

SUMMARY ACTION MINUTES

APPROVED: 01-10-13

FIRST 5 LA

SUMMARY ACTION MINUTES
Commission Meeting
November 8, 2012

COMMISSIONERS PRESENT:

Commissioners:

Nancy Au
Philip Browning
Jonathan Fielding (Vice Chair)
Sandra Figueroa-Villa
Neal Kaufman
Marv Southard
Sylvia Swilley (Alternate)
Zev Yaroslavsky (Chair)

Ex-Officio Commissioners:

Patricia Curry
Arturo Delgado
Duane Dennis
Deanne Tilton

COMMISSIONERS PRESENT:

Commissioners:

Jane Boeckmann [Excused]
Antronette Yancey [Excused]

STAFF PRESENT:

Yolanda Bosch, Chief Administrative Officer
Antonio Gallardo, Chief Program Officer
Elizabeth Iida, Director of Program Development
Raoul Ortega, Interim Finance Director
Maria Romero, Executive Assistant
Craig Steele, Interim Chief Executive Officer

LEGAL COUNSEL:

Nancy Takade, County Counsel

CALL TO ORDER / ROLL CALL:

1. Chair Yaroslavsky called the meeting to order at 1:34 pm. Quorum was present.

CONSENT CALENDAR: (Items 2 – 3)

2. Approval of Commission Meeting Minutes – Thursday, October 11, 2012

**M/S (Jonathan Fielding / Neal Kaufman)
WITH NO DISCUSSION OR OBJECTION,
THE ITEM WAS APPROVED**

3. Approval of the Monthly Financial Statements for the Month Ending September 11, 2012

Interim Finance Director Ortega presented the monthly financial statements for the month ending September 30, 2012. He reported the financial statements represented a soft close and are unaudited.

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

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COMMISSION: (Items 4 – 13)

4. Announcements by the Commission Chair

Chair Yaroslavsky reported that the Commission met in Closed Session prior to the Commission meeting. The Commission took no reportable action.

5. Interim CEO Report

The written report was received and filed as submitted. In addition to the written report, the following items were highlighted:

- **Commission Agenda** – Item 7 will be continued to the next meeting of the Commission. At the suggestion of Commissioner Kaufman, Item 12 will be addressed prior to Item 9, as they both relate to the same subject. Item 12 is an introduction of Item 9.
- **Bylaw Amendments** – Proposed bylaw amendments were submitted to the Commission for consideration. Per the bylaws, a 21-day notice is required. The proposed amendments are the changes that are necessary as a result of the actions the Board of Supervisors took earlier in the year to change the composition of Commission adding the Director of the Department of Children & Services to the voting membership and making changes to the ex-officio members. The Commission will be taking action on the proposed amendments at the Commission Meeting scheduled for November 29.
- **Commission Alternates:** Commissioner Browning has appointed Helen Berberian as his alternate on the Commission.
- **Electronic Agenda Packet** – The Commission is moving toward an electronic agenda packet. Electronic agenda packets will be fully available and launched in December.
- **Commission Meetings** – The Commission will be meeting on November 29 and on December 12. Both meetings will be held at the regularly scheduled time, 1:30 pm – 4:30 pm.

Commissioner Kaufman presented a plaque to Chair Yaroslavsky for his service to the Commission during the past year. Commissioner Kaufman praised Chair Yaroslavsky for his leadership during challenging times, resulting in the hiring of a new Executive Director. Commissioner Kaufman also thanked Lisa Mandel for all of her work during the past year.

Chair Yaroslavsky thanked the Commissioners for an interesting and productive year. The Commission is poised to take the organization to new levels of achievement and excellence with the new Executive Director. The hiring of the Executive Director was an incredible collaborative process among all Commissioners. He thanked Lisa Mandel for the outstanding job that she did over the past year. Lastly, Chair Yaroslavsky thanked Craig Steele for the masterful job that he did during the past year—juggling many issues while looking for a new Executive Director and working with staff.

