SUMMARY ACTION MINUTES

AMENDED and APPROVED: 10-13-11

FIRST 5 LA

SUMMARY ACTION MINUTES
Commission Meeting
September 8, 2011

COMMISSIONERS PRESENT:

Commissioners:
Michael Antonovich [Chair]
Nancy Au
Jane Boeckmann
Cynthia (Cindy) Harding [Alternate]
Neal Kaufman
Alma Martinez
Evangelina (Angie) Stockwell
Antronette Yancey

Ex-Officio Commissioners:
Duane Dennis
Deanne Tilton
Harriette Williams

COMMISSIONERS ABSENT:

Commissioners:
Jonathan Fielding [Vice Chair] [Excused]
Marvin (Marv) Southard [Excused]

STAFF PRESENT:
Yolanda Bosch, Chief Administrative Officer
Antonio Gallardo, Chief Program Officer
Tracey Hause, Director of Finance
Armando Jimenez, Director of Research & Evaluation
Elizabeth Iida, Director of Program Development
Maria Romero, Executive Assistant

LEGAL COUNSEL:
Craig Steele, Attorney-at-Law

CALL TO ORDER / ROLL CALL:

1. Mayor Antonovich called the meeting to order at 1:47 pm. Quorum was present.

Mayor Antonovich announced that he would be leaving the meeting early. Upon his departure, Commissioner Kaufman would assume leadership of the meeting.

COMMISSION: (Items 2 – 17)

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

3. Approval of Monthly Financials – May, 2011

M/S (Nancy Au / Michael Antonovich)
APPROVED AS RECOMMENDED

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15. Approval of an Allocation of $230,249 From the General Fund and Authorize Staff to Pay Invoice #CCFC 10-008 to First 5 California for the Healthy Families Program for Retro-Enrollment of Aim Linked and Audit Adjustments for December 2008 Through June 2009

Director Hause reported that back in FY 2008-2009, as a result of the State budget fiscal crisis, First 5 LA was asked to financially support the Healthy Families Program. In April 2011, staff received an invoice from First 5 California in the amount of $230,249. A portion of this amount represented an audit adjustment for the premiums in the timeframe the contract was approved. The difference, $188,000, represented retro-active enrollment of the Aim Linked Infants. Staff brought this issue before the Ad Hoc Executive Committee at their meeting of July 27, seeking direction for payment of the invoice.

The Ad Hoc Executive Committee reviewed the documentation provided by staff and recommended payment of the invoice. However, the Committee directed this item be forwarded to the full Board of Commissioners for approval. Staff had the understanding that all obligated funds under the contract were paid and has since rolled the remaining unspent allocation back into the General Fund. As a result, in addition to the approval of the invoice, staff is asking for the additional allocation of $230,249 required to pay the invoice.

M/S (Nancy Au / Michael Antonovich)
APPROVED AS RECOMMENDED

16. Approval of the First 5 LA’s Specifically Invested Portfolio Policy

Director Hause reported this was an annual review and approval process that was required of the Specified Investment Portfolio Policy. The last time the Commission considered this policy was last September. The Ad Hoc Executive Committee has reviewed the proposed changes and recommends adoption of this policy by the full Board of Commissioners.

There are a couple of minor changes that were thoroughly discussed during the Ad Hoc Executive Committee meeting. One is just housekeeping in nature, updating the title of the Chief Executive Officer. Staff is also recommending that the Chief Executive Officer be able to make investments up to five years in accordance with State law without prior of approval of the Board of Commissioners as the previous policy indicated. The reason for this recommended change was that with such a long-term time request for approval, the Chief Executive Officer would lose any opportunity to take advantage of some higher yield investments. The policy was not conducive to proactively gaining higher yields on the portfolio. The Ad Hoc Executive Committee did recommended that language be included in the policy that the Board of Commissioners were to be notified if the Chief Executive Officer were to utilize these specified investments.

Based on the current interest rate environment, staff is not anticipating doing any diversified investments at this point in accordance with the policy. Investments will remain with the County pool but, if the interest rate environment changes, staff recommends that there be a little more flexibility regarding the investment policy.

Commissioner Au asked for clarification on approving the period of time of investments and giving the Chief Executive Officer the authority to invest securities that are going to be
maturing within a five-year span of time versus a three-year span of time. Commissioner Au also restated that the Chief Executive Officer no longer needed to come to the Commission for prior authorization within the so-called three-month period of time. In her view, these were two different requests.

Director Hause stated Commissioner Au was correct in her understanding. The reason for granting the Chief Executive Officer the delegated authority was to take advantage of opportunities that could come up. Currently, a three-month advance approval is required for making investments and opportunities may no longer exist at the time the approval is granted because of the elapsed length of time between the request and approval.

Commissioner Au commented that giving the Chief Executive Officer this authority and restricting three-year maturation to a five-year maturation also opened up the number of investment products that would be available. Director Hause said that it was not so much the products but rather the term of investments. She also reiterated that the proposed changes to the policy were within State law.

M/S  (Nancy Au / Michael Antonovich)
APPROVED AS RECOMMENDED

5. Chief Executive Officer’s Report

Given the number of items on the agenda, CEO Martinez let her written report stand as submitted, including the information on AB99. There are no new updates on the State budget.

NOTE: Mayor Antonovich combined Items 4 and 8 on the agenda.

4. Announcements by the Commission Chair
8. Approval of Motion Extending Timelines for Best Start Communities Ramp UP and Potential Extension of Grantee Funding to Coincide with the Best Start Planning Process

Mayor Antonovich announced that on September 30, First 5 LA will host a panel discussion on health care that will include Assemblymembers Felipe Fuentes and Roger Hernandez along with Dr. Simon from the County’s Department of Public Health to discuss the Affordable Care Act and its impact on obesity prevention efforts that First 5 LA is involved with for children five and under. The panel discussion will be held in the Multi-Purpose Room at 10 am.

Mayor Antonovich reported that pertaining to Item 6, regarding the Assembly Bill 99 and implementation planning, in June, the Commission had postponed all AB 99 implementation planning because the Governor had approved a State budget without diverting the proposed $1 billion from First 5 Commissions State-wide; yet, also without repealing AB 99, which still is the law. Mayor Antonovich asked Legal Counsel Steele for an update on the lawsuit, particularly the August 29 hearing.

Legal Counsel Steele reported that the Chief Executive Officer’s Report had a lengthy written report on the hearing that took place a week ago in Fresno. He also reported that he had sent all Commissioners a confidential email reporting on what had happened at the Fresno hearing. The consolidated hearing on the AB 99 lawsuit took place in Fresno...
County before a Judge Kasanjian; this was the stipulated judge that all the Counties had agreed to with the Attorney General to hear the case. Legal Counsel Steele reported that counsel for First 5 LA jointly briefed and jointly argued all of the various cases as if they were essentially one lawsuit. The counsel for Orange County, the Counsel for Fresno County, and the Counsel for Los Angeles County were the three lawyers who presented arguments on behalf of all of the County First 5 Commissions. The Attorney General argued on behalf of all of the State defendants. All of the various counsels representing the Counties felt that the argument went well, felt that the judge was prepared, had read the briefs, and was well educated on the issue.

LA County’s role, as agreed with the other County Commissions, was to help to guide the judge through a basic analysis of how a court is to determine issues of whether a piece of legislation is a valid amendment of a voter approved initiative. Counsel felt that the court had read that part of the brief because Judge Kasanjian asked questions that were related to those issues in the order that they had been presented in the brief. Due to all the budget cuts and impact on the courts, Judge Kasanjian indicated that she had no law clerk or research attorney. She would be writing her own opinion and anticipated that she would take the full 90 days permitted for her to issue a judgment. Given this, nothing is expected to be received until the latter part of November from the court. She was very specific about taking all of the 90-day period granted through court authority.

CEO Martinez was in attendance at the hearing as well as other County Commission representatives. First 5 LA was well represented in the courtroom.

All the County attorneys were comfortable in that everything that they wanted to get across in the argument came across in the argument. The attorneys felt that the judge was very well prepared for the issues that had been raised in the briefs and there was not anything that came out that was a surprise.

Mayor Antonovich asked what was the court’s take about the initiative, specifically stating what the funds are for and how these funds could be diverted by a third party.

Legal Counsel Steele reported that the State wants very much to ignore the Proposition 10’s purpose of having the funds spent at a local level. The State filed a brief that verged on being misleading, because it ignored all of the arguments and all of the language in Proposition 10 about local decision-making and local programs. The State’s position basically is that if funds get spent on kids zero to five somewhere in California, then this is consistent with purposes of Proposition 10. Legal Counsel Steele said this really ignored the purposes of Proposition 10 which were to have local, geographically-based programs and decision-making. This is the only argument that the Attorney General could make.

The judge recognized what the Attorney General was doing and tended to ask questions about that particular issue and also asked questions about the programmatic part of it as well. Counsel for the First 5 County Commissions felt that all of the arguments came across both in the briefing and oral arguments stages.

CEO Martinez commented that one of the questions that the judge did ask the Attorney General was whether these funds would be spent specifically on health programs for children. The Attorney General actually responded that he was not sure what the funds were going to be spent on. A separate children’s trust fund would be set up and a
determination would be made later as to how those funds would be spent which was interesting given the fact that the Governor has said those funds were going to be spent on Medi-Cal and Healthy Families. As an observer, CEO Martinez commented that the Attorney General mumbled a lot and spoke in circles. She did not get a sense that the State had a strong argument for how to use the funds.

