COMMISSIONERS PRESENT:

Commissioners:
Nancy Au
Jonathan Fielding
Neal Kaufman
Alma Martinez
Gloria Molina (Chair)
Marv Southard (Vice Chair)
Evangelina Stockwell
Carolyn Wilder

Ex-Officio Commissioners:
Duane Dennis
Harriette Williams

COMMISSIONERS ABSENT:

Commissioners:
Jane Boeckmann

Ex-Officio Commissioners:
Deanne Tilton

STAFF PRESENT:

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

LEGAL COUNSEL:

Craig Steele, Attorney-at-Law

CALL TO ORDER / ROLL CALL:

1. Chair Molina called the meeting to order at 1:41 pm. Quorum was present.

CONSENT CALENDAR: (Items 2 – 3)

2. Approval of Commission Meeting Minutes – Thursday, July 8, 2010

M/S (Jonathan Fielding / Marv Southard) APPROVED AS RECOMMENDED


M/S (Jonathan Fielding / Marv Southard) APPROVED AS RECOMMENDED
COMMISSION:  (Items 4 – 11)

4. Announcements by the Commission Chair

Commissioners were reminded that due to the observance of Veteran’s Day on Thursday, November 11th, the regularly scheduled Commission Meeting will be taking place the following week on Thursday, November 18th.

5. Chief Executive Officer’s Report

RECEIVED AND FILED

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

- **State Budget** – California is in its 71st day of a budget impasse. Legislators continue to disagree on spending and revenue solutions to the $19 billion deficit. Many services and programs vital to young children are endangered by absence to an approved budget. Since July 1st, parents and childcare providers have contacted First 5 LA expressing their concern about the State’s deferred payments and the uncertain future of childcare services. Absent a State budget, many childcare centers stay afloat by accessing loans, but credit is tight and some agencies have had to close due to lack of funding.

- **Best Start Kick-Off Receptions** – CEO Martinez thanked Commissioners who attended and hosted the Best Start Kick-Off Receptions in July. The Kick-Off Receptions were aimed primarily at elected officials and grantees and designed to celebrate the selection of all 14 Best Start Communities.

- **Commissioner Forum** - First 5 San Bernardino hosted a Commissioner Forum for the Southern Region on August 12th in Ontario. The full day meeting provided an opportunity for Commissioners of the Southern Region to share and exchange ideas. Commissioner Dennis and CEO Martinez were in attendance. A follow-up meeting will be scheduled in the Fall at First 5 LA.

6. Receipt and Acknowledgement of the 2008-2009 Annual Report from First 5 California

Director Hause reported that the California Health and Safety Code stipulates under Sections 130150 (2) and 130150 (c) that the State Commission shall:

1. Prepare a written report that consolidates, summarizes, analyzes and comments on the annual audits and reports submitted by all of the County Commissions for the preceding fiscal year. This report by the State Commission shall be transmitted to the Governor, the Legislature and each county commission.

2. Make copies of each of its annual audits and reports available to members of the general public on request and at no cost. The State Commission shall furnish each County Commission with copies of these documents in a number sufficient for local distribution by the County Commission to members of the general public on request at no cost.
First 5 LA has received two copies of the 2008-2009 First 5 California Annual Report submitted to the Legislature and Governor. The report is available on the First 5 California website (www.ccfc.ca.gov) under the Media/Publications section and on the First 5 LA website (www.first5la.org).

RECEIVED AND FILED

7. Review and Adopt the First 5 LA Specifically Invested Portfolio Investment Policy

Director Hause reported that the Specifically Invested Portfolio Investment Policy must be reviewed annually. Any modifications to the policy require approval by the Board of Commissioners. The last review occurred on September 10, 2009, however no changes were made at that time. No changes are being recommended to the policy.

Commissioner Fielding asked what was the Commission’s rate of return on its investments. Director Hause responded that it was 1.55% through the LA County pool.

Commissioner Fielding asked if the Commission was obligated to invest in the LA County pool. Director Hause responded that the Commission was not obligated to use the LA County pool and could go outside the County to seek specified investments. Currently, staff does not feel that there is a good interest rate environment to diversify investments. Furthermore, Commissioner Fielding inquired what was the average maturity rate of the LA County pool. Director Hause responded that it approximately 535 days.

Given that the Commission has a sense of when it will be spending money, Commissioner Fielding asked if it would be possible to look at an investment schedule with longer maturity dates for investments to further increase the Commission’s rate of return. Commissioner Fielding asked that Director Hause further examine this issue and report back to the Commission.

Commissioner Williams asked if there was a consultant that assisted staff in making decisions regarding the Commission’s investments. Director Hause responded that there is no consultant currently on contract. Given the economic crisis, this may be considered as an option in the future.