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6. Authorize Staff to Complete the Final Contract and Execute the Contract Upon Approval of NOFA Projects by the Commission and Approve Resolution 2012-12 adding \$24,850,000 to the FY 2012-13 Program Budget for the Permanent Supportive Housing Countywide Initiative Line Item

Chair Yaroslavsky commented that when the NOFA on the homeless children project was made public, several months ago, he asked the County's Community Development Commission (CDC) staff help with the NOFA, evaluations, and professional expertise that First 5 LA did not have in the housing field. He thanked the CDC for the work they have done without a contract and without any guarantee of a contract. The contract approval before the Commission would designate the CDC to administer the NOFA, once the awards were made, so that the Commission would not have to scale up its own housing division. The CDC was very good and would be responsive to what the Commission had directed in the NOFA. The NOFA funding recommendations would be made at the Commission meeting on November 29.

Interim CEO Steele commented that this was the second of four very important steps. The first step was the Commission approving the initiative and allocating the funds. This second step was the contract to administer those funds. The third step was the Commission awarding the grants for those funds. The fourth step was getting those funds out to the community and turning First 5 LA dollars into housing and services for children 0-5 and their families who are homeless.

The purpose of this contract is to get those funds to the community as fast as possible through an organization that has the expertise to do it. The three pots of money that the Commission designated in the NOFA (services, gap funding, capital funding) required a level of expertise to administer and a longevity of administration that First 5 LA was not capable of providing with current staff. Given this, it was decided early on that First 5 LA needed to reach out to the experts in this field at the County, such as the CDC, and ask to partner with them. Under this contract, once the Commission decides to award the approximately \$22 million that is currently allocated for services and housing units, First 5 LA will turn those dollars to CDC for the technical, legal and administrative steps that need to be taken to get them to the community.

First 5 LA does not have the capacity, for example, to contract with affordable housing developers and to enter into the kinds of covenants and loan agreements that need to be done quickly to produce these units. First 5 LA does not have the capacity to work with the service providers and property owners to make sure that there is a synergy that happens between moving folks into affordable units and making sure they get the supportive services they need. This arrangement puts the CDC in charge of that process. It is a contract that is five years in technical term; in reality, it is a contract that goes much farther into the future because some of the funding agreements to be executed under this initiative are 30, 45 or 55 years long, depending on the nature of the housing units that are being provided. First 5 LA certainly does not have the capability to commit to monitoring contracts for 55 years into the future; the CDC does because that is what they do. Given this, this was the most efficient way and most economical way to get the funding out to the community.

Under this contract, the CDC is entitled to \$2.3 million in compensation for all of the services provided throughout the life of this project. This is not an ongoing type of

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compensation. The CDC is agreeing to handle all of the administrative duties outlined in the scope of work for the life of the initiative.

The administration of the funds is unclear until the Commission awards the funds for the next three weeks. When the funds are awarded, it will be known which silos of money the funds will be divided into and what types of agreements they will be administering on behalf of the Commission.

Vice Chair Fielding expressed his support for contracting with individuals who have the expertise needed to carry out the initiative. He stated he had three specific questions regarding the scope of work and budget.

In the project and personnel budget, there was not one full CDC staff person funded for the project. Given the complexity and the size of the project, he was simply concerned that there should be at least one full-time project manager as the “go to” person for communication and coordination with First 5 LA and other stakeholders. In response, CDC representatives commented that there was no one particular central project person who would take care of everything. There are two distinct types of projects: (1) services and (2) capital housing. Internally, the projects fall within two divisions to work out monitoring and administering the grants and contract agreements. Because of the level of involvement in the project to date, one of the key contact people would be Pansy Yee. Also, identified in the budget documents was a fiscal liaison.

Vice Chair Fielding asked what percentage of time was Ms. Yee listed for under the contract. Based on the documents submitted, Ms. Yee was budgeted at five percent.

Interim CEO Steele commented that one of the reasons why this arrangement made a lot of sense was because no ramp up time would be required that a lot of the initiatives have because staff existed, the resources existed, and frankly, because this was not a particularly challenging project for CDC to take on in terms of the scope of things that they do County-wide already. The CDC was able to absorb what First 5 LA was trying to do in a short period of time because they did not have to bring on a lot of additional staffing or create new mechanisms within the organization.

Vice Chair Fielding pointed out there were 16 CDC staff funded at or below five percent. Some of the staff were funded at two percent and others at three percent. This may be how people struggled with the Commission’s indirect costs limitations as the Commission limits such costs to 10 percent of all personnel costs. He wondered whether there would be the attention and coordination required of this project with things being so spread out among some many people. Vice Chair Fielding commented that if Interim CEO Steele felt it was appropriate, then he would accept it as such.