Commissioner Kaufman asked what was the potential and process for appeals on either side. He asked whether the final decision in November was actually final. Legal Counsel Steele said that any final decision from the court could be appealed. If the decision went against the County Commissions, the County Commissions would most likely go back to their respective Commissions and recommend that an appeal be filed to keep the issues alive. Legal Counsel Steele stated that he did not know what the Attorney General would do. In the discussions had with the Attorney General’s Office, there was not a particular passion about this case on their part.

Commissioner Kaufman specifically asked what would be the timing of the appeals process. Legal Counsel Steele said that if this issue was referred to the Court of Appeals, it could take from 18 months up to two years.

Commissioner Kaufman asked if an injunction could then be solicited. Legal Counsel Steele said the court would issue an injunction.

Commissioner Au commented that AB 99 remains law. Although the decision is in the courts as to whether or not that legislation is congruent with the initiative passed by the voters, if the courts should decide on behalf of the voters, Commissioner Au asked what would happen with AB 99.

Legal Counsel Steele said that AB 99 contains a severability clause, which says that if part of the legislation is in invalid, the rest remains in effect. This is very common in legislation. There was some argument at the hearing whether it was possible to sever pieces of AB 99 and leave other pieces in effect. The point of view from County Commission legal counsel is that it is not. Basically AB 99 is about taking money from one pot and putting it in another pocket. The argument to the judge was that there was no way to sever the legislation. The entire law has to be invalidated because pieces of it do not work without the pot of money. The Attorney General’s position is that although one piece of the legislation is invalid, the rest should stay in effect.

Legal Counsel Steele noted that the Governor and legislature did not include this money in the current year’s budget. There is no budget for the money that had been anticipated from AB 99. In the original budget when AB 99 was passed, the anticipated money was included. The Governor and legislature is not counting on the money for the FY 2011-2012 budget. It is unclear what the Governor and legislature would do if the money was acquired. The assumption is that this money would be applied to the 2012-13 budget because payment from County Commissions is not due until June 30, 2011.

Mayor Antonovich asked that further discussion of the lawsuit be continued to the November Commission meeting.

WITH NO FURTHER DISCUSSION OR OBJECTION,
THE ITEM WAS SO ORDERED
14. Approval of an Amendment to Increase Contract Amount for Richards, Watson & Gershon from $75,000 to $220,000 Due to Costs Associated with AB 99, the Special Audit and an Increase in General Services

Mayor Antonovitch reported that under the circumstances surrounding this year’s budget at the State-level that has led to the adoption of AB 99, First 5 LA needed to enter into really intelligent negotiations with Sacramento which necessitated the Commission’s independent verification by an outside audit firm of the contractually obligated reserve and the unreserved portion within the fund balance. The prior adoption of AB 99 necessitated the lawsuit that other major Counties in the State are also engaged with.

CAO Bosch asked the Commission to approve an amendment to increase the amount of the Richard, Watson & Gershon legal contract from $75,000 to $220,000 consistent with costs associated with the AB 99 lawsuit, the special audit, and increases in general services.

Commissioner Stockwell asked what was the initial amount needed for the lawsuit. Initially, the legal contract was approved at $75,000. When the Commission approved the filing of the lawsuit, it also approved a cost of $100,000. These two items plus the special audit fees are estimated to be $220,000.

Commissioner Stockwell asked if this amount would be exceeded by the lawsuit potentially being prolonged. If so, would staff then come back and ask for additional funding. Legal Counsel Steele commented that what he originally informed the Commission that legal fees were estimated to be $100,000 for taking the lawsuit through trial. It seems like the cost will be more like $80,000. If the case is appealed, legal counsel would need to come back to the Commission with an estimated cost for the appeals process.

WITH NO FURTHER DISCUSSION OR OBJECTION, THE ITEM WAS SO ORDERED

9. Approval of $300,000 to Enhance and Modify Implementation of the Peer Support Group for Parents

In November 2010, the Commission approved $300,000 to enhance and modify implementation of the peer support group for parents.

Commissioner Harding stated this was a proposal that Vice Chair Fielding brought forward in November 2010 when all of the Commissioners were bringing forward their Commission-led proposals. This proposal is for peer support groups. Initially, $2.2 million was requested over a period of five years to establish 100 peer support groups across the County. In working with the staff, there were several suggestions that came forward on how to operationalize the proposal. One suggestion was that in order to operationalize the proposal, five community-based agencies across the County should be chosen to administer the peer support groups—one in each Supervisorial District. A second suggestion was to increase the allocation to $300,000 in order to contract with a community-based agency to develop a core curriculum for the peer support groups so that there be uniformity on how the peer groups are implemented across the County to provide technical assistance and training to the agencies which will help also with the evaluation. This would create a more
uniform approach to how the peer support groups are implemented across Los Angeles County.

WITH NO FURTHER DISCUSSION OR OBJECTION,
THE ITEM WAS SO ORDERED

10. The PFF Ad Hoc Committee Recommends Approval of the:

1) Funding Extension for the Partnership for Families (PFF) Grantees in an Amount Not to Exceed $15 Million through June 30, 2013
2) Transitional Funding to DCFS in an Amount Not to Exceed $225,000 through June 30, 2013 Totaling $15,225,000 and
3) Authorize Staff to Negotiate and Execute Necessary Contracts

Mayor Antonovich reported that through the five-year allocation of $50 million approved in 2005, the Commission established a successful County-wide, community-based partnership with the Department of Children and Family Services. In partnership with those families, the Commission found that 100 percent of the 3,423 referred families with 8,000 children County-wide who were at risk for child maltreatment, 62 percent of the homes were headed by single caregivers; 91 percent were fully engaged parents who reported improved relationships with their children; 80 percent of the families showed significant improvement to family functioning; and, 50 percent of those served were families that did not re-enter the program.

The Ad Hoc Sustainability Committee transition plan for the Partnership for Families ensures that the direct service innovations of this endeavor will be seamless and sustained County-wide without interruption to the most vulnerable families in the County. While a portion of the motion regards all First 5 LA contracts through December 31, 2011; the termination date overlaps with the recommendations under this item, Partnership for Families should be considered independently under this item because the Committee has already completed their analysis.

Commissioner Tilton commented that she appreciated the support for children at risk. Commissioners Williams and Tilton co-chaired the subcommittee, reviewing the possibilities for bridging the Partnerships for Family Program and are thrilled and extremely enthusiastic about being able to do this because this was a motion approved in April, presented by Commissioner Kaufman which created a subcommittee that included Commissioner Williams, herself as well as senior DCFS staff and senior staff within First 5 LA. To avoid any possibility of a conflict of interest, programs that were being funded by the partnership programs were not included. Children at the highest risk of harm are infants, toddlers and those waiting to be born. These are the children who are invisible to the public service system and are least able to express that they are being hurt. These are children zero to five.

Commissioner Tilton further commented that the Commission took nearly five years to approve an initiative to prevent the abuse and neglect of these young children. It was a long and frankly, painful process but the initiative, Partnership for Families (PFF), incorporated decades of lessons learned regarding preventing child abuse and neglect by working with the child protection system, the community, and the families. In this program, pregnant women and families at high risk who have not yet had a case opened by
DCFS are referred to services by one of the nine lead agencies in PFF. They then receive a broad spectrum of services from the collaborative agencies. The partnerships began to show inspiring outcomes which Mayor Antonovich has outlined in part. The referral rate to DCFS of families in this program has been reduced from 29 percent to 13 percent. It saves money, costing about $10,000 per year per family as compared to $104,000 for DCFS to administer and care for a family with two children, not including court, mental health, law enforcement and the long-term health and disability care.

PFF evaluation studies have shown outcomes such as increased protective factors. A compelling outcome has been the improvement of parent-child interaction, reducing the likelihood of harm to the children exponentially. The motion is in response to Commissioner Kaufman’s motion in April to develop a sustainability plan for PFF and represents the recommendations of the ad hoc subcommittee chaired by Commissioner Williams and Tilton and the excellent work by the staff of First 5 LA as well as information provided by DCFS.

The motion would provide support for critically important services provided by the partnerships program until June 2013 when the Department of Children and Family services will be able to utilize Title IV-E funds to fully embed the initiative into DCFS operations. If the Commission bridges and sustains this exceptionally effective program reaching families before they harm their children or worse, the Commission will have made a lasting inter-generational difference. The Commission will have done a great thing.

M/S (Alma Martinez / Michael Antonovich)

APPROVED AS RECOMMENDED

Commissioner Au congratulated Commissioners Williams and Tilton. She truly felt the conversation that occurred regarding the sustainability of the project was very crucial and important; not only in terms of this particular project but in terms of all of the Commission’s projects that are funded and invested in by First 5 LA. The bottom line is that the Commission’s dollars are time limited and that the Commission really needs to begin from the start of new project to think about what will happen when the dollars end. The Commission needs to look at lessons learned that can be incorporated into the existing system of care that exists in LA County.