CEO Martinez reminded Commissioners that an RFQ for a financial consultant had been previously completed. There were only two responses to the RFQ, who were both not willing to enter into a contract because both felt the market was too unstable. Given this, it was best to leave the Commission’s investments in the LA County pool.

Commissioner Williams asked if there was a consultant at the LA County pool level. Director Hause commented that the person handling the LA County pool investments is well respected.

Commissioner Fielding proposed the following amendment to the motion:

Direct staff to examine ways and report back to the Commission potential ways to increase the Commission’s rate of return on its investments with acceptable risk.
Commissioner Au further amended the motion by requesting that staff reassess the possibility of retaining a financial consultant to provide financial advice.

M/S (Marv Southard / Jonathan Fielding)  APPROVED AS AMENDED

8. Approval of Home Visitation Models and Implementation Approach for Best Start Communities

Director Nuno commented that in approving the Implementation Plan in June, the Commission approved a detailed plan related to the community capacity building component of the place-based approach. Likewise, the Commission also approved a direct service component though the details of this component were still in progress.

Taking into consideration the Commission’s concern that outcomes could not be demonstrated for direct service work, moving forward, the intent is to invest programs that are evidence-based.

A presentation was made by Dr. Deborah Daro, a national expert in the field of home visitation with extensive experience in the realms of policy development, program design and evaluation. The presentation highlighted the process that was utilized in developing the recommended home visitation models and implementation approach which incorporated feedback received from Commissioners.

Commissioner Fielding commented that he felt the report was well developed and carefully constructed. In terms of evaluation, it seemed that most of the measures focused on monitoring which was looking primarily at process. He felt that the measure should be looking at outcomes, even though evidence-based approaches were being used. Commissioner Fielding commented that the Commission needed to have outcomes in terms of key indices and cost-effectiveness of different programs.

Commissioner Fielding also commented that there are other sources of funding. Over 60 percent of the participants are Med-Cal eligible. Consequently, the Commission should work very hard to get Med-Cal to pay for some of these services. He stated that the Commission needed to look hard at leveraging opportunities to offset some of the costs.

Dr. Daro commented that other states have home-based interventions that are provided to Medi-Cal eligible women during pregnancy and at birth.

Chair Molina asked if Commissioner Fielding wanted to have the Commission undertake a policy change. Commissioner Fielding felt this was more of a programmatic decision by Medi-Cal at the State level.

Referring to Commissioner Fielding’s comments on cost-effectiveness of programs, Dr. Daro commented that through a randomized trial, the Commission could be able to see who was receiving services and the cost over long term. Director Jimenez commented that cost-effectiveness measures would be included in the evaluation component.

Commissioner Martinez commented that she did not see herself being supportive of spending $60 million to serve 30,000 people. At first reaction, this was not something
that she was comfortable with. Furthermore, Commissioner Martinez expressed concern over quality of programs.

Dr. Daro commented that the recommendation focused on different capacity levels of programs. The first year would be planning and capacity building, which would provide a more accurate representation of costs. There are also other sources of funding at the State level to support home-based intervention programs.

Commissioners were reminded that the recommendation was based on the Commission’s prior decision of having home visitation be the desired centerpiece of services in the 14 Best Start Communities. The potential cost being presented is the broadest possible over the next five years.

Commissioner Kaufman commented that it would be helpful for staff to model the approach showing a reasonable First 5 LA uptake rate and a reasonable uptake of what Medi-Cal could cover. The model should be laid out over a period of 5 and 10 years to see the total investment of First 5 LA and other matching fund components.

Commissioner Kaufman inquired if the Commission was going to establish an innovation fund to see if there are other ways, being faithful to the home visitation model, to provide services.

Commissioner Au reminded Commissioners of the allocations that were previously approved, referring to these “buckets” as a safeguard for what the Commission may commit to funding.

Commissioner Au also asked if there was flexibility within the implementation approach for those communities who were not receptive of home visitation programs. For instance, families may not be receptive to a second home visitation program since they may already be participants of the Welcome Baby! program. Dr. Daro commented that there was flexibility but also cautioned that the burden of two programs should not fall onto the existing program providing services. If there is a seamless transition, then families who are being served often see the home visitation program as another component of their existing program.

Commissioner Dennis commented that home visitation models did not cover certain populations such as the homeless. There was not much in the literature that addressed the transience of these families. He is concerned that special populations are not being considered.

Commissioner Williams asked if home births were being included in the home visitation models. Dr. Daro commented the assumption was that births would be taken place at hospitals. Commissioner Fielding commented that the numbers are very low in the selected communities but did agree that home births should be included.