Interim CEO Steele stated that he felt it was appropriate. He based his decision on track record. This is a long standing function of CDC that has been performed for a lot of public entities throughout the County.

Vice Chair Fielding referred to page 120 of the meeting packet and stated that it appeared the Commission was funding \$88,755 to consultants to review 32 applications, approximately \$2,700 per application. One consulting agency was being awarded \$22,941 for reviewing one application with subsequent work, while another consulting agency was being awarded roughly \$28,000 for reviewing 19 applications with

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subsequent work. Vice Chair Fielding asked if this was correct and if staff could explain this to him. Ms. Yee responded that the amounts were correct. The first consultant was also a partner of CDC during the preliminary discussion in the workgroup. This consultant has already billed the CDC for that work and it amounted to over half of the \$22,000 line item. Vice Chair Fielding asked for further clarification as this consultant was only going to review one application.

Interim CEO Steele commented that the Commission would be paying for work that has already been done. Vice Chair Fielding acknowledged this and said that the consultant would still be getting paid approximately \$14,000 for reviewing one application as opposed to getting paid \$2,700 per application review for the other consultants. Vice Chair Fielding commented that this was not egregious but that it just stood out. Interim CEO Steele thanked Vice Chair Fielding for flagging this and staff would re-evaluate the numbers.

Commissioner Dennis said that he was familiar with what CDC did as it related to housing. Homeless families not only needed housing but also childcare, mental health services, and substance abuse service. He asked how the CDC was equipped to address those supportive services. Ms. Yee responded that on the housing side, every application was required to provide a supportive services plan. That was typical of affordable housing. There was no affordable housing in the last 15 years that CDC had sponsored that did not have a supportive services plan that was submitted with the application. On the operations side, the providers were to certify that they were adhering to that service plan.

Commissioner Au commented that \$25 million was relatively small in terms of the bulk of the work that the CDC does for the County. She commented that because of the many existing projects that have a similar kinds of requirements, it seemed that First 5 LA's investment was more of an enhancement or expansion of existing projects. Commissioner Au asked if this was correct and if this was why the staffing requirements were as robust or single standing in terms of this particular project. Ms. Yee responded that staff has had experience underwriting and managing affordable housing projects for a long time. There are commonalities among affordable housing projects that such staff was used to dealing with. Those commonalities also run through the First 5 LA projects. The First 5 LA projects were unique in a number of ways that made them distinct; so staff would be dealing with those distinctions as contracts were administered, as construction goes through, to ensure that tenants that come into the project were the target population that was stipulated in the original NOFA. This was true for almost any pot of money that the CDC receives. There are variations on the theme. For instance, during normal times, when the CDC has adequate monies from the Redevelopment Agency and HUD, on the federal level, there have been commonalities in terms of what kind of housing was produced but there are also distinctive differences in how the housing was funded. The CDC is good at keeping clear what those distinctions are and recognized that First 5 LA had specific distinctions as well. The CDC, through its abilities and experience, was used to dealing with such distinctions and differences.

Commissioner Kaufman asked about the reporting frequency back to the Commission from the CDC. He asked if there were benchmarks. Interim CEO Steele responded that reporting would be done quarterly initially, with an annual report for a period of five years. After five years, it would be on annual basis.

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**M/S (Nancy Au / Jonathan Fielding)
WITH NO DISCUSSION OR OBJECTION,
THE ITEM WAS APPROVED**

7. Modify Income Eligibility for Healthy Kids to Children Living at or Below 400% of the Federal Poverty Level (FPL) from Current Income Eligibility Which Includes Children Living at or Below 300% FPL

This item was continued to the next meeting of the Commission.

8. Family Literacy LAUSD Grantees and Partnering Sites

CAO Bosch reported that the agenda item for consideration was regarding the Family Literacy Initiative, specifically LAUSD grantees and agencies that partner with LAUSD. Staff was recommending the approval of additional funding in the amount of \$318,624 for 10 Family Literacy grantees to continue full implementation of their program for the months of January through June 2013. In addition, to accommodate a shortened timeline, staff was requesting authorization to execute these grant amendments without the need to come back to the Commission for Consent Calendar approval.

A quick background on the initiative was provided by staff. Since 2002, First 5 LA has invested \$41 million in family literacy programming throughout the County. Currently, there were 19 family literacy programs, and one technical assistance provider (Family Literacy Support Network). The Family Literacy Initiative involves a family-focused service approach that includes four key components.

