is in place is through December 31, 2010. Commissioner Arroyo commented that this issue should be on the Commission’s radar as those Los Angeles County residents with MediCal may be adversely impacted. Commissioner Fielding commented that there is a proposed reduction of five percent for all non-defense and non-security agencies.
6. Approval of Recommendations Regarding the Oral Health Community Development (OHCD) Project

Director Nuno commented that at the April Commission meeting, staff was directed to return during the month of July with a status update on the OHCD Project, given its allocations as well as potential new contracts.

A presentation was made by a team of staff focusing on: (1) options available for OHCD to proceed based upon the funds contracted to date; (2) the consideration of a community outreach and support project, necessary to encourage more applicants; (3) possible proposals should significant funds remain in the OHCD allocation; and, (4) anticipated consulting services and related costs to carry out an education and outreach project.

The following three recommendations were presented to the Commission for consideration:

1. Approve a waiver of the project requirement that Golden State Water Company (GSW) obtains municipal approvals from cities served by GSW's systems as this requirement is not applicable to GSW.

2. Approve an exception to the funding limit of $1 Million for the GSW Southwest District proposal requesting funding of $1.7 Million based upon the number of its service connections and number of residents.

3. Selection of a new strategy for the OHCD Project Implementation based on the following set of options.
   
   Option 1: Merge the OHCD Project with the Oral Health and Nutrition Expansion and Enhancement (OHN) Project
   
   This option is to merge the OHCD and OHN projects. The benefit and advantage of such a merger is the creation of a comprehensive and uniformed oral health frontline. Community water fluoridation would be one of the preventative strategies amongst many strategies under the OHN Project. The remaining $4.4 million would be set aside to support Community Water Fluoridation infrastructure as per the original OHCD allocation.

   The RFP to water agencies will continue to be open while community education grants/contracts made available to community based organizations will enable community education and advocacy efforts on preventative oral health measures, including community water fluoridation.

   Option 2: Discontinue the OHCD Project

   Since the first Request for Proposals was launched in November of 2007, staff has conducted extensive outreach. To date, more than ninety water agencies and seventy-nine municipalities representing over one hundred and fifty water districts have been contacted. Assistance and support has been received from Supervisor Gloria Molina, Supervisor Mark Ridley-Thomas, and the State and County Departments of Public Health. Eleven municipalities have passed city
council resolutions urging water companies in their jurisdictions to apply for First 5 LA funds through the OHCD Project. Only five water companies have applied.

As such, the option is to discontinue the project and re-allocate the remaining funding to the OHN Project, which can implement alternative investments in preventative oral health measures.

**Option 3: Extension of RFP Deadline for two years**

This option is to extend the RFP deadline for two years, opening up the RFP to all water agencies, including agencies that have not previously expressed interest. During this time, as suggested by the Commission, retain the service of an outside expert consultant to assist aggressively in the community outreach and garnering political will of cities and their water agencies.

Commissioner Fielding commented staff had done a good job in providing options. He stated his support for Option #3 under the third staff recommendation. He also stated that he thought it essential to have a consultant who could work at the community level.

Commissioner Stockwell agreed with Commissioner Fielding. She asked if there were any deadlines attached to this project. Director Nuno responded that there was a deadline for applicants to submit a proposal and for staff to report to the Commission.

Commissioner Au asked if it was known why only five applications were received out of the 11 water districts who had expressed an interest in the OHCD Project. Staff responded that it was unknown why the other six water agencies did not submit an application. Commissioner Au asked if the Commission should invest in hiring a consultant to promote and encourage water districts to respond. She further asked what would be the level of expectation for a significant response. CEO Martinez commented that this would be difficult to anticipate. She reminded Commissioners that First 5 LA reached out to every single city and water district, on more than one occasion. In addition, Supervisors Ridley-Thomas and Molina met with individuals within their supervisorial districts and the response rate was still low. CEO Martinez stated that staff exercised all possible options in trying to get the OHCD Project fully implemented. CEO Martinez commented that she was at a quandary of what a consultant could possibly do that staff had not already done.

Commissioner Williams asked how Option #3 is different from Option #1 under the third staff recommendation, other than hiring a consultant. Commissioner Fielding commented there was a difference in bringing in a consultant with specific experience in these types of issues. For instance, the Metropolitan Water District (MWD) has hired consultants who have inroads with dental societies and other organizations focusing on dental health. In his view, Commissioner Fielding commented it would be helpful to hire a consultant with this type of experience and contacts. Commissioner Fielding further commented that this was not a reflection of staff but that a consultant could be more dedicated to issues surrounding the OHCD Project.

