SUMMARY ACTION MINUTES

APPROVED: 01-13-11

FIRST 5 LA

SUMMARY ACTION MINUTES
Commission Meeting
November 18, 2010

COMMISSIONERS PRESENT:

Commissioners:
Jane Boeckmann
Jonathan Fielding
Neal Kaufman
Alma Martinez
Gloria Molina (Chair)
Marv Southard (Vice Chair)
Carolyn Wilder

Ex-Officio Commissioners:
Duane Dennis
Deanne Tilton
Harriette Williams

COMMISSIONERS ABSENT:

Commissioners:
Nancy Au
Evangelina Stockwell

STAFF PRESENT:
Evelyn V. Martinez, Chief Executive Officer
Carol Baker, Director of Policy
Yolanda Bosch, Chief Administrative Officer (CAO)
Antonio Gallardo, Chief Program Officer (CPO)
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 1:36 pm. Quorum was present.

CONSENT CALENDAR: (Items 2 – 3)

2. Approval of Commission Meeting Minutes – Thursday, October 14, 2010

M/S (Neal Kaufman / Marv Southard) APPROVED AS RECOMMENDED

Approval of Commission Meeting Minutes – Thursday, October 28, 2010

M/S (Neal Kaufman / Marv Southard) APPROVED AS RECOMMENDED
3. Approval of Monthly Financials – September, 2010

M/S (Neal Kaufman / Marv Southard) APPROVED AS RECOMMENDED

COMMISSION: (Items 4 – 11)

4. Announcements by the Commission Chair

None.

5. Chief Executive Officer’s Report

RECEIVED AND FILED

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

- **State Budget** – The state is facing a $25.4 billion budget deficit in the coming year. Exacerbating the budget gap is the expiration of several taxes imposed over the last couple of years and the termination of federal stimulus dollars. Governor Schwarzenegger has called a special session of the Legislature at the beginning of December to deal with the budget. Legislative leadership is skeptical that the Governor will be able to accomplish anything in the special session and appears ready to wait for Governor-Elect Brown to take office in January before making any major budget decisions.

The new Governor will face even more constrictions than his predecessor when it comes to balancing the budget. The outcomes of several measures on the November ballot may make closing the budget gap an even greater challenge. For example, Prop. 24, which would have repealed corporate tax breaks worth $1.3 billion, failed. The passage of several other ballot measures will further raise the difficulty factor in the budget balancing act.

Prop. 25 enables legislators to pass a budget with a simple majority vote. It does not impact the two-thirds vote requirement to raise revenue. But it will result in legislators’ pay being docked if they don’t pass a budget on time. Prop. 26 raises threshold to increase most fees to a two-thirds vote, just like with taxes. Estimates are that this measure punches a $1 billion hole in the budget immediately. Prop. 22 prohibits the State from borrowing or redirecting local funds to plug budget holes but this will create an immediate budget hole of at least $1 billion. While Prop. 25 makes passing a budget easier by waiving the two-thirds vote requirement, legislators now have fewer options at their disposal to balances cuts with some revenue increases.

- **CalWORK’s Stage 3 Child Care** – An Alameda Superior Court judge approved a settlement to keep CalWORKs Stage 3 Child Care funding flowing through the end of the year. The settlement extends the program through December 31, 2010 and gives families enrolled in the program the right to go through a screening process to see if they qualify for other state child care assistance programs.

This action is expected to preserve child care subsidies for the working parents of more than 56,000 children in the short term. However, Alternative Payment
Providers which disperse the funds at the local level are finding that there are in fact few alternative care options for many of these families, even if they go through the screening process and are eligible for other child care assistance. Since Stage 3 funding ends December 31, 2010, it is expected that transitional funding approved by this Commission may only be needed starting January 1, 2011. Legislative leaders anticipate passage of a bill that will restore funding to the program (and make it retroactive to the new cut-off date) soon after Governor-Elect Brown assumes office.