- 1) Adult education
- 2) Early childhood education
- 3) Parenting education and training
- 4) Intergenerational literacy activities for parents/caregivers and children

At the Commission meeting of May 2012, a motion was approved to extend funding for the current 19 family literacy grantees until June 30, 2013. This motion highlighted possible state and district budget cuts to adult education and also stated that First 5 LA's staff would return to the Commission once the extent of the cuts were finalized at the start of the new school year. In August 2012, staff had several conversations with LAUSD staff who informed First 5 LA that the budget cuts would indeed impact adult education. LAUSD would be reducing the number of adult education sites, impacting their family literacy programs. As of right now, LAUSD provides adult education as an in-kind resource for the family literacy programs.

Staff's recommendation was informed by requests from the affected grantees, LAUSD and their partnering sites, the Commission decision of May 2012 to continue funding this initiative through June 2013, and the evaluation findings that emphasized the importance of four integrated components in family literacy programs, including adult education.

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Staff recommended the approval of the following components:

- A. Approval of additional funding in the amount of \$240,000 for six (6) LAUSD Family Literacy grantees to maintain programs at full implementation for the months April through June 2013.
- B. Approval of additional funding in the amount of \$78,624 for four (4) partnering LAUSD Family Literacy grantees to fund eliminated staff positions for the months of January through June 2013.
- C. Authorize staff to execute grant amendments with relevant grantees. This approval would preclude grants from returning to the board for consent calendar approval to accommodate a shortened timeline.

There would be no fiscal impact to the FY 2012-13 Program Budget. Any increase in expenditures would be absorbed by unspent dollars from the initiative's overall budget.

Staff reviewed a slide with grantee information that represented a breakdown of the requested funds.

- There are six LAUSD family literacy grantees. Currently, each are funded at \$90,000 for a total of \$540,000 through March 30, 2013. LAUSD has requested additional funds, in the amount of \$40,000 for each site, for a combined total of \$240,000. The additional dollars would go towards funding staff at each site for the months of April, May and June 2013.
- There are four family literacy grantees that partner with LAUSD for the adult education component. As a result of LAUSD's adult education budget decisions, these four sites have experienced a reduction in adult education and ECE classroom aides assigned to family literacy programs. The additional \$19,656 for each of partnering sites equal a combined total of \$78,624 which allows these grantees to restore on-site adult education to their family literacy programs, making adult education more accessible to their participants.

The additional funding would not necessarily increase the number of families served, but rather ensure grantees are able to meet proposed target numbers as well as offer participants a complete four-component family literacy model.

Commissioner Figueroa-Villa asked who were the six LAUSD grantees. Staff responded that the grantees were Huntington Park, Harbor 15th Street, Harbor Meyler, West Valley, Westside Shenandoah, Garfield.

Commissioner Dennis stated he was in full support of the staff recommendation but asked staff to look at the impact the passage of Proposition 30 would have on those services that LAUSD provides for children 0-5. He said this analysis would help frame some of the work the Commission would be doing in working with LAUSD because the passage of Proposition 30 would fill some of those gaps the Commission has dealt with as a result of budget cuts over the last three years.

Vice Chair Fielding commented that family literacy was a good program but it was an expensive program as well. Although he would be voting in support of the staff recommendation, he wanted to express his concern, as he has done so in the past, about

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the cost per family and the fact that it is very hard to make this a very broad program because of that.

Commissioner Kaufman commented that in terms of family literacy, the Commission has supported that program for quite a number of years with a significant investment, has good evaluation data, knowing that it was at a high cost per individual. He asked staff if any data had been published in peer reviewed journals for this program or any of the other First 5 LA programs. At some point, as he has been asking almost every month, he would like to get an update of all the different publications and presentations that have been made so that the Commission can begin to see how information has been disseminated.

Public Comment:

Rosie Pike, North Valley Caring Services
Ivette Pineda, North Valley Caring Services

**M/S (Neal Kaufman / Nancy Au)
WITH NO FURTHER DISCUSSION OR OBJECTION,
THE ITEM WAS APPROVED**

12. UPDATE: Program & Planning Committee

Dr. Kaufman shared the slide presentations that had been presented at the Program & Planning Committee meeting of October 25 where two major discussions took place: (1) Best Start Family Strengthening Implementation, and (2) LAUP FY 2011-2012 Performance.