Abstention from Voting: Jonathan Fielding

M/S  (Nancy Au / Marv Southard)  APPROVED AS AMENDED
9. Funding Request from the Los Angeles County Board of Education (LACOE) for the California State Preschool Programs (CSPP)

NOTE: Commissioner Stockwell recused herself from participating in the discussion of this item due to a conflict of interest.

Chair Molina reported that a letter from the President of the LACOE Board was received asking First 5 LA to examine the option of bridge funding for preschool programs in Los Angeles County that are being impacted by the State budget crisis. Representatives from the LACOE Office were in the audience to answer questions from Commissioners.

Legal Counsel Steele advised Chair Molina that the Commission was not allowed to provide bridge funding but could provide a loan. This would avoid the supplantation of state funds.

Chair Molina commented that there was not enough information for the Commission to make a decision. The funding amount needed was not known since out of the 26 preschool programs, not all were in partnership with LACOE.

Commissioner Martinez commented she would need a guarantee or some type of collateral at the table before starting the conversation on how First 5 LA could provide bridge funding.

Commissioner Williams suggested having a pool of funding be available to either the Operations Committee or the CEO to make decisions as the information needed was received.

Commissioner Wilder inquired what services were provided to students for the estimated $2.2 million per month. It was clarified that 7,300 students were served through preschool programs at a cost of $25 each per day, totaling approximately $4 million per month.

Commissioner Southard asked LACOE representatives to report on what mechanism would be created to distribute funding to the agencies with preschool programs, as LACOE did not have an ongoing relationship with all 26 programs. As this information was unknown to the LACOE representative, they would follow-up and report back to the Commission.

Commissioner Dennis suggested that the Commission develop a universal loan structure that not only includes LACOE but other community-based childcare providers who receive State funding.

Commissioner Fielding commented that he was upset about kids not getting services but was also concerned about the Commission becoming the sole funding source for requests of this nature.

To clarify the discussion, Chair Molina summarized the following key points:

1. The exact amount of funding being requested was unknown;
2. It was unknown who the Commission could contract with because it would have to be through LACOE and LACOE does not have direct contracts with all the affected childcare providers in Los Angeles County;

3. The Commission could only consider a loan option but there would need to be a guarantee for repayment of the loan; and,

4. LACOE was not the only childcare provider that is not receiving State funding; there are other community-based childcare providers.

Chair Molina commented that a better pathway was needed. She appreciated the letter that was sent by the President of the LACOE Board but feels that the burden should not be solely placed on First 5 LA.

Chair Molina asked the LACOE representatives to meet with their Board. The only way for First 5 LA to create a pathway for a loan mechanism would require LACOE to guarantee repayment. Furthermore, Chair Molina commented that she would be willing to call a special meeting of the Commission to take action, if necessary.

Commissioner Fielding commented that First 5 LA had a fiduciary responsibility. Furthermore, he expressed concern over this type of request not being part of the Commission's strategic plan.

It was the consensus of the Commission that LACOE provide additional information, as requested, and that a special Commission Meeting would be scheduled to address this issue, if necessary.

10. Countywide Augmentation of the FY 2009-15 Strategic Plan

CEO Martinez commented that the discussion on Countywide augmentation was intended to expand on the Commissioners’ conversation that took place at the Special Planning Committee Meeting of August 19th with the objective of establishing a common understanding and agreement among Commissioners whether or not to move forward with the Countywide augmentation. If the Commission is moving forward with the Countywide augmentation, there is a need to affirm the objectives identified at Special Planning Committee Meeting. This would be the first step in being able to narrow the strategies so it could be determined what the funding amounts were going to be and what those timeframes should reasonable be.

As background, CEO Martinez commented it was important to highlight that today’s conversation arose when the Commission expressed an interest in increasing the amount of funding going out in the first year. At a recent Commission Meeting, Commissioners were concerned that the initial year budget did not seem to be as expansive as it could have been. In response to the expressed interest to increase the level of the Countywide funds going out in the first year of strategic planning, there have a series of conversations between staff and Commissioners.

Commissioners were reminded that the strategic plan context aligns direct services and community capacity building with the place-based approach and the system change align with the Countywide strategies. Another factor in this Countywide augmentation conversation was the Commission’s adoption of the five-year plan including designated funding for the Countywide and place-based strategies. If the Commission decides to
Augment the Countywide budget for the first year, staff will need more clarity on the funding and timeline horizon for the strategies that will be selected using the objectives being presented today.

A staff presentation was made highlighting the five objectives that were agreed upon at the Special Planning Committee Meeting by those Commissioners who were present.