At the special Commission Meeting on October 28th, there was a request that staff find out how many Stage 3 child care providers who serve the 0-5 population in Los Angeles County also serve their older siblings. A chart from the Child Care Alliance has been provided that displays this data.

• **Coro CrossTalk** – On November 8th, First 5 LA and Coro CrossTalk held a panel discussion on childhood obesity that highlighted the severity of the problem in Los Angeles County. Over 70 people attended the event, including health and community leaders, as well as individuals representing elected officials. Panelists included Councilwoman Jan Perry, Dr. Michael Goran from the USC Keck School of Medicine, Rosa Soto from the California Center for Public Health Advocacy, and Alex Sosa from the Breastfeeding Task Force of Greater LA.

Panelists addressed a number of policy opportunities to promote children’s healthy weight, including extending a moratorium in South L.A. on free-standing fast food restaurants and reducing consumption of sugary beverages among young children.

6. **Recognition of the Commission Chair**

Chair Molina was recognized for her dedication and commitment to children’s issues throughout Los Angeles County during her tenure as Commission Chair.

7. **Approval of the Countywide Augmentation Proposals for the FY 2009-2015 Strategic Plan Submitted by Commissioners**

Chief Program Officer, Dr. Antonio Gallardo reported that the discussion of the proposed Countywide Augmentation Proposals is a continuation of the workshop that took place on Monday, November 15, 2010. During the workshop, there was an opportunity to hear from consultants and staff on the review of the proposals submitted by Commissioners. CPO Gallardo reaffirmed that these reviews were jointly conducted between consultants and Commissioners, or their appointees, and supported by staff.
Eleven of the 15 proposals were discussed at the workshop of November 15, 2010. These proposals yielded $57,037,619 in approved allocations as noted in the following table.

Table 1

<table>
<thead>
<tr>
<th>PROPOSAL</th>
<th>SUBMITTED BY</th>
<th>APPROVED ALLOCATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>East Los Angeles College Child Care Providers</td>
<td>Alma Martinez</td>
<td>$1,057,952</td>
</tr>
<tr>
<td>Tot Parks and Trails</td>
<td>Alma Martinez</td>
<td>10,000,000</td>
</tr>
<tr>
<td>Infant Safe Sleeping</td>
<td>Deanne Tilton</td>
<td>$1,500,000</td>
</tr>
<tr>
<td>Connecting Risk and Perinatal Service</td>
<td>Deanne Tilton</td>
<td>$200,000</td>
</tr>
<tr>
<td>Data Partnership with Funders</td>
<td>Neal Kaufman</td>
<td>$5,000,000</td>
</tr>
<tr>
<td>ECE Workforce Consortium</td>
<td>Nancy Au  Angie Stockwell  Duane Dennis</td>
<td>$37,079,667</td>
</tr>
<tr>
<td>Peer Support Groups for Parents</td>
<td>Jonathan Fielding</td>
<td>$2,200,000</td>
</tr>
</tbody>
</table>

The following proposals were not approved.

Table 2

<table>
<thead>
<tr>
<th>PROPOSAL</th>
<th>SUBMITTED BY</th>
<th>REQUESTED ALLOCATION</th>
<th>REASON FOR NOT APPROVING</th>
</tr>
</thead>
<tbody>
<tr>
<td>Funders Partnership</td>
<td>Neal Kaufman</td>
<td>$1,500,000</td>
<td>Initiative will be included within the Community Investments Portfolio.</td>
</tr>
<tr>
<td>Universal Assessment of Newborns</td>
<td>Neal Kaufman</td>
<td>$54,100,000</td>
<td>Requires further refinement.</td>
</tr>
<tr>
<td>Improving the nutrition and physical activity environment in child care settings.</td>
<td>Nancy Au Angie Stockwell Duane Dennis</td>
<td>$6,197,400</td>
<td>Requires further review.</td>
</tr>
<tr>
<td>One Step Ahead Initiative</td>
<td>Jonathan Fielding</td>
<td>$30,000,000</td>
<td>Requires further refinement.</td>
</tr>
</tbody>
</table>

NOTE: The four proposals not discussed at the workshop of November 15, 2010 were presented and discussed as noted below.