Commissioner Au commented that she was pleased to see how the universal assessment piece has been integrated in terms of the point in which the Commission would be able to plug in the Welcome Baby! component as well as having hospitals jump on board and becoming Baby-Friendly Hospitals that encouraged breastfeeding. She applauded staff for moving forward in trying to “connect the dots.” These programs have been funded separately but the connection has been made in these crucial and very important components.

Vice Chair Fielding applauded the staff effort. He stated the cross-connectivity was really important. For example, he would like to see Welcome Baby! include information on the new LA Moms project which was funded by the Department of Public Health Obesity Grant to help mothers maintain a healthy weight during and after childbirth and through the next pregnancy. Vice Chair Fielding also commented that he thought it was important to make sure the referrals were efficient as possible, since it was his understanding from home visits that there were lots of needs. Finding a way to harmonize these two functions, one very specific to the Commission’s scope and the other broader scope, was extremely important. He asked for a report of this at a future time.

Commissioner Southard asked if there were specific needs for a referral that have come to Vice Chair Fielding’s attention through this process. He asked because there were other initiatives through First 5 LA’s portfolio on substance abuse and other things that the Commission could, perhaps connect, and maybe get synergy across those.

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Vice Chair Fielding responded that he did not have enough of the details but did know that 211 may be a more cost-effective way and it was worth looking at. He said the needs were quite varied.

Commissioner Kaufman said the assumption was whether a pregnant women was discovered or identified during pregnancy; and, therefore, eligible for the Family-Nurse Partnership intensive home visiting program or an additional referral was needed for substance abuse or any other service. Certainly, there would be a universal assessment at the birthing hospital and the expectation was that approximately 30 percent of those babies would be put into an approved intensive home visiting program. Others will just get a few visits to see how they are doing.

Commissioner Southard said he was particularly concerned about the peri-natal and post-partum depression issues and the opportunity for a strong linkage build.

Vice Chair Fielding commented this would be an opportunity for staff to be speaking to the contractor and seeing if there were, in fact, linkages that needed to be strengthened.

Commissioner Kaufman said that some work had been done for insurance companies to pay for some of the home visits if there was a medical basis. The Best Family Strengthening was really a family strengthening approach where individual families, mothers, fathers, pregnant women or newborn babies would be assessed and receive the referrals. The program was emphasized more in Best Start communities but it also served babies that lived outside the Best Start communities. Through the various First 5 LA programs such as Universal Assessment of Newborns, Home Visitation, and Welcome Baby!, there has been an approach to pulling resources with a significant proportion of the vulnerable population being served.

9. Approve Increase to the FY 2012-13 Contract Authority for the Best Start Family Strengthening Welcome Baby Component by \$4,633,500 for a Total Contract Authority of \$5.9 Million

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

10. Receive and File Report of LAUP's Performance Against the FY 2011-2012 Outcome Targets; Approve Recommended Changes to First 5 LA-LAUP Master Agreement

Commissioner Kaufman commented that at the Program & Planning Committee of October 25. a presentation was made on the LAUP performance contract. It has been several years since the Commission has had a performance based contract with LAUP. The presentation detailed the great work that LAUP has done, identified challenges in meeting some of the goals, such as fundraising, and also identified a few of the technical goals. In general, everyone was pleased with the performance of LAUP.

Director Iida reported that staff was seeking approval to receive and file LAUP's performance against its FY 2011-2012 Outcome Targets and approve recommended changes to First 5 LA and LAUP's Master Agreement.

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LAUP's Performance Based Contract has been in place since FY 2009-2010, and included seven outcomes, 19 targets and process milestones which LAUP was expected to meet. The targets and process milestones were negotiated and established annually. The contract also included a Performance Incentive Fund, which allowed LAUP to retain any authorized unexpended budgeted funds from the previous year; contingent upon achieving designated performance measures. More information about the Performance Incentive Fund was provided in Attachment B on page 171 of the meeting packet.

Attachment A on pages 167-170 of the meeting packet listed LAUP's actual Performance against each of the 19 outcome targets. Also included was comparative performance data from prior fiscal year, written in italic, where such data existed.