Commissioner Fielding expressed concern with Option #1 as it was not clear to him what would happen to the funding. He supported Option #3 as it provided established deadlines and a process is clearly defined.
Commissioner Au commented that there seemed to be a lack of clarity regarding the expectations of hiring a consultant. In her view, if there was no clarity for consultant expectations, then this was a futile investment.

Commissioner Au suggested that the Commission take action on the waiver and increase in funding staff recommendations and table hiring a consultant until more information is provided on the expectations.

Commissioner Fielding agreed with Commissioner Au’s comments. However, he felt that the options presented a very clear process. He felt that he did not need additional information to make a decision and did not want to further delay this project.

CEO Martinez suggested that staff be provided with the authority to release an RFQ and negotiate a contract. This would allow the process to continue forward.

Commissioner Arroyo inquired if there was any information that would make a difference in having water agencies now apply under the new deadline. Chief Executive Officer Martinez commented that local government’s response was positive but that water agencies had other fiscal priorities.

The Commission voted on approval of the three staff recommendations, selecting Option #3 as part of the third recommendation.

M/S (Jonathan Fielding / Evangelina Stockwell) APPROVED AS RECOMMENDED

7. Approval of the Expansion of the Countywide Workforce Development Strategy Through a Partnership with Los Angeles Universal Preschool (LAUP) with an Allocation of up to $7 Million from the Countywide Allocation and Authorize Staff to Negotiate the Contract

Director Nuno commented that there is timely opportunity to expand on the Commission’s work toward its workforce development goals.

A staff presentation was made highlighting the partnership with LAUP taking advantage of a strategic opportunity for First 5 LA to build upon the countywide workforce activities that will launch within the first year of the strategic plan. The opportunity to partner with LAUP to expand First 5 LA’s investment in the workforce development strategy provides First 5 LA with an opportunity to operationalize its role as strategic funder. In addition, the intermediate outcomes outlined in the FY 2009-2015 Strategic Plan align closely with the workforce development goals of the LAUP Plan. Moving forward allows First 5 LA to expedite countywide program services within the first year of the implementation of the strategic plan through the release of additional monies into the community.

Commissioner Fielding commented that he was not clear how funding would be spent. Clarification was provided by staff. Specifically, up until now, LAUP has funded community collaborations including 12 high schools, seven community colleges, and seven four-year universities. Each project was funded at approximately $300,000 to $400,000 per year. Projects have developed book rental programs for students who cannot afford to purchase books, computer labs, mentoring and tutoring programs, hired dedicated academic advisors, hired college recruiters, and issued student stipends.

Commissioner Fielding asked how many students were impacted by each of these collaboratives. Over a period of three years, over 4,000 students have been impacted.
Commissioner Fielding further inquired if there was an evaluation report on the progress of this project. Currently, LAUP is in the final stage of the evaluation report of a three-year cycle. Based on the data collection, information will be systemized to determine trends. The staff recommendation would yield enough funding to further develop and expand the high school component of the project.

Commissioner Arroyo commented that he would like to postpone the item until a data analysis is done and shared with the Commission to make this issue even more compelling. The analysis will take approximately nine months to complete as the data collection consists of an 11-page survey from each project participant. Delaying funding would negatively impact those project participants who are enrolled at the community colleges.

Commissioner Stockwell commented that focusing on the community colleges was correct. She felt that reaching out to students as they begin their college career was a good strategy.

Commissioner Williams commented that she was supportive of workforce development. She further stated that workforce development was not a new or experimental area. As an educator, she has seen this challenge for over 25 years. Commissioner Williams commented that it was important for such a project to be launched in an academic year. She was not interested in delaying funding.

Commissioner Fielding commented that he was disappointed that not enough information was provided for Commissioners to make an informed decision, especially since the commitment of $35 million was not clear in staff report.

Commissioner Arroyo moved that the item be postponed until all information is clearly presented. Commissioner Boeckmann seconded the motion.

Commissioner Stockwell commented that children are impacted by their teachers and the expertise these teachers have. She felt that an investment in workforce development is needed to attract more qualified educators.

Commissioner William suggested that a compromise be reached by splitting the recommendation into two separate components. Of key importance is the launch of the project in alignment with the academic year to continue the provision of stipends to students who are trying to enter a workforce that is in desperate need.