NOTE: Proposal 18 was discussed out of order at the request of Vice Chair Southard who had to leave the meeting early.

b. Proposal 18: Substance Abuse Services - $15 Million Over Three Years

NOTE: Due to a conflict of interest, Commissioner Fielding recused himself from participating in the discussion of this proposal.
This proposal provides funding to increase access to and utilization of substance abuse prevention and treatment services for parents and caregivers of children prenatal to age five in cases where there is potential or risk for abuse or neglect due to substance abuse. Through this project, parents of children, aged 0-5 years old, with opened cases and identified by the Department of Children and Family Services (DCFS) as having a need for substance abuse services will be provided screening, brief intervention (information and education), referral and substance abuse treatment, as needed. The program is intended to increase parents’ who are at risk for abuse or neglect of children 0-5, utilization and connection to substance abuse services through concentrated interventions and more intense referral services through (1) Substance Abuse (SA) Navigators; (2) increased training for DCFS and Substance Abuse and Prevention Control (SAPC) staff at the Department of Public Health (DPH); and, (3) public education/media campaign.

The annual budget is projected at $5 million, with approximately $3 million dedicated to staffing and the balance associated with staff training and a proposed media/educational campaign. Based on a January 2011 start date, approximately 50% of the requested funds for staffing could be expended by June 30, 2011 ($1.5 million) assuming staff could be hired or reassigned to meet this start date. Some portions of the training and education funds would also be expended.

Vice Chair Southard proposed that the money allocated for the public education campaign be used instead for additional treatment resources for perinatal women, if that is needed, and current resources are not enough to meet the demand.

Chair Molina commented that women are not successful in these treatment facilities because most of them have children and there are no supportive services to take care of the child(ren). Although not specifically mentioned in the proposal, Chair Molina asked that this issue be further evaluated. Vice Chair Southard agreed with Chair Molina’s request.

Chair Molina asked if there was a case management component to the project. Christina Altmayer, Consultant, responded that there was case management during the transition period between getting services through Substance Abuse Navigators and enrolling in substance abuse program.

Commissioner Tilton suggested making this project a pilot. Vice Chair Southard was not supportive because of the impact of the Healthcare Reform Act taking effect in 2014.

Commissioner Tilton then suggested that annual evaluations be incorporated into the timeline of the program with defined outcomes at each evaluation stage. Vice Chair Southard was supportive of this suggestion.

Chair Molina commented that this project would require an amendment of the FY 2009-2015 strategic plan because it provides direct services.
Commissioner Williams asked if the service providers would be County employees. Chair Molina recommended that these services be contracted out.

CEO Martinez commented that an amended strategic plan for FY 2009-2015 would be presented in either January or February as required by the State Commission.

M/S (Alma Martinez / Neal Kaufman) APPROVED AS AMENDED

a. Proposal 17c: Child Care Data Proposal - $10,026,628 Over Five Years

Commissioners Nancy Au and Angie Stockwell propose funding the development of a Child Care Data System that will allow stakeholders across LA County to coordinate, synthesize, maintain, analyze, and disseminate child care data. Having a coordinated data system would directly impact the ability of organizations and funders to plan more effectively in multiple ways.

The total request for the Child Care Data Proposal is $10 million over five years. During the first year of the project, the data system will be developed. In subsequent years, activities include developing GIS mapping of data and design of survey methodology; refining the data system based on stakeholder feedback; coordinating new data methodology (survey); developing new technology (web-based reporting tool for dissemination of data); ensuring sustainability through training in technology-based tools for upload of real-time data; dissemination to communities, policymakers and providers; and providing trainings on how to use the data for media, advocacy, and community education.