Commissioner Au commented that the reason for the augmentation discussion resulted from some Commissioners feeling that a larger amount of initial funding be allocated for the Best Start Communities. When she looked at the objectives that were presented, she became confused in that these objectives were not new and that some of the activities went beyond the first year.

Commissioner Dennis commented that the cost allocation for the first year of strategic planning was conservative taking into the consideration the total amount of funding for Countywide strategies. Commissioner Dennis also commented that if the Commission was to do an augmentation, if should be done within the “buckets” agreed upon in the Countywide strategies to avoid systemically changing a lot of the organizations to gear up. He also commented that he did not believe that the Countywide strategies allow for direct services. This was not the intent nor was the framework of the place-based approach that was designed. Under the place-based approach, organizations would develop direct services and the Countywide strategies would support systems change for those direct services. Commissioner Dennis commented that he was satisfied with the “buckets” but felt there was too little money in each one.

Commissioner Martinez commented that all Commissioners agreed upon spending more funding and in a quick way. She also said that there was a sense of being more agile, entrepreneurial and innovative in getting things done quickly. Commissioner Martinez did state that there was no consensus reached on the type of activities to take place.

Commissioner Au commented that she would be supportive of augmenting more funding to those things that the Commission has done well such as the leveraging of ARRA funding.

Commissioner Fielding commented that when the strategic plan was developed, given the funding limitations, the priority was determined to be a place-based initiative supported by a number of Countywide strategies. These strategies were not just to help the place-based approach but also to broadly help the County. Subsequently, there has been an impulse that there is a lot more funding available and why is this funding not being allocated. Commissioner Fielding commented that to him, this meant going back and looking at the strategic plan, based on a different set of assumptions, and determining to what degree might it be changed in order to meet the potential of augmenting resources. Commissioner Fielding commented that the Commission should be open to changing the strategic plan and to place some of the additional funding into Countywide strategies and direct services given that only 20 percent of the 0-5 population is being reached out with the place-based approach. He would like to see programs that can reach out directly to this population. While Commissioner Fielding was open to revising the strategic plan, he felt it was a five year process.

CEO Martinez commented that staff was seeking direction from the Commissioners on the type of activities they would like to be part of Countywide strategies. Staff had
made recommendations in June regarding workforce development and the Commission was not fully receptive of the staff recommendations.

Commissioner Stockwell commented that she did not agree with Commissioner Fielding about revising the strategic plan. She felt too much time, effort and work had already been invested.

Commissioner Dennis commented that it was incongruent for the Commission to move toward Countywide direct services. He did agree with Commissioner Kaufman in that there is an opportunity to expand on the “buckets” in the Countywide strategies. Commissioner Dennis felt the strategies were too conservative, especially resource mobilization, data collection and workforce development. Commissioner Dennis also felt it would be incumbent and advantageous for the Commission to draw down on some of the additional funding. Politically, he felt it would not be to the Commission’s benefit to have a lot of money unallocated.

Commissioner Dennis strongly suggested that the Commission reassess the Countywide “buckets” and seek to expand financially with the direct intent to expand the degree to which the Commission could provide those Countywide systems changes to support the place-based initiatives. There was no place in this discussion for direct services at a Countywide level.

Commissioner Williams commented that what occurred at the Special Planning Committee Meeting of August 19th was heavy advocacy. Each of the Commissioners had their own pot of prejudices based on personal interests—workforce development, direct services. Commissioner Williams agreed with Chair Molina that funding cannot be allocated and later deciding on how it should be spent. She felt that each activity needed to have an allocation attached to it.

Chair Molina asked the Commissioners to come prepared to the next meeting with proposed motions and specific activities to provide staff with direction. She encouraged Commissioners to stay within the realm of the strategic plan.

Commissioner Kaufman asked for clarification on process. Specifically, if Commissioners could write a position paper on a specific concept. Chair Molina commented that each Commissioner would have the opportunity to make a motion, have a discussion, and a vote would be taken.

For clarification, each Commissioner will provide his/her own motion and supplemental materials, as appropriate, for distribution to the Commission. CEO Martinez commented that a template would be sent to all Commissioners outlining what needed to be included in their report. In addition, Commissioners would be notified of the deadline for submitting materials that are to be included the packet for the Commission Meeting of October 14th.

11. Public Comment

Kathy Malaske-Samu, Office of Child Care, Los Angeles County

ADJOURNMENT
The meeting adjourned at 3:58 pm.

Chair Molina announced that Commissioners met in a Closed Session prior to the Commission Meeting. There is no reportable action.

The next regularly scheduled Commission meeting will be on:

October 14, 2010 at 1:30 p.m.
Multi-Purpose Room
750 N. Alameda Street
Los Angeles, CA 90012

Meeting minutes were recorded by Maria Romero.