LAUP met or exceeded 15 of their 19 targets. These were in general categories of pre-school operations and child development. For example, in operations, these were Outcomes 1 and 2 (access, enrollment, and attendance); Outcomes 4 and partially Outcome 6 (cost-effective quality services); and Outcome 5 (evidence-based best practices and lessons learned). In the area of child development, these were in Outcome 3 (language and cognitive development). LAUP also continued to progress in changing public will/public policies towards universal preschool, which was Outcome 7.

The four targets, which were not met, included: one child outcome (literacy development); two parent engagement outcomes; and, one operational outcome related to fundraising.

The literacy development target related to gains in the number of letters children were able to recognize between the beginning (Fall) and end (Spring) of the preschool year. Not as many LAUP children showed gains over the school year as targeted. Possible reasons for LAUP's underperformance maybe due to ceiling effects. Reviews of LAUP's three most recent cohort of children's test results on the Rapid Letter Name test at entry appear to suggest that more children have been entering LAUP classrooms recognizing more letters; hence, the amount of growth to be made during the school year was limited.

The second and third unmet targets were in the area of parent engagement opportunities provided by family childcare and center-based LAUP providers. LAUP would be further evaluating their providers' parent engagement programs to better understand their shortfall in this area and would make ongoing improvements based on evaluation findings.

The fourth and final unmet target was LAUP's funding match of \$750,000. Of this target, they raised almost \$560,000 (\$557,291).

Overall, LAUP's FY 2011-12 performance showed they did well in many areas. And, since some of their targets which they met/exceeded were also those in their Performance Incentive Fund, LAUP would be able to receive 80% of their FY 2011-12 unspent funds. The exact dollar amount was currently being determined by First 5 LA and LAUP staff.

The sustainability of LAUP's program model, however, remained a concern. Therefore, LAUP would need to work on improving their fundraising efforts as well as their

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ongoing work in building public will, as LAUP's future ability to provide fully-funded preschool seats was dependent upon securing a long-term funding source.

The second part of this action item was to approve changes to First 5 LA and LAUP's Master Agreement. As part of LAUP's effort to increase their fundraising capacity, LAUP was requesting to change the number and composition of their Board. This request required modifying the section of the Master Agreement that relates to Board members. The specific revisions to the LAUP Board of Directors bylaws are noted on page 165 of the meeting packet and include the following:

1. Making the total number of board members to a minimum of 14.
2. Revising the requirement of members with preschool/early education experience to education;
3. Removing all ex-officio designations and making the LACOE Superintendent a voting member.

Approval of these two items has no fiscal impact on LAUP's current fiscal year program budget. It would allow staff to file LAUP's FY 2011-12 performance against their outcome targets and revise the Master Agreement to reflect the aforementioned changes regarding LAUP's Board of Directors.

Commissioner Au if LAUP was continuing to pursue a ballot initiative given the negative outcome of Proposition 38, which has a component to fund preschool imbedded within it. Dr. Celia Ayala (LAUP CEO) responded that unfortunately Proposition 38 was defeated. Based on these results, there was a group working with the Board of Supervisors and stakeholders to continue work on placing a proposition locally. At a state level, there was some interest among those office that had PoP (Power of Preschool), the California signature program. However, Dr. Ayala believed that there was not sufficient organization for it to become a state initiative. LAUP was looking to 2016 for the ballot initiative as targeting 2014 was not good due to the economy. Some polling has been done and more polling would be done by the end of January to look at the likelihood and timeliness of a new proposition for the County election, as that would be the only proposition providing dollars for the 0-5 population.

Regarding parent engagement, Commissioner Au asked if LAUP had a preliminary understanding as to why the providers did not meet the goal. In her view, parent engagement was critical in the early years in terms of getting of parents truly involved as the children's first teachers. Dr. Ayala responded that it was sometimes difficult to engage parents because many of the LAUP parents work two jobs; and there were issues with transportation and childcare. Primarily, what it comes down to, based on the research, was that when the parent survey was conducted by Mathematica, it was early in the school year. If data was used from the end of the year, LAUP would have met that threshold. The timing affected the survey. LAUP believes that at the preschool level is where parents first come in contact with an educational institution, so it is most appropriate to do anything and everything to get parents involved. With that said, there were now more people that were aware of First 5 LA programs, whether it was through the literacy program, school readiness and in conjunction with programs like LAUP, there were more parents that were becoming aware of the importance of their involvement. LAUP would continue to reach out to parents at a time and place that was convenient for parent engagement to happen.