A proposal analysis was presented to the Commissioners by Armand Jimenez, Director of Research & Evaluation. The analysis of this proposal concluded that the project is feasible. Data is currently being collected but needs to be organized and synthesized from a County-wide and aggregated at a County level.

Chair Molina commented that $10 million was too large a sum of money for the organization of data that is already being collected and subsequent administrative linkages.

Commissioner Kaufman expressed his concern about the type of data to be collected. It seems the data that is being collected does not provide any information on the development of children.

Commissioner Fielding asked how this project fitted into the current evaluation plan and what benefit would result of gathering this type of data. Director Jimenez commented that the project will yield data on the infant and toddler population. In addition, data would be gathered for workforce development.

Commissioner Williams suggested incorporating this project into the Data Partnership with Funders proposal previously approved with a potential allocation increase.

Commissioner Williams commented that she felt confident that the Research & Evaluation Department could administer this project with the necessary staff.
Commissioner Dennis commented that good planning data was lacking at the County level and this project would provide a mechanism for collecting this type of data.

**CONSENSUS:**

The Commission directed staff to look at the relationships between what has been previously funded for evaluation in the FY 2009-2015 strategic plan and the projects funded at the proposal workshop held on November 15th to see where there may be an opportunity to bring disparate data into one system. This would benefit the Commission from a planning, policy advocacy, and accountability perspective.

c. **Proposal 21: Healthy Food Access Initiative - $7.5 Million Over Five Years**

The Healthy Food Access Initiative is intended to increase families’ access to fresh fruits and vegetables by (1) providing grant funding to non-profits, community-based and educational organizations to construct, operate and/or maintain local community gardens for low-income students or families; and, (2) providing grants to non-profit and community-based organizations that promote the purchase of healthy fruits and vegetables for low-income children through a “veggie voucher” subsidy.

Community gardens are designed to provide communities with the opportunity to develop the infrastructure to grow and consume fruits and vegetables in an effort to support obesity prevention, increase food security, provide physical activity and support community cohesion. The proposal includes complementary nutritional education for families that would support obesity prevention strategies. Efforts are currently underway to establish community gardens throughout the County. The Second Supervisorial District has committed to a goal of establishing community gardens in all of the unincorporated areas. The Los Angeles County Community Garden Council serves as a resource to local organizations attempting to establish community gardens in the County.

The project is designed to provide grants up to $400,000 per site over five years for a minimum of 25 sites, which includes one-time construction costs and ongoing maintenance and operations. The amount expended by June 30th depends on the actual contract start date, number of sites selected, amount of planning required, and the extent to which First 5 LA will fund construction costs. Additionally, the actual amount to be expended would depend on the capacity of the individual grantees to design and implement the project. Funding for the voucher program would be dependent on the number of children to be served.

A proposal analysis was presented to the Commissioners by Deena Margolis, Consultant.

Commissioner Boeckmann asked if properties were available for the community gardens. Deena Margolis commented that the proposal did not address this issue.
but there is a process for land acquisition through the City of Los Angeles or private entities. The Community Council Garden in Los Angeles does provide technical assistance in land acquisition for community gardens.

Commissioner Fielding asked how these community gardens would be related to local schools, if any, so that kids could get a sense of how food is produced and have an opportunity to participate in this process. Deena Margolis responded that the proposal did not have a link to elementary schools or preschools.

Commissioner Martinez commented that the U.S. Drug and Food Administration (USDA) issued a RFP to provide grants to schools for community gardens. The California Endowment has been holding workshops with the USDA to do community gardens as a way of linking efforts to fight obesity.

Commissioner Dennis suggested that the community gardens be center-based programs. This would reduce the overall cost.

Commissioner Kaufman asked for clarification on the distribution of the voucher program. The WIC Program and organizations such as Hunger LA have voucher programs. The proposal proposes providing matching funds to augment those existing programs.