Commissioner Au also commented that she truly felt the conversation, the decision, and the recommendation being presented was a reflection of this. She urged the Commission to continue doing this for all of its investments from this point forward. When talking about sustainability, oftentimes, the Commission only thinks in limited terms about whatever additional monies are available to continue the funding. It is not really about this. From her vantage point, Commissioner Au said it was about informing the current system of care. Commissioner Au believed that First 5 LA has this privilege to be able to test, pilot and learn from the new initiatives. Based on these learnings, she hoped the Commission could then inform the existing system of care so that these systems could be a lot more effective in the work being done.

Commissioner Kaufman commented he was in complete support of the recommendation. He thanked Commissioners Williams and Tilton for testing out the new process of the Commission’s governance structure—the Commission referring an issue to the Program & Planning Committee, the creation of an ad hoc committee with a specific purpose, and final recommendations to the Commission.
Commissioner Kaufman also stated that with the approval of the recommendation, the ad hoc committee’s work had concluded. He did request periodic updates, every three to six months, prior to the June 30, 2013 transition to DCFS.

WITH NO FURTHER DISCUSSION OR OBJECTION,
THE ITEM WAS SO ORDERED

Public Comment:
Alex Morales, The Children’s Bureau

11. Approval of Funding Approach to Invest $900,000 That Focuses on System Integration Efforts and Increases Access to Services Young Children with Autism and Related Developmental Delays Through Approval of One to Two Funding Options:

1) Individual Grants of up to $150,000 Each for One to Three Years Not to Exceed $900,000
2) Collaborative Grant(s) Not to Exceed a Total of $900,000 for One to Three Years
3) Authorize Staff to Negotiate and Execute Necessary Contracts

This is a $900,000 investment for systems integration to increase the access to autism services pursuant to an April 26 motion passed by the Board of Supervisors as authored by Supervisors Don Knabe and Mark Ridley-Thomas and followed by a June 9, 2011 Commission motion by Commissioner Yancey. The motion before the Commission are the staff recommendations. To reiterate, the intent of the April 26 Board of Supervisors motion was to primarily focus on the expenditure dollars on autism rather than on other developmental disabilities along the spectrum; and on mini-grants rather than a collaborative grant.

Commissioner Yancey stated that autism really creates major problems for families that do not have a lot of resources. These disorders may not have fully the cause defined but most researchers in the field feel that genetics and environment contribute to the problem substantively. A Harper Researcher, Dr. Michael Gantz, estimated that it would cost $3.2 million to take care of an autistic person over his or her lifetime. Commissioner Yancey commented that, personally, she has witnessed this because her assistant has an autistic uncle who is now middle-aged and really requires a fair degree of family support. When faced with statistics like the fact that a white child with autism is three times more likely to receive an accurate diagnosis on a first visit with a specialist than a black child, part of the work that is being done also recognizes that many children who are African-American or Latino are not even seeing the specialist very quickly. This later recognition of the problem has huge ramifications not only for the individual’s family but also for the County. Lack of prevention is similar to other issues with disparities such as breast cancer where biological differences cause African American women to die at a much higher rate than white women. There are still in older populations marked differences in screening rates. Similarly, there are differences in preventive screening for autism in lower income communities. The treatment that is available free of charge is sometimes inferior and families that are taxed with a child with disabilities on top of a lower income status and living in a low resource community do not have a lot of time to wait in long lines and to navigate bureaucracies. Lack of access to medical experts with the necessary sophistication...
to really treat these illnesses and discrimination bias are responsible for a lot of health disparities. The early diagnosis and treatment is critical and the Commission can really make a difference with early intervention in these children.

Commissioner Yancey stated the original intent was to provide small grants to open the process up to a lot of other providers in these communities. These providers may have very good skill sets and may really be able to make a difference by coming in with some thoughts, ideas and innovations that the Commission has not been able, to date, identify or implement.

Commissioner Yancey stated that she did not think the Commission needed to decide between the two models in the staff report. It would be fine to see what the best thing out in the community was. The best idea can be a consortium or it can be the individual grants of $150,000 each. This idea was to try to open up a process and to get new players to the table. This was a rare opportunity to do something about autism. There are many development disabilities but sprinkling money across a lot of them will not yield the outcome trying to be achieved. Commissioner Yancey stated that she would hope the Commission would focus on autism and approve the action.

CEO Martinez asked Commissioner Yancey if she was recommending that staff go out with both options. Commissioner Yancey said her preference would be for staff to go out to bid with the six mini-grants that were originally conceptualized. Commissioner Yancey commented that she did have conversations with staff in the interim and she did not want to stand in the way of staff, if staff felt that there was a way to put this out allowing people to either apply individually or as some sort of consortia. Commissioner Yancey said that she did not have a problem with this but this seemed a little unwieldy. The simplest and most forward way to do this was to just put out the six mini-grants for $150,000 each.

Commissioner Au said that she was puzzled as this was not what she had read in the two options. In response, Director Iida reported that under Option 1, staff was recommending the development of an RFP that would solicit a wide range of proposals from various organizations for an amount up to $150,000 per period ranging from one to three years. Option 2 was also issuing an RFP that would solicit collaborative proposals from groups of organizations in the amount that could up to the entire approved amount of $900,000 and for similar time periods from one to three years.

CEO Martinez asked what were the advantages of the collaborations versus the six mini-grants. Director Iida replied that the recommendation was informed by an expert panel of diverse stakeholders. A meeting of these stakeholders was convened on July 29. Many of the suggestions that were brought forward to staff helped to put together the recommendations. There are five key gaps that were identified during the stakeholder meeting because the members were asked to provide to staff what they felt were most pressing in the field in terms of gaps in services and programs as well as, funding to address autism in Los Angeles County. The funding opportunity would be to address one of the key gaps. The collaborative approach would be able to bring forward groups of organizations that would then address one of these gaps but it would allow for the building of a system of care that would integrate various different systems. Another finding that was learned was that many of the systems in Los Angeles County are very fragmented. Thus, one of the key recommendations in terms of services was to be able to build an integrative and comprehensive system of care to bring different groups together such as the
Regional Centers, the Family Resource Centers, different physicians who are providing early screening, diagnostic and treatment services, parents, and school systems as well. This would be a collaborative approach. Option 2 was for a proposal to come together already as a collaborative and to support that infrastructure. Option 1 was to be able to address one of the five identified gaps through individual organizations.

Commissioner Yancey said that if it the decision had to be an either or, she would rather have individual grants. There are a lot of people that are very good at writing proposals. The existing players are probably going to write the best proposals, especially if they are consortia proposals. These are not easy and take up a lot of time and staff resources. If the purpose is to expand the field of people and ideas, if it were both, it would probably create a little bit of unfair competition. She said that she was leaning more toward putting out the RFP for the $150,000 mini-grants.

Commissioner Kaufman said that he had no opinion on the options. He commended the ad hoc committee for describing the five key areas succinctly and the issues with kids who have autism. Commissioner Kaufman said that he was skeptical when the proposal had been introduced. His skepticism was not about the need for these services but for how the Commission needed to get to that point. Commissioner Kaufman commented that his concern was not whether a single entity or a consortium provided the services. His concern was there were going to be five or six grants with a relative modest amount. He personally thought that the Commission should pick one of the five areas of greatest need and have all of the proposals address this particular challenge. To him, one problem should be tackled at a time as it is impossible to evaluate other than an individual program’s effectiveness.

Commissioner Kaufman suggested focusing on barriers to early identification. The reason for suggesting this is that all of the others get into the issue of direct delivery of service, the issue of being covered by Medi-Cal or Regionals Centers and why these things are being done. If children are screened for autism at the appropriate age, there are other diagnosis that will also be picked up. It seems to him that focusing on early identification of early autism and getting children to these services would the most important area of greatest need.

Commissioner Au commented that she wanted to respond to Commissioner Yancey’s opening remarks when underlying her remarks was a concern that there was a disparity that somehow or other may be operating because there are a number of folks within the community that are addressing issues around autism but are not quite in their current establishment. She said she was not sure if focusing in on one of the recommendations was going to address that issue. Commissioner Au said she was truly concerned that there was a mechanism to open up the provider system in such a way that it did invite other folks that are not currently at the table to be able to share and to learn. She wanted it to be a reciprocal process so that the access as well of the effectiveness was expanded in addressing these challenges.

Commissioner Au commented that she felt there needed to be an Option 3 because Option 1 did not quite address it fully in terms of bringing folks that are not currently in the provider establishment. Option 2 may do it but it may exclude those folks that are not currently in the establishment community. Commissioner Au said that an Option 3 was needed to address those vital components. Yet, maybe the recommendation should be to
take one of the five key areas but she did not think that it was going to be effective as well. Commissioner Au suggested that the Commission needed to allocated more funding.

Commissioner Yancey appreciated the thoughtful comments but tackling one thing at a time would make a lot of sense. She certainly would be willing to accept it as a friendly amendment to focus on one particular area and did think that for the purpose of the discussion of addressing the disparity issue, that Area A – Barriers to Early Identification, did make a lot of sense. Commissioner Yancey commented that she did think $900,000 spread around in a lot of different ways, in six pots, was probably not going to focus as well. Given this, she appreciated Commissioner Kaufman’s comments.

Commissioner Stockwell asked that if within the five key gaps that were identified, for example, Area A, did they carry direct services for children. She asked if the money was just being spent for identification and not referrals and visits.