Commissioner Dennis encouraged the Commission to be supportive of the Early Childhood Education (ECE) Workforce Initiative Project since there are a lot of students who are dependent upon the stipends to continue their education. He urged the Commission to approve the first part of the staff recommendation and then have staff come back with a more detailed report on the second part of the recommendation.

Commissioner Au commented that as part of the new strategic plan, when referencing infrastructure and capacity building, the Commission is not making an impact in the early childhood education field. This field is fragmented, there are no clear standards in terms of a credentialing process, and the educational community is not working collaboratively. The end result is that people are not going into this career pathway. As a Commission, we need to identify a partner with a level of expertise to begin to make an impact. Commissioner Au also urged the Commission to become the catalyst in workforce development.
Commissioner Fielding commented that he felt that workforce development was an important responsibility in an area the Commission has included as part the strategic plan. He stated that he was dumbfounded that staff would make a $20 million recommendation as a matter of urgency when it is not. Commissioner Fielding did state that the first part of the recommendation did have urgency in implementation. He agreed with Commissioner Williams’ suggestion of splitting the staff recommendation into two components.

Commissioner Dennis asked Commissioners what information was needed that would show anything different from what is already known. He stated that research shows that better qualified teachers yield better students.

Commissioner Arroyo commented that the intent of the staff recommendation was extremely laudable. However, the accountability piece was not clear. He felt that indicators needed to be identified to measure progress.

Staff responded that the recommendation presented was commensurate with the new budget adoption process of the strategic plan where budgets were approved on a yearly basis. The intent was not to be duplicitous. This investment also more effectively leverages the Commission’s policy agenda over the next five years with respect to workforce issues.

Commissioner Dennis commented that since the Commission approved universal preschool, which is a workforce development issues, he did not understand why there would be hesitation in approving this item.

Commissioner Fielding commented that the issue was that there was no analysis attached to the recommendation. Although LAUP is a good partner, there is information missing to make an informed decision.

CEO Martinez commented that she took umbrage in that Commissioners believed that staff was being intentionally deceitful. CEO Martinez stated this was not the way that staff operated under her leadership. She also commented that the staff report was no different from prior reports and reminded Commissioners that materials are distributed a week in advance of the Commissioner meeting, so that if there are questions, staff is available to respond prior to the Commission meeting.

Commissioner Williams commented that there are Commissioners with expertise that are saying that workforce development is important. While there are format questions on the staff report, the concept of workforce development is still an important issue that needs to be addressed.

Commissioner Arroyo retracted his motion of postponing the item and the following new motion was presented based on the discussion:

Move forward with the staff recommendation of $3 million for the Early Childhood Education (ECE) Workforce Initiative Project and table the Teacher Quality Partnerships (TQP) component. The approval is only for one year and LAUP will need to come back with their analysis report in January 2011.

M/S (William Arroyo / Jonathan Fielding) APPROVED AS AMENDED
Roll Call Vote:

- William Arroyo  Yes
- Nancy Au  Yes
- Jane Boeckmann  Yes
- Jonathan Fielding  Yes
- Evangelina Stockwell  Yes

8. Approval of the Place-Based Marketing and Communications Contractor for Phase I

Director Baker reported that on June 11, 2009, the Commission approved an allocation of $9.7 million for the marketing and communications efforts associated with First 5 LA’s place-based efforts (aka Best Start). As part of the approval, the Commission requested that Public Affairs Department return to the Commission with the names of potential contractors being considered for the awards.

Final interviews were conducted on June 30, 2010 and July 6, 2010 for the three candidates being considered -- HersheyCause, Fenton Communications, Golin Harris.

Fenton Communications has been selected as the contractor.

M/S  (William Arroyo / Evangelina Stockwell)  APPROVED AS RECOMMENDED

9. Public Comment

- Julie Benavides, East Los Angeles College
- Stephen Bryant, Cal Poly Pomona
- Renee Martinez, East Los Angeles College
- Marni Roosevelt, Los Angeles Valley College
- Michelle Ventimiglia, Pierce College
- Joleen Voss-Rodriguez, Pierce College

ADJOURNMENT

The meeting adjourned at 4:11 pm.

The next regularly scheduled Commission meeting will be on:

September 9, 2010 at 1:30 p.m.
Multi-Purpose Room
750 N. Alameda Street
Los Angeles, CA  90012

Meeting minutes were recorded by Maria Romero.