Chair Molina asked if the printed vouchers of the WIC Program and Hunger LA were for vegetables only and where could these vouchers be used. Deena Margolis responded that the printed vouchers are for the purchase of vegetables and can only be used at Farmers’ Markets.

Chair Molina asked how much funding was being requested for the voucher program. A total of $2.5 million was being requested over a period of five years.

Chair Molina recommended that the community gardens component move forward and suggested that leveraging opportunities be considered with The California Endowment. Chair Molina also recommended that a one-year pilot project be done to make it a more effective program in future years after evaluating lessons learned regarding community interest and maintenance.

Commissioner Fielding asked that staff evaluate the food demand of the general community given the rise in number of families needing food assistance from local food banks. He asked a report be provided on an interim basis and assess whether $500,000 per year for the voucher program is sufficient to make an impact.

**REVISED MOTION WITH AMENDMENT:**

The project will be funded for the amount requested of $7.5 million over a five-year period. An evaluation is to take place at the end of the first year to assess community interest, future growth and sustainability of the community gardens. The voucher program component of the proposal would not be implemented until staff evaluates the food demand of the general community seeking assistance from local food banks to determine if the proposed amount of $500,000 per year is sufficient.
d. Proposal 22: Prenatal and Post-Partum Care - $2,800,000 Over 5 Years

This proposal supports policy advocacy to achieve seamless Medi-Cal or health care coverage for all low-income pregnant women so that they may have uninterrupted prenatal and post-partum care. Specifically, this proposal seeks to move forward changes outlined in a 2003 state law, SB 24, that included a Prenatal Gateway designed to address many of the current barriers and a 2007 report commissioned by the California Department of Health Care Services (DHCS) that included recommendations to simplify the Medi-Cal enrollment and implement the Gateway.

The proposal envisions a collaborative of Federally Qualified Health Centers (FQHC) and advocacy organizations that would spearhead countywide advocacy efforts focused on eliminating enrollment barriers and interrupted care for women who do not have insurance coverage or are at risk of experiencing late entry or breaks in existing coverage. The proposal also includes the development of a perinatal care hotline that would receive calls from pregnant women countywide, provide information, referrals and assistance in resolving individual complaints, and alert state and local agency partners of reported problems. The data collected from this hotline would inform the advocacy efforts aimed at addressing current administrative and programmatic barriers and simplifying the enrollment and transition periods.

A proposal analysis was presented to the Commissioners by Deena Margolis, Consultant.

Commissioner Martinez asked what were potential leveraging opportunities associated with this proposal. The Maternal Child & Health Access has an initiative that was funded by a foundation; thus, there are potential other foundations that could become partners.

Commissioner Martinez also asked how this project impacted the Home Visitation Program. The Home Visitation component could connect families with Medi-Cal services. Using the Home Visitation Program, women could be bettered educated on how to navigate the Medi-Cal system. The number of women who are not getting Medi-Cal is 13,000 based on data available.

Commissioner Williams asked how the proposed project, which includes a hotline, was different from the County 211 information line. Deena Margolis commented that there was not much difference in structure. Collaboration efforts could take place with partners such as the County 211 information line but calls would need to be referred to operators with more experience in prenatal and post-partum care.

Commissioner Kaufman commented that there was not enough information to make a decision. Regarding the establishment of a hotline, he felt that there were existing resources that could be enhanced. In terms of advocacy, there seem to be a lot of moving parts with Medi-Caid Reform and the Accountability Act. Since these services that would be provided by the funding of this proposal
are already being provided by the Commission across other different programs, Commissioner Kaufman suggested that staff could assess if more funding is needed in those existing areas.

Commissioner Wilder commented that the purpose of the project was to ensure that all children are born healthy which is in alignment with the Commission’s goals.

Commissioner Martinez commented that she was not supportive of funding advocacy efforts to outside contractors.

CONSENSUS:

The Commission directed staff to perform a more detailed analysis of the proposal to determine what components could be enhanced of existing programs for proposed services to be provided under this project.