Commissioner Yancey responded that her understanding was that these monies were really to be focused on how to do a better job. A lot of direct service delivery would not go far with $150,000. The funding would be for the people who are already knowledgeable about this issue, are involved in the service delivery component, and research. These individuals have some really good ideas about how to address the issues that are standing in the way and creating inequities.

Commissioner Williams asked for clarification on the dollar amount, specifically if the total allocation was $900,000 for each option or for both options. CEO Martinez clarified that the allocation was for $900,000 for the option selected ranging from one to three years depending on the proposals.

Commissioner Williams asked for clarification on the number of proposals to be considered. CEO Martinez confirmed that it would be for a maximum of six proposals. Commissioner Williams further asked how would the Commission make sure that there be equity across the County as there are many agencies that are not in SPA 6. These agencies often serve another population. CEO Martinez commented that staff always attempted to ensure that services are provided as widely as possible throughout the County.

Commissioner Williams commented that in many of the current agencies that work with First 5 LA, there was a disparity in terms of where they were located.

Commissioner Yancey said that the key point was that the Commission needed to make sure that in the areas of the County that have the highest need and that have the least amount of infrastructure for service delivery, that the proposals that are attempting to improve this should get a priority.

CEO Martinez commented that this could be part of the criteria that could be developed as part of the proposal.

Commissioner Martinez asked for further clarification regarding Area A of the staff recommendation; specifically, will patients will be identified or seen for services; or will a system for identification be created.
Commissioner Yancey said that the existing system will at least be examined, trying to understand what is creating these inequities and defining suggestions or solutions for how to deal with this. The idea of this project was not to provide services with the $150,000. It was to deal with people who were already providing services or were knowledgeable about the service delivery.

Commissioner Martinez asked if there would be higher identification of potential clients at the end of this phase. Commissioner Yancey commented that this would be the case.

Commissioner Martinez asked if the Commission would be assured that as patients were identified, what was the responsibility of the Commission to that child since there was no place for referral. This would create a worse situation. As the representative for Supervisor Molina’s District, if the Commission was going to make a connection with a human being, the Commission needed to be prepared for the long ride and it could not be temporary or a moment in time. She expressed concern about this because the parents would go from possibly thinking that they have a terribly agitated child to finding out that the child has a condition that will have a change in lifestyle. These parents are going to be on crisis mode, needing not only services for their children but services for the family, and mental help for the family dealing with a challenging circumstance. Once this wound is opened, the Commission needed to have a net for these people.

Commissioner Yancey said this was what the Commissioners were talking about when additional funding may be needed once the barriers have been identified. If in fact, this project may be opening up a flood gate, then the Commission may need to revisit the funding issue. Commissioner Yancey stated that this could serve as guidance to the staff on how to set up the RFQ and how to score the applicants to avoid a situation where a lot of proposals identify barriers but there is no care. There was a similar situation with the Breast & Cervical Cancer Control Program and Breast Cancer Early Detection Program with the State approximately 15 years ago where no services were available to patients after being identified. The Commission will not be able to address all autism issues with the small grants but the grants should be attentive to this issue and how it is going to be addressed.

Director Iida asked for clarification on which option was being voted on. CEO Martinez stated the Commission was voting on Option 1 focusing on Area A with staff coming back at the end of this process, either one year or two years from now. The RFP should be specific so that staff can come back to the Commission with any recommendations for future funding.

Commissioner Martinez commented that the RFP should ask the question, “once a child is identified, what is the protocol for handling this child in terms of service provision?”

Commissioner Yancey stated the focus should be on the identification of the child and then making sure that the successful proposals are at least going to point the way to avoid the situation of not having referrals or service delivery.

Commissioner Au asked about the notion of opening up this process to invite providers that are not currently in that establishment. She did not see this being reflected in the motion, as well.
Commissioner Yancey asked for clarification from Commissioner Au. Commissioner Au stated that one of the reasons for bringing this project forward was that there were apparently providers that are not currently in the established providers system and that this was a mechanism to be able to expand this and address the disparity issue. She restated that she did not see this reflected in the motion.

Commissioner Yancey said this was not in the motion and was more of the issue of how the RFQ was to be written and how the points were to be assigned. She definitely thought it was a good point and thought that extra points could be assigned for people that have not previously been in an establish system of care.

Regarding staff’s part, Michael Arnot, Senior Program Officer, stated that whether the Commission selected Option 1 or Option 2, the intention was to keep the process as open as possible because the ad hoc committee had identified that there was a wide range of groups in different strategies. Staff wanted to keep the process open to all those groups and strategies with the intention of the RFP being this.

WITH NO FURTHER DISCUSSION OR OBJECTION, THE MOTION WAS SO ORDERED TO APPROVE OPTION 1

12. Approval of Motion to Reallocate Resources from the Early Learning Endowment to LAUP in the amount of $87.2 Million and Extend the Timeline of the Supervisor Demonstration Projects to June 30, 2016 for a Total Not to Exceed $15 Million

Mayor Antonovich stated that Commissioner Kaufman’s motion was long overdue to ensure that the quality of LAUP’s current preschool levels for the County’s four-year olds were maintained through June, 2016. Without these resources, the Mayor’s Supervisorial District, as well as the other four districts, would lose approximately 1,925 preschool children seats, 81 classroom jobs and County-wide. The total seats that would be lost would be 16,500 children preschool seats and 773 classroom jobs. If LAUP continued to achieve operational efficiencies, cultivate its funding abilities, and continue to plan a new ballot initiative, without this additional funding, financial sustainability of current operations would be threatened in 2012. These resources would help maintain access to these preschool children seats.

Commissioner Kaufman commented that he hoped the motion was clear. Whether Commissioners agreed with it or not, it would be discussed. He commented that anybody who has been an observer of the Commission has seen him go back and forth on this issue since the year LAUP was founded when $600 million was allocated to LAUP of which $20 million was for evaluation over a period of five or six years, then pulling back $102 million into an endowment that was under Commission control but that LAUP could ask for to really help encourage and increase the capacity of LAUP to become sustaining. All of this was done during eras when the Commission certainly had more optimism about the future, there was higher tobacco tax revenue, there were no recessions, and did not predict capacity to get public funding through initiative or through a donor.

There is a reality at this time that says that LAUP is doing a very good job in what the Commission has asked them to do—they have created a system, a method to enroll children into high quality preschool, and provided support to preschools to increase quality. LAUP has done this in a very capable and competent manner.
If the Commission does not approve this motion of what has been done in the past, LAUP will still exist, children will still get preschool but far fewer will get preschool because there will not be enough money to cover the spaces. In the motion, the number that would be lost is described. This is not an existential question for LAUP but it has to do more with the quantity and quality. To Commissioner Kaufman, this is a signature program that the Commission has invested a large proportion of money, a large proportion of the Commission’s effort, a large proportion of sleepless nights and worrisome days trying to make it even better.

Commissioner Kaufman stated that he was not making this recommendation lightly. It took him quite some time to believe that the Commission was at a place where it made sense to take what had been in an endowment dedicated to early childhood education and recommend to his fellow Commissioners to vote and put this into LAUP’s budget. The bottom line was that the Commission would maintain the stable level of funding until the end of 2016. LAUP would continue and would not take away slots. LAUP would replace these slots if preschools were to close down. LAUP would do everything they could to lower the cost per child to increase revenue both from raised funds and for-profit activities like training. The Commission would give LAUP this cushion, this capacity that LAUP would be able to have the money until 2016. The obvious question is what happens the day after 2016 and Commissioner Kaufman said he did not know. One part of this is to build up a sustainability fund and any money that LAUP does not need to spend because they save money, raise money, got matching funds, got additional State dollars would go into this account with the Commission’s permission required to spend but that money would be available, hopefully, beyond June 2016 to cover some of those expenses. He did not expect to have a lot of funds to be there but it would be great if there were some funds.

LAUP is committed with coming up with a way to raise these funds through an initiative and if the Commission approves the proposed motion, Commissioner Kaufman’s main recommendation would be for the Commission and the LAUP Board to figure out a way so that the LAUP Board understands the gravity of the situation as seen from the Commission’s viewpoint as well as, the trust in giving LAUP the additional money that was not necessarily assigned to them. There should be a joint venture between both organizations that makes sure an initiative or other venture comes to fruition so that LAUP could be maintained beyond 2016.

Commissioner Martinez stated that she had no dispute with LAUP. In fact, Commissioner Martinez stated she thought LAUP was doing a wonderful job. Her concern was that Commission Kaufman was the Chair of the Program & Planning Committee and never did anyone come ask one the LAUP Commissioner Liaisons what they thought about the motion. The LAUP Commissioner Liaisons have worked for one year, with a considerable amount of time spent working on a sustainability plan, coming up with options on how to handle LAUP’s situation in the future, with total and complete honest collaboration with LAUP. Nobody came back and asked the LAUP Commissioner Liaisons what they thought about this. Commissioner Martinez said that this basically made her want to walk away from this process. She thought it was a violation of trust of the Commission.

Commissioner Martinez said she was appointed as well as others and had spent a lot of time. She stated that she did not like the fact that there was no transparency in this process. It seemed there had been back room negotiations or deals or conversations.
Commissioner Martinez directed her comments toward Celia Ayala, CEO of LAUP, who was in the audience, stating that she was not looking at her. A lot of excruciating conversations had taken place with the LAUP Board who came very open, honest and ready to dialogue about how to transition together as a team and what was seen as options. Commissioner Martinez stated this was a total slap in the face about that process. This was just not the way colleagues behaved. The responsibility was given to another group and the LAUP Commissioner Liaisons were not as much as considered in this process.