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Dr. Sharon Murphy stated that something that was being explored was a survey that providers were filling out and there was a list of parent engagement opportunities. The existent list was being further explored to determine if it was a comprehensive list, one that was helping prompt providers how to respond. LAUP was using this as an educational opportunity by going to their coaches and seeing if this could be an opportunity to educate providers on various strategies.

Commissioner Dennis said that LAUP has been around for 10 years and the Commission needed to speak to the issue of kindergarten readiness. The degree to which the children who were in LAUP test for kindergarten readiness; and, most importantly, third grade reading levels. He asked if the Commission was able to suggest that the children who were in LAUP at third grade were able to read at level. These are key indicators in terms of effectiveness.

Furthermore, Commissioner Dennis commented he was impressed with the accomplishments of LAUP and believed the accomplishments were significant. Secondly, as the conversation focuses on sustainability, propositions have been talked about during the last three or four years. However, there is a two-year cliff as LAUP was only funded through 2016. Commissioner Dennis encouraged the Commission to engage in conversations about the commitment the Commission has around universal preschool, if there was no proposition. He stressed that the planning needed to happen now rather than later, given this was the largest single investment. The Commission should not look at sustainability as just a responsibility of LAUP but a joint effort of the Commission and the LAUP Board to seriously talk about that issue.

Commissioner Delgado commented that as a member of the LAUP Board, the discussions at the Board level centered on the notion of trying to sustain LAUP's own programs. He assured the Commission that LAUP was very conscious of sustainability and discussions were taking place related to efforts to raise additional funds. Additionally, LAUP qualified for the Race to the Top money and did expect that additional funds would more than make up for some of the shortfalls of this year. LAUP was looking forward to a banner year next year. Commissioner Delgado commented that the LAUP Board was making every effort and that when reporting to the Commission, such reporting was positive and would make the Commission proud of the work that LAUP was doing. Furthermore, Commissioner Delgado agreed with the critical issues identified by Commissioner Dennis regarding kindergarten readiness and third grade level reading which LAUP does help with.

Commissioners Dennis said that there needed to be a Plan A and a Plan B for the sustainability of LAUP. Since his tenure on the Commission, Plan A has been a ballot initiative. In the event that an initiative is not passed, a Plan B needed to be in place and for which the Commission needed to be involved. The conversations and strategies needed to start now.

Commissioner Kaufman agreed with the comments made by Commissioners Dennis and Delgado and looking to the future for sustainability. Given that the LAUP Board was a Brown Act governed Board, he was somewhat surprised that the size of Board was being increased to try to identify additional fundraising people. Another model would have been to make a smaller governing Board and to have a "Friends of LAUP" which many governmental agencies and others do. Commissioner Kaufman said that he was not sure he liked the idea of increasing the LAUP Board membership. While LAUP was an

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independent entity, the Commission did have oversight responsibility. He asked for an explanation regarding the proposed expansion of the LAUP Board membership. Based on past experience, LAUP lost several Board members because they did not want to fill out financial disclosure forms as they felt uncomfortable.

Dr. Ayala responded that, currently, there was a 13-member Board of which five were appointees from the Board of Supervisors. The issue was that appointees were not expected to be fundraising Board members. There are two parent Board members that also have limitations to fundraising. Because of this, the number of Board members who can fundraise was small. For LAUP, they were requesting a minimum of 14 Board members with discussion still taking place on the final number. LAUP wanted to explore this possibility with approval from the Commission first because if more than \$750,000 was to be raised, LAUP could not afford to hire additional staff and Board members were needed to help.

Commissioner Kaufman said that he fully understood the math but as a non-profit organization, he could understand having different bodies to fundraise. However, LAUP was a Brown Act governed Board, which meant that every single member had to abide by conflict of interest and public disclosure laws. Expanding the membership of the LAUP Board seemed to be a disadvantage. Setting up a "Friends of LAUP Board" to fundraise and then donate to LAUP would be simpler as there would be no Brown Act requirements for those individuals because they were not making governance decisions or contract decisions.

Dr. Ayala responded that the discussion by the LAUP Board had been to expand the membership but that she would take back to the LAUP Board whatever decision was made by the Commission.