CEO Martinez commented that in addition to authorizing the CEO to negotiate and execute contracts, the Commission needed to authorize the CEO and legal counsel to contractually encumber funds for multi-year projects approved by the Commission.

MOTION:

Direct and authorize the Chief Executive Officer and Legal Counsel to take the legal and contractual steps deemed necessary and advisable, including multi-year contracts, if necessary, to encumber Commission funds for the approved proposals submitted by Commissioners.

M/S (Jonathan Fielding / Neal Kaufman) APPROVED AS RECOMMENDED

8. Approval of the First 5 LA-LAUP Performance-Based Contract: Sustainability Planning Process

The First 5 LA Board Motion approved in June 2008 established matching fund requirements for LAUP through First 5 LA’s contract agreement ending in 2016. Thus far, LAUP has been successful in achieving their target revenue primarily through the acquisition of Power of Preschool (PoP) funding from First 5 California. In consideration of the current philanthropic and political environments, there is recognition from both organizations that LAUP is unlikely to meet future escalating revenue targets.

To work toward sustainability, LAUP has adopted cost saving strategies, holding actual costs considerably under budget since FY 07-08, and maintaining staffing under budget during this same timeframe. LAUP has achieved and often exceeded the cost management targets identified in their contracts. In FY 09-10, LAUP maintained a 5% administrative budget as required, and reduced support services to 22% (well under the target maximum of 30%). Appendix B highlights many of the accomplishments and process milestones (both programmatic and fiscal) achieved in relation to the seven outcomes identified in the 09-10 performance-based contract.
LAUP continues to explore new cost reduction strategies, including changes to the STAR system, increases to the Parent Investment Fees, and additional administrative and programmatic cost reductions. LAUP has also pursued a number of revenue opportunities, but had limited success. In spite of considerable efforts by LAUP to cut costs and raise revenue, the matching fund targets remain unrealistic within LAUP’s current business model. LAUP estimates a funding deficit of $20 million by FY 12-13. In light of this, the FY 10-11 performance-based contract includes a series of process milestones related to sustainability planning.

Altmayer Consulting has worked with staff and liaisons from both LAUP and First 5 LA on sustainability planning to ultimately shift the strategic direction and business model of LAUP to one that is sustainable. Since approval of the contract in July, ongoing efforts have included analysis of current services and alternatives, revenue forecasts, identification of opportunities for alignment with the strategic plan, and input from key stakeholders.

Joint Liaison meetings with LAUP Board Members First 5 LA Commissioners have provided critical feedback through the sustainability planning process to date. To guide discussions, Altmayer Consulting and staff have provided Liaisons with analyses to inform decisions on LAUP’s strategic directions moving forward. This has included research of other preschool models, interviews and focus groups with LAUP and preschool stakeholders, and an assessment of federal funding opportunities.

The Liaisons recognized that LAUP needed to undergo discussions on what strategic direction and business model to implement to support their long-term sustainability. The Liaisons strongly recommended that LAUP retain decision-making power regarding these strategic and programmatic decisions.

Liaisons did, however, provide the following recommendations to inform LAUP’s board and staff on sustainability planning and future strategic direction:

- Sustainability planning should maintain consistency with the direction outlined in the June 2008 First 5 LA Board motion.
- LAUP should continue advocacy efforts to build public will in support of a local, state, or federal sustainable funding source, however to guide planning efforts, staff should assume no such initiative will be successful by 2016.
- Explorations of business models should consider potential for interest by other funders.
- LAUP should consider implementation models that are consistent with First 5 LA’s FY 2009-2015 Strategic Plan, including consideration of a role in Countywide non-direct service activities.
- LAUP should further assess providers’ capacity to sustain quality services with varying LAUP business models
- First 5 LA should approve a policy of prioritizing First 5 LA’s 14 target communities for LAUP’s future direct service investments.