Commissioner Martinez commented that the second piece was that the Commission did not know what was going to happen in November with respect to the State take-away of Commission funds. She would be very reluctant to give away wholesale $87 million when the Commission did not know if resources were going to be taken away. There are a lot of moving parts and it had nothing to do with the quality of service of LAUP. She said she felt very comfortable with the fact that LAUP was doing excellent work. It was that the LAUP Commissioner Liaisons had gone through this process which it was thought to be a collaboration and part of a performance-based contract. A process had been accepted in which all were going to be moving forward as colleagues and collaborators. This was basically like the NBA team being in negotiations and somebody from somewhere else introducing a motion saying this is what we are going to do. There is a negotiation process. Commissioner Martinez stated that she was really upset by being put in a position of having to vote against LAUP because it had nothing to do with the services and the poor children. It was a violation of the system that was created.

Commissioner Kaufman commented that he understood how Commissioner Martinez felt and apologized if he offended her. There certainly was no back room deal. The Brown Act did not allow him to speak to Commissioners.

Commissioner Martinez commented that the Brown Act did not allow Commissioners to talk to Board of Supervisors’ offices. Commissioner Kaufman stated that he did not speak to any Board of Supervisor office other than his own as Supervisor Yaroslavsky’s appointee. There were no back room deals.

Commissioner Kaufman stated that if Commissioner Martinez felt the proposal had merit and was worth discussing, it was fine with him if the Commission designated the LAUP Commissioner Liaisons to review this motion. Commissioner Kaufman stated that the ways things get done was by someone coming forward with a motion and Commissioners either agreeing or disagreeing with it or saying that they need more information from it. He had no problem doing this.

Commissioner Dennis said he was one of the Commissioners who early on was in opposition for these funds going specifically to LAUP. When he weighed losing spaces for four-year olds in this County, he was swayed, to some degree, to suggest that perhaps moving forward was adequate because he is part of an organization that has had to put children out of care. That was a not a delightful situation. If, in fact, the funds and resources exist to ensure that children are not removed from care, the Commission has a moral obligation to do this.

Commissioner Au commented that she empathized with Commissioner Martinez because when she heard about this motion being proposed, she did pick up the phone and called
Commissioner Stockwell because she needed to hear from the LAUP Commissioner Liaisons to be able to be informed so that she could have a more informed basis to either support or not support this motion. In spite of this, Commissioner Au stated she felt quite strongly that given the economic conditions that the Commission is having to operate in, the Commission may need to shelf unintended considerations and focus on the children. She has a lot of respect and confidence in CEO Ayala’s leadership as she has made some really tough decisions in terms of her organization and really wanting to do the best also for the children that she is there to serve.

Commissioner Au commented she felt that if the Commission did not support this motion, in a way, the Commission was turning its back on all the work that CEO Ayala had done in restructuring her organization. She admonished Commissioner Kaufman asking him to be a whole lot more considerate in the future because this was the second time that, inadvertently, he has stepped on other Commissioners’ toes. Commissioner Au commented this detracted from what the focus should be.

Commissioner Stockwell stated that she concurred with Commissioner Martinez. She stated that earlier Commissioner Kaufman praised Commissioners for the work of the PFF Ad Hoc Subcommittee. Commissioner Stockwell commented that if Commissioner Kaufman wanted the process to work, then he needed to respect it. She felt there was no respect of the process. The motion could have been given to the staff for distribution to the LAUP Commissioner Liaison for discussion. Commissioner Stockwell said CEO Ayala was terrific to work with. Her Board was also terrific to work with. A lot of forward steps have been made. Commissioner Stockwell said that she certainly wanted to support the motion. She also asked that of the approximately $146 million, LAUP was able, through a variety of ways, generate $60 million in cost savings. CEO Ayala stated that LAUP was able to reduce the original estimated gap of $146 million to $86 million.

Commissioner Stockwell commented that her assumption was that LAUP was not going to stop its efforts for sustainability. Commissioner Stockwell stated that there had been a great reduction of staff and cutting back on benefits. For this, LAUP was to be commended. Commissioner Stockwell wanted to be assured that LAUP would continue the same push forward to generate sustainability moneys.

Commissioner Stockwell also asked about the number of children being served. As of now, LAUP serves approximately 10,000 children. By 2016, it is estimated that it will be 50,000 children. She asked if this number was cumulative. CEO Ayala responded that each year LAUP serves approximately 10,700 children. Taking this number and aggregating it over the next five would yield 50,000. If the additional funding was not approved, LAUP would need to begin reducing the number of children served this coming year. Commissioner Stockwell commented that the statement of serving 50,000 children in 2016 was misleading. CEO Ayala clarified that 50,000 different children would be served by 2016 because LAUP only serves four-year olds.

Commissioner Kaufman commented that he instructed staff, sensitive to this issue, to talk with the LAUP Commissioner Liaisons regarding the motion.

CEO Martinez clarified that staff’s understanding was only to send out the motion and it did.
Commissioner Stockwell concurred with the Commissioner Martinez’s comments and felt that Commissioner Kaufman had been disrespectful of a process that had been set up by him.

Commissioner Williams suggested that this issue be delayed by one month to follow the process. The motion should return with the input of the LAUP Commissioner Liaisons. She asked if there was any urgency in taking action. She recommended that action be delayed until the following month.

Commissioner Martinez commented that there was no cliff. Both the Commission and LAUP were involved in a process to try to resolve this and one of the solutions was coming back and advocating for the endowment. This was a legitimate option that had not been addressed as of yet. The more she thought about it, CEO Ayala was aware of this. This was at the table and in play and perhaps in three months, this could have been the recommendation after all negotiations had taken place.

CEO Ayala said that her intent was not to violate the process or to do something behind closed doors. Her responsibility as the CEO of LAUP was to look at the future and the number of children that were served. She has regular meeting with Deputies. The Deputies have lots of questions about what their bosses were going to be facing in terms of potential losses. Her response to the Deputies was having a meeting that provided the requested information. She informed CEO Martinez about such a discussion. Unfortunately, because of the eagerness of making things happen, maybe somebody missed a step. However, she believes that it was nobody was trying to step on toes or to go around a process. CEO Ayala truly believed that the intent was on ensuring that children continue to receive the services that have now been recognized as being valuable. In no way, was there an intent of anyone, whether it was Commissioner Kaufman, the Board of Supervisors and LAUP, to circumvent the process. In every instance that she gets an opportunity, she is grateful about the progress and the relationships of LAUP with First 5 LA, the staff, and the Board of Supervisors.

Commissioner Martinez agreed with Commissioner Williams’ suggestion of delaying action on this motion and bringing it back next month. It would bring the dynamic back into order, reset and everything would be fine.

Commissioner Kaufman asked that the motion be continued to the next month.

Commissioner Au asked about subpoint 3 of the motion. Commissioner Kaufman stated that the entire motion could be continued.

CEO Ayala stated there was an issue with subpoint 3. In order for the LAUP to complete the negotiations with some of the sites in the Supervisorial Demonstration Projects and for them to accept the seven-year contingency, there was an issue that some of the sites, the partners, could not agree to the projects due to contractual negotiations.

Mayor Antonovich moved that subpoint 3 be approved and the other remaining subpoints be continued with the motion to the November Commission meeting.

M/S (Michael Antonovich / Nancy Au) APPROVED AS AMENDED
Commissioner Yancey stated that in response to Commissioners functioning better at these meetings, Commissioners were sitting so long that metabolisms were being destabilized. She suggested that at some point in the meeting, Commissioners should stand up and move around a little. This would improve the cognitive function, especially the executive component of that function. This should also be done for the children of LA County because obesity is one of the number challenge to them as prolonged sedentariness is hazardous to the health.

(A short 10-minute physical activity break was taken.)

13. Approval of a Motion to Allocate $500,000 for a Safe Surrender Program Public Education Campaign

Mayor Antonovich reported this was a motion introduced at the Board of Supervisors by Don Knabe. The Safe Surrender Program was approved 10 years ago. Since then, the Commission as well as, the Inter-Agency Council on Child Abuse & Neglect have been key partners in this effort.

The Safe Haven law passed in 2001 and allows parents to have three days to abandon infants without fear of prosecution.

Commissioner Au commented this was a very emotional project, especially for Supervisor Don Knabe. She read out loud the proposed motion.

Commissioner Au asked staff if returning to the Commission in October with plan for the use of funds was doable.

Larry Renick, Assistant Director of Public Affairs, responded it was a very tight timeline, especially to do it in an intelligent and effective manner. He did not want to short change the process and commented that the campaign had been very effective as only three babies were found abandoned last year.

Commissioner Au amended the motion to reflect the month of November when staff are to come back with a plan for the funds. She also asked if the launch date of December was reasonable. Mr. Renick responded that a December launch was very tight because an RFQ would need to be released. The process takes about three months.

Commissioner Au asked how long it would take for the contractor to come back to the Commission with a plan for the campaign after being selected. Mr. Renick responded that within reason, a campaign plan could be in place by April, 2012.