Interim CEO Steele commented that this issue had come up in discussions between the Commission and LAUP three times over the course of the relationship. Interim CEO Steele commented that LAUP was very much aware of the issues being raised by Commissioner Kaufman. The Commission had pushed back during the last two times. In his view, Interim CEO Steele commented that the Commission was reaching that point in the sustainability discussion where something else had to happen. As long as the LAUP Board wanted to go forward into this with their eyes wide open in terms of what the requirements were, it was probably time for the Commission to not say no once again. From a historical context, pushing back had really helped LAUP move forward. At this time, it was the Commission's best role to allow the LAUP Board to move forward, knowing exactly what are the impediments were, and hoping that it worked.

Commissioner Kaufman commented that he did not want to micromanage the LAUP Board but wanted to ensure transparency and the capacity for the public to have input. His concern was that the LAUP Board should be a transparent Board that meets and functions through the struggles of the Brown Act.

Commissioner Kaufman asked that perhaps more or better reporting should take place. Interim CEO Steele said that this was a shortcoming of Commission staff as staff do attend every Board meeting. He said that the level of reporting to the Commission would be increased.

SUMMARY ACTION MINUTES

Vice Chair Fielding said that LAUP had done a lot of wonderful things including performance monitoring and incentives. LAUP had also help providers to try and accomplish different things. He also stated that it was not realistic to expect the governing Board to raise a significant portion of the money that was now necessary annually to sustain LAUP. Absent some broad change in public policy that funded LAUP or some unexpected funding stream, the Commission would be in a situation where a choice would need to be made. The choice would be either that the Commission would become LAUP or it would have a more varied portfolio which included the other parts of the Commission's mission. That was really what this was about. A decision needs to be made fairly early giving everybody fair notice with respect to the future direction. These kinds of strategic discussions need to take place internally with the Commission regarding what would be done if, despite their very best efforts, LAUP was not able to sustain its program.

Dr. Ayala commented that LAUP was working for the Commission in making a difference in kindergarten readiness. She agreed with Commissioner Dennis and Vice Chair Fielding on having a Plan A, Plan B and possibly, a Plan C.

Commissioner Southard commented that Senator Steinberg has announced that he expects to use the super majority of the State Legislature to reform the initiative process and make it harder to get initiatives through the process. Plan A may be harder than initially thought.

Dr. Ayala commented that was one of the reasons why LAUP was looking to have a County initiative on preschool.

Chair Yaroslavsky asked what the County initiative was going to be. Dr. Ayala said it was either a tax (home, property and/or sales tax) focusing on issues such as preschool for 4-year old children, 0-5 population issues, or education/medical services for children.

Chair Yaroslavsky said that an initiative tax of any kind, a special tax which is what the initiative would be, requires a two-thirds vote. A two-thirds vote would not be attained County-wide for various reasons. Even extending an existing tax was challenging as two these types of taxes did not get 62 percent of the vote in the recent election. Chair Yaroslavsky said that LAUP relying on a special tax to solve the fiscal cliff was not realistic. While a similar initiative just passed in San Antonio, Texas; they did not have a two-thirds vote requirement. Chair Yaroslavsky stated that he was not a preschool expert but was an initiative expert. The one thing that has remained constant through his prior tenure as Commission Chair was this issue.

Staff reported that the sustainability plan for LAUP would be re-evaluated in January looking at the various alternatives for the Commission to consider.

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

SUMMARY ACTION MINUTES

11. Approve the Executive Director's Employment Contract for a Period of Three Years, Effective November 9, 2012 at an Annual Salary of \$250,000

Interim CEO Steele requested approval of the employment contract for Kim Belshé to become Executive Director of First 5 LA. The contract term was three years and the terms had been fully discussed with the Commission and were outlined in the written staff report.

**M/S (Neal Kaufman / Nancy Au)
WITH NO FURTHER DISCUSSION OR OBJECTION,
THE ITEM WAS APPROVED**

At the conclusion of Commission business, Chair Yaroslavsky presented Nancy Takade with a floral arrangement in appreciation for her service as County Counsel to the Commission during the year.

13. Public Comment for Items Not on the Agenda

None.

ADJOURNMENT:

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

**M/S (Jonathan Fielding / Neal Kaufman)
WITH NO FURTHER DISCUSSION OR OBJECTION,
THE MEETING WAS ADJOURNED**

The Commission adjourned at 2:42 pm.

NEXT MEETING:

The next Commission meeting will take place on November 29, 2012 at 1:30 pm.

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

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