First 5 LA Liaisons are recommending that the First 5 LA Commission approve a policy explicitly directing LAUP to prioritize First 5 LA’s target communities for future direct service investments. This direction may serve as a strategy for sustainability as well as to align LAUP’s investments with First 5 LA’s Strategic Plan. It is intended to guide LAUP in their exploration of a new strategic direction.
LAUP currently has 21% of its investments in the 14 target communities. The majority of the target communities currently have an enrollment rate of less than 50% of the four year-old population. Prioritization of the target communities will allow LAUP to concentrate their efforts to allow for greater impact in those communities with high needs, and to leverage other resources being invested in the communities. This direction requires that, without new revenue sources, all natural attrition that occurs outside of the 14 communities be left vacant and that any new funding of preschool spaces be made only in the target communities.

Based upon direction from the liaisons, there is a necessity for flexibility in provider enrollment during the course of sustainability planning. The current performance-based contract stipulates that LAUP must maintain 11,195 preschool spaces. Historically, as providers have dropped from the LAUP system, LAUP has replaced them with other providers in the same supervisorial district. Natural attrition accounts for approximately 500 spaces per year. Given the potential substantive changes that may be the outcomes of sustainability planning efforts, such as shifts in the strategic priorities of the LAUP business model or geographic distribution, it would be inappropriate for LAUP to replace providers prior to implementing a long-term sustainability plan.

Therefore, it is recommended that the Commission approve a waiver of the requirement to maintain 11,195 spaces, as mandated in the current contract. A waiver of this obligation is necessary in order to allow for natural attrition to occur while sustainability planning is underway. Without a waiver to this mandate, LAUP would be out of compliance with their contract.

The LAUP Board of Directors met on November 4, 2010 for an all day retreat focused on the sustainability and future direction of LAUP. Altmayer Consulting presented the Board with an update on sustainability efforts, the directions from the liaisons, and potential models that the LAUP Board could consider in their future planning efforts. The Board also was provided with a presentation from The Bridgespan Group, a nationally recognized nonprofit consulting firm, who had completed an organizational assessment of LAUP. The Bridgespan presentation was consistent with the direction provided by Altmayer Consulting and the liaisons in regard to the need for strategic reassessment in light of significant sustainability challenges.

The LAUP Board members were in agreement with the recommendations provided by both Altmayer Consulting and The Bridgespan Group, and saw alignment with the direction provided by the liaisons. The Board took the opportunity to identify critical next steps in their sustainability efforts moving forward. These include revisiting LAUP’s goals and mission statement, and proposing a long-term vision for moving forward at their January Board meeting.

Commissioner Martinez commented that she has been satisfied with the progress made, the level of cooperation between both organizations, and the awareness of the reality of future service to providers.

Commissioner Fielding asked for clarification on the revised target. Christina Altmayer, commented that the new target of 10,695 does include a 92 percent retention. The
decrease of 500 spaces will be accomplished by not seeking new providers when attrition occurs.

Commissioner Fielding applauded the collaboration efforts of LAUP with First 5 LA but also expressed his disappointment in LAUP’s inability to meet its fundraising goals.

Commissioner Dennis commented that it sounded like LAUP was in the process a new business model. He stated that he would like to see a comprehensive model before make a decision on the contractual waiver of provider slots and policy recommendation.

Commissioner Williams expressed her support for the waiver. She felt that this is a step in the right direction.

Commissioner Kaufman asked what would happen to the tuition savings that would be generated as a result of the waiver. Under the performance-based contract, LAUP will be reimbursed on actual expenses. However, if LAUP meets all of their performance targets, then they are eligible to receive unspent funds as an incentive. The cost savings are projected to be $600,000.

Commissioner Kaufman also requested a copy of report presented to the LAUP Board by The Bridgespan Group. Furthermore, Commissioner Kaufman asked that LAUP Board Meeting minutes be provided to Commissioners.

Commissioner Kaufman revised the staff recommendation with the following language.