CEO Martinez commented that she would be working with staff to shorten the timeline.

Commissioner Au also announced that the County was going to host an event on September 30 in honor of its 10-year anniversary.

WITH NO FURTHER DISCUSSION OR OBJECTION, THE MOTION WAS SO ORDERED AS AMENDED
Commissioner Tilton commented that after the launch of the education campaign by Supervisor Don Knabe when the law was passed, there were 10 safe surrenders that year. She noted this was the difference between passing a law and making the public aware of the existence of such a law.

8. Approval of Motion Extending Timelines for Best Start Communities Ramp Up and Potential Extension of Grantee Funding to Coincide with the Best Start Planning Process

Mayor Antonovich reported that many times the Board of Supervisors’ offices are placed in a position of having to deal with frustrated agencies. Since the beginning of his chairmanship, the Commission has taken action to extend a number of contracts in piecemeal fashion based on a variety of different reasons. The Board of Supervisors’ offices have been flooded with letters from direct service consumers. Contracted agencies make appointments to meet with each of the Board of Supervisors members, detailing the merits of the sun-setting programs and the impending loss of infrastructure built with First 5 LA investments; yet administration staff insists that the providers knew or should have known that their contracts were terminating.

In response, month after month, the Commission painstakingly has taken action to extend contracts often bridging these contract extensions with the Best Start planning process which is anticipated to conclude on December 31, 2011 in accordance with the strategic plan.

Mayor Antonovich further stated that not being a supporter of place-based strategies, this did not make sense and he could not understand how a successful County-wide program, for example, Partnership for Families, with infrastructure already built to serve every zip code in Los Angeles County within and outside the 14 Best Start Communities, would fold into the Best Start planning process without loss of vital, well-established service capacity for those vulnerable families outside the 14 communities.

In July, the Commission learned that the Best Start funding process, funded 2-1/2 years ago, needed to be delayed for another six months. The Commission was advised that it would take time to build community trust. The Commission was lead to believe that this could not happen in 2-1/2 years and would successfully happen in another six months. If in fact, this is the case, the Commission should not prematurely dismantle the community trust that has been built through the multi-million dollar existing and successful network, County-wide and community-based infrastructure hedging bets on the place-based strategy that is not off the ground. Essentially, there is a big administrative problem and Mayor Antonovich did not want the lobbying of Board of Supervisors’ offices to start all over again.

First 5 LA contracts should not be extended because these lie within the 14 Best Start Communities or because contractors have successfully lobbied one of the offices at the Board of Supervisors. First 5 LA direct service contracts should be extended based on their merits, supported by well-established specific criteria applied consistently to all contract extensions. Direct service contracts that are to terminate should terminate with predetermined financial sustainability so that the children and families do not experience lapses or interruption of services.

For this reason, Mayor Antonovich brought forward the proposed motion with an entire list of contracts that are set to terminate in a few months, December 31; and to provide the
Commission with an opportunity to comprehensively, correctively and objectively extend contracts not just because they are located within the 14 Best Start Communities or because they lobbied the Board of Supervisors. First 5 LA direct service contracts should be extended on the merit of the contract. Aside from Partnership for Families, there are 45 additional contracts to consider. Some of the contracts can be approved today and others at the October meeting. The Commission can decide to have the staff and Program & Planning Committee assess each of those programs similarly to the Partnership for Families Initiative and report back in October.

Commissioner Au commented that she really appreciated the spirit of the motion which was to extend the existing contracts until the Best Start process and plans are in place from the various communities. She was somewhat concerned about the decision-making process as to what contractors were going to be continued and what contractors were not. Her understanding on how First 5 LA has proceeded in granting contracts was not based on the so-called traditional process. When the Commission did its investment, it was investing in entities that were going to be in partnership with the Commission. A lot of resources have been invested in the providers to create a more effective and viable community capacity to do the work of the Commission. If there is going to be any concern whether a project is going to continue, it is really up to the Commission because Commissioners are the ones who come up with the concept. The Commissioners are the ones who propose how the changes are going to be made. The Commission also establishes criteria and engages with the providers through a scope of work and the activities they are going to engage in. Over time, based on Commissioner Au’s experience, the contracts staff will notify the Commission when there is a contractor who is unable to perform. In response, the Commission has taken immediate action. She said that her understanding was that the folks who are currently grantees are doing a fine job. They are doing the work based on the Commission’s expectations.

Commissioner Au said the motion, in terms of the selection of who was going to continue and who was not, presented an untenable dilemma for the staff. It was really a partnership that the Commission invested in when looking at those entities to be a lot more effective and competent in their work. To come back and say that a contractor is not being competent enough or effective enough, the staff will be caught in a dilemma.

Commissioner Williams said she recommended the group consider referring this motion to be considered, at least, by the Program & Planning Committee because of what has happened with PFF and what the Commission felt were important steps that were made. For instance, in the PFF contracts, even though PFF was approved, there was not an equity of coverage. She asked if this could be the case with Healthy Births. She also stated that it was confusing for her as to how this played against Best Start because each of the Best Start projects were starting and initiating on a different timeline. Commissioner Williams recommended that the motion be referred to the Program & Planning Committee.

Commissioner Dennis said that there were two components to the motion—(1) procedural and (2) strategic. Commissioner Dennis said the strategy determines how things are funded. Basically, since he has been on the Commission, there has been a strategic plan that had just been completed and a new one that had been adopted. The Commission started funding initiatives on the Best Start, looking at the some of place-based investments. There are a lot of investments to previous investments. This is something that needs to be figured out as from a strategic standpoint.
Commissioner Dennis asked if the Commission was going to manifest itself in some of the core components of the previous strategic plan or would the Commission adhere to the components of the new strategic plan. This was something the Commission had not done and the decisions on who gets funded or who continues to get funded was still up in the air because this changes over time, depending what is going on in the communities and Board of Supervisors’ offices.

Procedurally, Commissioner Dennis said that he did not know if there was a way to grade grantees. The Commission did not have a mechanism to do that. If this was to take place, then the Commission needed to decide if this was a procedural change that it wanted to implement. As of right now, the Commission funds grantees or defunds grantees. There is no gradation process, no report card that grantees are given by the Commission. If this is the case, then there needs to be an appraisal process with the community so that they understand that the Commission is at a new point in time with regard to how grantees are being now treated.

Commissioner Martinez commented that she saw the motion a little differently. She thought that when the decision was made to do Best Start, it might have been wise to not fund anyone at that time until Best Start was started, it was rooted, vibrant and taking off on its own. Best Start would not be competing against anybody. This is the way it should have been done. Commissioner Martinez said that she was comfortable with continuing everybody for six months, not for two years, at which point she would definitely be in favor of a grading process to weed out grantees. She saw this motion as a simple extension of three months so that the Commission does not end in a situation where there are no services. Best Start has not taken place, there is no County-wide, so then, what is the Commission doing. This was just a simple extension where anyone that is in non-compliance should not get any money as well as anyone who has left over dollars. Commissioner Martinez said that she saw this as temporary gap funding so that the Commission could continue providing services until Best Start was up and running.

Commissioner Harding agreed with Commissioner Martinez. The way she read the motion and what was important was that the Commission was invested in a number of organizations. The capacity has been built of these organizations and for the Commission, whether moving forward with Best Start or implementing the County-wide initiatives, it should look at the infrastructure that the Commission has invested in and not throw that out. How are these investments now built into the place-based communities or into some the County-wide strategies? The Commission should continue to invest in those communities until changes are ready to be made. Commissioner Harding said the Commissioner should be thoughtful about this process, looking at what investments have been created, and where there are strengths in those agencies that can either be built upon or work with to create the new structures under the new strategic plan.

Commissioner Williams commented that if the Commission extends contactors for the next six months, then the Commission has not spoken to Commissioner Dennis’ suggestion that there needs to be some type of evaluation process.

Commissioner Martinez commented that Commissioner Dennis’ comment was to the effect that no system was in place and now the Commission was asking for something that did not exist. Commissioner Dennis clarified that the Commission was not adhering to any
mechanism by which it determines funding. He said that he would like to have a discussion on what merges from the prior strategic plan and the new adopted strategic plan. The Commission needed to determine if it will continue funding initiatives from five or seven years ago or was it a part of the system-wide and place-based approach that was adopted two years ago. This was a challenge for the Commission to be clear about this. If the Commission was clear, then the funding follows and there is no question about when grantees are terminated because strategically the Commission would be at a different place.

Commissioner Au commented that she appreciated how Commissioner Dennis framed his question. For all the years that she has been a Commissioner, she has seen First 5 LA morphed into a true investor of community capacity. The Commission may have done it through initiative and projects but because of the quality of the relationship that has been built with those providers, when there was a provider that was having difficulty, the Commission came up with funding to provide technical assistance because that entity was viewed as part of the community and was truly important for the Commission to enhance their capacity, capability, as well as their effectiveness. The feedback from the community about the Commission was not very positive until this change took place. Now, many providers want to be in partnership with the Commission because they know that when the funding ends, there will have within their organization a capacity that will allow them to continue being a contributing factor in their community.

Commissioner Au did not want this changed and if the Commission was going to stop funding any entity, it was because the Commission had run out of money and through the evaluation process, it was determined that the adopted theory of change was not resulting in the kind of impact the Commission wanted; and therefore, the Commission would not fund something that was not working. The entities themselves have done the work as the Commission has requested.

Commissioner Williams said that she was okay with extending funding through June, 2012 but was hoping that when the Commission arrived at June, that it was not in the same place as today with same indecision. In this period of time, the Commission will have done some work so that it is comfortable with where it will need to be.

Commissioner Kaufman commented that using the PFF model, the Commission would charge the Program & Planning Committee to set up an ad hoc committee with a particular charge. That charge would have an end date, it would have deliverables. For instance, all the initiatives in this motion, not counting PFF because it has been taken care of through 2013, would bring back information to the Commission about any possible continued funding or sustainability of those programs and how those programs would integrate into Best Start Communities and their planning. There might be an interim report due in November and a final motion/report to the Commission in February, which then gives the Commission the months of February and March to make a decision.

Commissioner Yancey commented that the Commission should recognize, and perhaps have this discussion in Item 7 that it is on a path to spending more than it actually has. She thinks that the Commission will need to deal with the strategic plan, whether to move in alignment with it or ditch the strategic plan. Based on her understanding of the literature and everything that she knows about accomplishing what the Commission is trying to do, she really hopes that the Commission not ditch it but move forward with the strategic plan.
Commissioner Yancey wanted to go on record noting that the Commission was probably hundreds of thousands of dollars over what it has. The Commission needs to grapple with issues in a much more direct way.

CPO Gallardo asked for clarification on the list of projects that were submitted with the motion. There are six projects that are not associated with the any of the initiatives the Commission is talking about. He asked if those projects were going to be included as part of the motion.

Commissioner Kaufman reminded the Commissioners that a Program & Planning Committee meeting was scheduled a week from today. This motion will be on the agenda. The committee will not get into the details but will define what the official charge is of the ad hoc subcommittee, have the draft language for approval, and bring it back to the Commission the following month to ratify or modify the language. He invited Commissioners to let him know who wanted to serve on this ad hoc subcommittee. There could be no more than four Commissioners on the subcommittee.

18. Response to Commissioner Questions About Best Start Communities

Mayor Antonovich commented that relative to the Demographic Migration Study which is detailed on page 189-190, approximately $200,000 was spent to profile and select the 14 Best Start Communities and then the University of Southern California was commissioned for $700,000 on the use of the 2000 and 2010 census data to analyze demographic changes across the County as a whole. His question was if the Commission had voted to authorize nearly $1 million to demographically profile for the County and for use of the 60 percent of its current future revenues. He asked when did this take place and was it an agenda item. Mayor Antonovich also asked if the contract with the University of Southern California was award through a bidding process with an RFP or was it sole source.

Director Jimenez responded that the Demographic Migration Study was actually identified and outlined in the implementation plan for the strategic plan. The implementation plan outlined what the purpose of the project would be. As a result of discussions prior to the strategic plan development, several Commissioners had asked the question, “should we take into account the level in which families move in and out of the 14 communities in order for the Commission to better plan the program services and better understand how to follow families over time?” In certain communities, families move at higher rates than in others. It would benefit the Commission to understand this and be able to track it and model for it. The contract was awarded through a RFQ and went through a bidding process to identify USC. There were three bidders. The USC bidder was the academic institution and the other two bidders were private evaluation contract firms. The amount was within the implementation plan the Commission approved and authorized staff to go out and solicit a contractor and move forward with implementation.

Mayor Antonovich asked what was the threshold delegated to staff for contract negotiations. For example, the County has a $100,000 threshold for contracts. CAO Bosch responded that there was no threshold amount once the Commission gives approval for the allocation. For example, if a contract is under $25,000, CEO Martinez has authority to enter into a contract. Anything over $25,000 requires Commission approval.
Mayor Antonovich asked if the Commission approved the $700,000 contract. Director Jimenez responded that the Commission approved the entire allocation for the Research & Evaluation activity. Within the implementation plan, all of the evaluation and research activities were articulated and the Commission was asked for approval to identify a contractor and negotiate a contract.

**WITH NO FURTHER DISCUSSION OR OBJECTION,**
**THE ITEM WAS RECEIVED AND FILED**

7. Approval of the FY 2011-12 Programmatic Budget in the Amount of $177,774,110 and Authorize Staff to Negotiate Contracts and Agreements Necessary for Implementation

Mayor Antonovich reported this item was continued from the July meeting, primarily because of the supporting documents being in preliminary form to launch the Commission’s discussion. The 72-page supporting document for today not only includes considerably more detail and recommends a final programmatic budget of nearly $45 million less than the one recommended in July. The reason for this reduction is that today’s amount reflects a true spending plan with an amount that staff anticipates will go out the door during the remaining nine months of the fiscal year.

In July, Mayor Antonovich requested details on the estimated total resources for the fiscal year within the estimated total resources, how much was contracted, obligated, reserved and unreserved. All of this information is for context only and can be found on pages 139-142 or in Attachments 2, 3 and 4 of the packet. Any further discussion today about this contextual information only distracts the Commission from the task at hand. He asked that Commissioners limit themselves to that which was necessary for adopting a final FY 2011-2012 programmatic budget. Since too much time has elapsed into the fiscal year, Commissioners need to remain focused to make those necessary decisions authorizing the staff to negotiate contracts and agreements in a timely manner. Some of the points that need to be highlighted about the budget are:

- AB 99 is still an enforceable law.
- The fund balance on page 140 anticipates the $424 million diversion in June, 2012. Should the AB 99 legislation be repealed or determined to be illegal by the court, the appellate court process can go on for three to five years.
- The available funding to the Commission would be increased by $424 million should AB 99 be repealed.

Mayor Antonovich reported that nearly two years ago, the Commission collectively decided under FY 2009-2010 to significantly shift its current and future investments to a placed-based strategy and earmark up to 60 percent of the existing and future revenues serving children and families in 14 communities where only 20 percent of the County’s children reside. Now, two years later, the greater percentage of existing and future revenues continue to languish under the earmarks of a delayed Best Start planning process while successful County-wide direct service programs fight daily for continued funding.

Last November, most of the County-wide augmentation proposals were approved; but today, none have been implemented and the projected out the door spending through June 2012 is really minimal. The Commission can try to blame AB 99 for everything but in the alternative, one can argue that all of the above was precisely why the Governor signed AB
99. Mayor Antonovich asked staff to make a presentation on the proposed programmatic budget.

Director Hause reported that staff was requesting approval of FY 2011-2012 programmatic budget in the amount of $177,774,110 and authorizing staff to negotiate contracts and agreements necessary for the implementation. She thanked Mayor Antonovich for his introductory remarks as they covered some of the points she was planning to address.

Director Hause said it was really important to point out that the Commission through its various actions in FY 2010-2011 has deviated from the annual budgeting process adopted as part of the implementation plan. Once again, as with prior strategic plans, the Commission has approved multi-year allocations for a number of new programs that have been previously contemplated as part of the 2009-2015 strategic plan. As a result, staff is challenged with consistent and comprehensive planning, budgeting, and financial reporting for programs and activities that have different allocations and budgeting methodologies.

Staff highly recommends and hopes that the Commission will support some of these concerns regarding budgeting methodologies being forwarded to the Ad Hoc Executive Committee for further discussion and consideration of alternative budgeting practices, reducing the challenges with consistent and comprehensive financial reporting and planning. Further, it is recommended that the Ad Hoc Executive Committee consider long-range planning as a result of today’s requested action of only approving the FY 2011-12 programmatic budget. Staff is recommending that the focus of the discussion remain with the current year’s budget. The proposed programmatic budget for FY 2011-12 and supporting documents is located on pages 77-139.

Director Hause reported some assumptions were made in preparing the budget. The budget assumes the extensions of funding for prior initiatives, Partnerships for Families, Family Literacy, Healthy Births, Family, Friends & Neighbors, and SRI both inside and outside the Best Start Communities through June 30, 2012. Action to extend these initiatives was considered and received earlier in the meeting. The amount budgeted is a true spending plan and represents the amount that staff anticipates will go out the door during the fiscal year. It is imperative to note that many projects and initiatives are multi-year and the Commission should anticipate requests in subsequent years for an annual budgeting process for ongoing resources to ensure continuation of these programs. If revisions to this budget are necessary during the course of the fiscal year, staff will bring forward proposed adjustments either at mid-year or as the need arises.

As a result of the recent strategic plan approval, Research & Evaluation was allocated five percent of the collective program expenditures as a guideline to help to develop and implement the appropriate research and evaluation efforts to measure outcomes that the Commission desires and are emphasized in the original Proposition 10 legislation. It is expected that over the course of the strategic plan period, research and evaluation will average the five percent allocation amount. However, on an annual basis, the expenditures may fluctuate with some years being less than five percent and others being more than five percent as evaluation expenditures do not necessarily correspond to the program expenditures on an annual basis. This is the case this year where less than five percent is being requested for research and evaluation costs, because, again staff is being realistic about what is anticipated to be spent.
SUMMARY ACTION MINUTES

Staff is also proposing an Administration allocation similar to the Research and Evaluation allocation of $240,000 which less than one percent of the programmatic budget for consulting services that will support further development and design of certain initiatives. This allocation is in addition to the FY 2011-12 operating budget adopted in June 2011. This supports all other staffing and operations of the Commission. The strategic plan does allow an annual allocation of five percent of the total programmatic budget for administrative activities. As with Research and Evaluation, administrative support expenditures will fluctuate with some years being less than five percent.