**MOTION:**

Approve the contractual waiver of reducing the slots to 10,695 by a decrease of 500 slots. Delay the policy approval of prioritizing First 5 LA’s 14 target communities for LAUP’s future direct service investments until March or April of 2011. Prior to this, Commissioners should be provided with a definition of what it meant by prioritizing LAUP’s direct service investments in First 5 LA’s 14 target communities, what should be the pace for roll-out, and potential implications of this new approach.

M/S (Neal Kaufman / Carolyn Wilder) APPROVED AS AMENDED

9. Approval of the 2010 Biennial Update to First 5 LA’s Local Conflict of Interest Code and Direct Staff to File the Updated Code With the County of Los Angeles

The Commission has adopted a local conflict of interest code as required by California’s Political Reform Act (“PRA”) and the statutes that implement Proposition 10. Because the Commission is a local public entity, the PRA requires that the Commission have this local code in place to designate which officials and employees are required to file various categories of annual statements of economic interests. The local code also sets forth the basic rules that prohibit public officials and employees from making, participating in making, or using their official positions to influence decisions of the Commission.

Like most local public entities in California, the Commission has for a number of years kept in place the Model Conflict of Interest Code promulgated by the Fair Political Practices Commission (“FPPC”). Every two years, the Commission is required to conduct a biennial
review and update of the Code. This year, the review and update must be completed prior to the end of December.

No changes have been proposed in the regulations that comprise the FPPC’s Model Code. Therefore, no changes are required or proposed to the body of the Commission’s local conflict of interest code. However, since the last update in 2008, changes have occurred in the organizational structure of First 5 LA, with some positions being added, others eliminated and other titles being changed. The proposed amendments to Exhibits A and B noted on the attached document reflect the current organizational structure of First 5 LA. In addition, since First 5 LA serves as the filing officer for LAUP, this update also proposes updates to the applicable titles and positions for that organization.

All of the proposed amendments are solely reflective of organizational changes. There is no reduction proposed in the level of disclosure for any position.

M/S (Alma Martinez / Neal Kaufman) APPROVED AS RECOMMENDED

10. Approval of Chief Executive Officer’s Employment Contract for a Period of Three Years, Effective July 1, 2010 at Her Existing Salary

The proposed employment contract will be provided to the Commission and made available to the public under separate cover when its exhibits have been finalized. The proposed contract would not change the current annual salary of the Chief Executive Officer. It would increase the monthly automobile allowance. The CEO will continue to receive the same benefits as other First 5 LA employees, and would continue to be provided with a severance package of salary and benefits if the contract is terminated without cause, as under the existing agreement.

Under the new contract, the CEO’s evaluation will take place at the end of each fiscal year, rather than each calendar year, as is currently the case. As under the existing agreement, a performance evaluation of “satisfactory” or better entitles the CEO to a salary increase.

M/S (Neal Kaufman / Carolyn Wilder) APPROVED AS RECOMMENDED

11. Public Comment

Cristina Alvarado, CCIS
Celia Ayala, Los Angeles Universal Preschool
Migdalía Bourdett, Child Care Resource Center
Graciela N. Carranza, CPCI
Carmen Engerbach, CPCI
Jan French, LA Best Babies Network
Pina Hernandez, WIC Program
Sylvia Drew Ivie, Office of Mark Ridley-Thomas
Connie Chung Joe, Korean American Family Service Center
Mariko Kahn, Asian Pacific Policy and Planning Council
Lynn Kersey, MCH Access
Mark Masaoka, Asian Pacific Planning Council
Maribel Sandoval, CCPI
ADJOURNMENT

The meeting adjourned at 4:36 pm.

A Closed Session took place prior to the Commission Meeting. The is no reportable action.

The next regularly scheduled Commission meeting will be on:

January 13, 2011 at 1:30 p.m.
Multi-Purpose Room
750 N. Alameda Street
Los Angeles, CA 90012

Meeting minutes were recorded by Maria Romero.