Director Hause referenced pages 78 and 79 of the meeting packet which provides a comprehensive summary of the proposed budget. The pages following support and provide more detailed information. Information presented included allocations for programs and initiatives from the prior strategic plan, including cumulative expenditures as of June 30, 2011. Further, as requested by the Mayor’s office, contractual obligations as of June 20, 2011 are also presented and unobligated allocations are included. The contractual obligations at June 30, 2011 for the prior strategic plan activities is the first key component of the proposed FY 2011-12 programmatic budget. For consistent presentation with the prior strategic plan section, cumulative expenditures and contractual obligations at June 30, 2011 are also included. Unobligated FY 2010-11 budget represents the resources budgeted that will not be spent. Allocation balances are also included for informational purposes. As with contractual obligations at June 30, 2011 for FY 2009-2015, strategic plan activities are also a key component of the proposed fiscal year programmatic budget.

Section III really represents the amount requested for the programmatic budget and are broken down into two sections. It outlines the contractual obligations at June 30, 2011 through both the prior strategic plan and the current strategic plan for ongoing programs and activities. The second component represents the FY 2011-12 new planned activities that are anticipated to be completed during this fiscal year. The total fiscal year programmatic budget represents the anticipated actual expenditures for both ongoing activities and new activities that will be initiated and to be completed within the fiscal year.

Commissioner Au commented that she totally understands the implementation process. Oftentimes with new projects, there is an initial start up and during the first year, the allocated amount is usually not expended. She is struggling with the resource mobilization line because she thought that at the last Commission meeting, Commissioners had approved $30 million that is more than the $2,910,000 in the proposed budget.

CEO Martinez commented that nothing was approved in July. Incorrect information had been provided to Commissioners on that line item. The amount presented at the July meeting included a projection over the span of the strategic plan rather than the actual amount to be spent for that year. There was some miscommunication internally. What Commissioners have in front is what Director Nuno and her staff plan to spend this year going out the door for leveraging opportunities. The issue is that not knowing what the future holds, if there should be other opportunities that come up, staff would come back to the Commission and ask for additional funds for leveraging. Based on what is being done in Community Investments, this is the best estimate of what is anticipated to be leveraged this current year. This is why the numbers are different. One number was a five year projection versus actual fiscal year spending.
Commissioner Au said that part of what she found puzzling was that resource mobilization, in some ways is activity within First 5 LA that is somewhat unique. It is not the usual public relations marketing campaign where dollars are expended to bring in consultants to come up with a marketing or communications plan nor is it similar to the policy arena where staff is available to work on policy activities locally as well as the State and federal levels. Resource mobilization is a whole different animal. She was struggling with how the Commission ascertained whether or not this particular activity was meeting expectations because she was not clear as to what was her own expectation of resource mobilization other than in broad strokes, resource mobilization was looking at creating leveraging opportunities where First 5 LA dollars could be used by community-based organizations to come up with match dollars to bring more dollars into the County. This made good sense. The other part was the sustainability part. The Commission looks at creating partnerships with entities that can sustain and maintain some of the projects that the Commission is working on because they are coming to the conversation with their resources as well but are not necessarily a leveraging piece as much as it a partnership piece.

Commissioner Au asked if this was all that was expected of Community Investments or if there was something more.

Director Nuno commented that Commissioner Au was focusing on the type of latitude. She pointed out that in the budget the amounts that have been budgeted are those that staff project to spend. The amounts in the text are the overall amounts over the span of years of a given project being proposed.

Director Nuno also commented that a number of partnerships have already been established and there are contractual agreements in place.

Commissioner Au stated that she did not have clear clarity as to the function of resource mobilization; and therefore, everyone else was pretty comfortable saying that the resource mobilization area was doing what they were supposed to be doing.

Commissioner Stockwell stated that several Commissioners, in months prior, were very impressed with the work of resource mobilization, particularly when looking at the initial amount of $11 million and leveraging $8 million in less than seven months. Resource mobilization was like a magnet that was pulling money into the Commission. This was a win-win situation when partnering and building leveraging and sustainability. Her concern was whether the $2.9 million in the budget represented a lot of the partnerships that have been committed but not rolled out. Director Nuno responded that there were existing partners hips and others were in development.

Commissioner Stockwell commented that the budget amount did not cover any new opportunities. Staff was operating on the understanding that was established by the Commission last fall in terms of parameters to operate by financially. Commissioner Stockwell was concerned about resource mobilization not having the cash resources or latitude to take advantage of new opportunities. Director Nuno mentioned that staff would be coming back to the Commission as these opportunities arise.

Commissioner Stockwell commented that she hoped it would be in a timely manner because the Commission had given latitude to resource mobilization during last year and the
CEO Martinez said that this gets back to the point that Director Hause made earlier where staff was being asked to present a programmatic budget of what will be spent this year. It is different from the way the Commission operated because before there were allocations. There was a lot more flexibility in staff's ability to move quickly on opportunities such as those unforeseen projects. The timeliness will be an issue, especially if the Commission has just met and an opportunity may surface.

Commissioner Au said that this was her concern. She requested to Mayor Antonovich that an Ad Hoc Budget Committee be appointed to look at this issue and make recommendations to the Commission. On the one hand, the Commission wants to exercise its stewardship and be fiscally responsible. On the other hand, if the Commission is so constraining that the staff will not be able to respond in a timely manner to leveraging opportunities, the Commission was hurting itself.

Commissioner Au stated that her comments were in the context of the budget requirements in terms of the structure of the budget as it was being constructed by the department. For her, there was a contradiction in terms of the community investment operations. The Commission really needed to take a better look in terms of how the Commission goes about constructing that particular area or that particular department’s budget. From an administrative perspective, when staff is being directed to construct a budget, a general requirement needs to come about how this will be done.

Commissioner Au felt that because of the unique nature of the community investment area, she had concerns that particular requirement was going to restrict this area from actually doing the work. Commissioner Au asked that this issue be referred to the Ad Hoc Executive Committee, who was looking at the whole budgeting process.

CEO Martinez commented that in the staff report, a recommendation was being made that the Ad Hoc Executive Committee further discuss this issue. Commissioner Au was supportive of this recommendation. She also asked that the Ad Hoc Executive Committee also address how the resource mobilization component be held accountable.

WITH NO FURTHER DISCUSSION OR OBJECTION, THE MOTION WAS SO ORDERED

17. UPDATE: Oral Health & Nutrition Expansion and Enhancements Project (OHN)

Mayor Antonovich reported the Center for Disease Control released a nation-wide report noting that over a 10-year period, there was 15 percent prevalence of tooth decay among children ages two to five and more than one in four, 28 percent, had dental cavities. In California, the percentages were worse than the national average. In the 2006 Dental Health Foundation California Smile Survey, “Mommy it Hurts to Chew,” it showed that more than 70 percent of the State’s third graders had evidence of dental cavities. Of the 25 states surveyed at that time, only Arkansas ranked worse than California. The study of 2,315 children under the age of 16 in the Journal of Healthcare for the Poor and Underserved, results revealed that 81 percent needed dental care, 73 percent had untreated dental cavities, and three percent already had fillings or crowns. Dental cavities are the
most common chronic childhood disease. Oral health affects their school. As a consequence, this could severely compromise the general well being and quality of life for an individual. An estimated 51 million school hours are lost each year due to dental cavities.

Director Nuno provided a quarterly report on the utilization of the $17.8 million of Commission funds dedicated for meeting the oral health needs of the County. Mayor Antonovich thanked her for the hard work she has done.

Director Nuno thanked Mayor Antonovich for his acknowledgement and proceeded to comment that the staff report delineated the progress to date. Staff has succeeded in establishing a number of strategic partnerships as well as a number of RFQs in both the Program Development and the Community Investment Departments much to the credit of the staff. At this time, staff was in the process of responding to the applicants and/or setting up information sessions for the more recently posted RFQ for the Dental Health Innovation Grant.

NOTE: Mayor Antonovich leaves the meeting. Commissioner Kaufman assumes leadership of the meeting.

Commissioner Kaufman said that Mayor Antonovich had raised his question but the Item 18 had not been discussed. Before discussing this issue, Commissioner Kaufman stated that the Program & Planning Committee would be meeting seven days from today. He did not know what was on the agenda. One topic was defining the charge of the ad hoc subcommittee mentioned earlier in the meeting. Commissioner Kaufman asked Commissioners for agenda items. If there were none, the meeting did not need to take place.

Director Iida said that an update would be provided on the Ad Hoc Kindergarten Readiness Subcommittee.

Commissioner Kaufman suggested placing resource mobilization on the agenda.

Commissioner Au also asked that a discussion take place on the questions raised by the Commissioners regarding Best Start Communities aside from the written report submitted by staff.

Commissioner Martinez suggested having a discussion on grappling the issue of whether the Commission should align its investments with the current strategic plan or do away with it. Commissioner Kaufman asked Director Iida to place this on the agenda for the October meeting of the Planning & Program Committee to give staff ample time to prepare for the meeting.


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

17. Public Comment

   None
ADJOURNMENT

The meeting was adjourned at 4:25 pm.

The next regularly scheduled Commission meeting will be on:

October 13, 2011 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.