COMMISSIONERS PRESENT:

Commissioners:
William Arroyo (Alternate)
Nancy Au
Jane Boeckmann
Yvonne Burke (Chair)
Jonathan Fielding (Vice Chair)
Neal Kaufman
Evangelina Stockwell
Carolyn Wilder

Ex-Officio Commissioners:
Jacquelyn McCroskey
Connie Russell
Deanne Tilton
Harriette Williams

COMMISSIONERS ABSENT:

Commissioners:
Corina Villaraigosa (Excused)

STAFF PRESENT:
Evelyn V. Martinez, Executive Director
Carol Baker, Director of Public Affairs
Anthony Bellanca, Finance Director
Yolanda Bosch, Director of Grants Management & Legal Compliance
Armando Jimenez, Director of Research & Evaluation
Teresa Nuno, Director of Planning & Development
Maria Romero, Executive Assistant

LEGAL COUNSEL:
Craig Steele, Attorney-at-Law

CALL TO ORDER / ROLL CALL:

1. Chair Burke called the meeting to order at 1:42 pm.

CONSENT CALENDAR: (Items 2 – 3)

2. Approval of Commission Meeting Minutes – Thursday, June 12, 2008
   M/S (Jonathan Fielding / Nancy Au) APPROVED AS RECOMMENDED

3. Approval of Monthly Financials – May, 2008
   M/S (Marvin Southard / Nancy Au) APPROVED AS RECOMMENDED
   Approval of Monthly Financials – April, 2008

COMMISSION: (Items 4 – 9)

4. Announcements by the Commission Chair
   RECEIVED
5. Executive Director’s Report

RECEIVED AND FILED

In addition to the written report, the following announcements were made:

- **Media Activities:** As part of First 5 LA’s ongoing public education efforts, the Public Affairs Department engaged in a variety of high-profile television and radio media opportunities during June. One of the highlights was the Univision/KMEX-TV program that focused on the Parent Helpline. The three-hour “Primera Edicion” program was actually filmed at the call center, where First 5 LA staff participated in live interviews on subjects ranging from Healthy Kids insurance, to healthcare reform, to early education and the state budget crisis. During the first hour of the show, more than 150 calls were logged at the Helpline. The total number of calls logged was more than 600 over the three-hour program. One of the success stories that occurred during the show involved a working mother who said that neither she nor her husband were able to provide healthcare insurance for themselves or for their children. Helpline staff was able to immediately sign up all four of her children for health insurance. This good news was broadcasted during the program.

- **State Budget Update:** The state’s budget crisis continues to pose a threat to First 5 funding. As reported at the May Commission Meeting, Assembly Speaker Karen Bass, one of the major supporters of First 5 LA in Sacramento, had publicly mentioned the possibility that First 5 County Commissions might provide a loan to the State general fund. Since then, another member of the “Big Five” leaders has publicly floated the idea of a loan from First 5 County Commissions. Assemblyman Mike Villines, the Republican Whip, was quoted in the Sacramento Bee saying that “First 5 California’s early childhood education fund” could be tapped. He further stated that the money could be re-paid from future California Lottery receipts. Assemblyman Villines apparently has started making a number of public statements about how Republicans had “found” untapped First 5 funds that could help with the budget, and even went so far as to claim to an Orange County business group that First 5 LA has admitted that it has more money than it knows what to do. Upon learning about Assemblyman Villines’ comments, his office was called to obtain clarification on the nature of his comment, he denied, through his Chief-of-Staff, that he had made such statements.

Republican Senator Dave Cox came up short on the votes needed to get his latest First 5 funding diversion bill on the ballot or heard in committee. Although it is good news that the bill has not made it out of the Hearing Committee, some of Senator Cox’s ideas about diverting funds are under active consideration by Legislative leadership, including the Senate Budget Chair, Denise Ducheny, whose staff is researching ways to make our fund usage more flexible.

- **First 5 Association of California:** Executive Director Martinez reported that she continues to be part of a working group of First 5 Executive Directors who are both evaluating continuing threats to First 5 County Commission funding and strategizing solutions. The Executive Directors continue to look at collective options for meeting a variety of threats, from a future ballot measure to the state’s potential seizure of incoming revenue. Updates will continue to be provided as discussions...
progress to see if a collective budget solution is to be offered by First 5 California and First 5 County Commissions to the State.

- **Healthy Kids**: Members of L.A. County’s legislative delegation have been told that First 5 LA must remain functionally intact so that it can help offset the impact of state budget cuts locally. Executive Director Martinez has met with a number of County officials and stakeholders to determine where First 5 LA can be of most help. One way First 5 LA can be responsive to the State budgetary crisis is to help address the impact of State cuts in Medi-Cal and other safety net services for children in the Healthy Kids program. Executive Martinez stated that as a member of the Children’s Health Initiative (CHI) Steering Committee, she has worked with leadership at L.A. Care Health Plan and the 100 Percent Campaign—which advocates for universal coverage—to develop a proposal for a $15 million grant for L.A. Care Health Plan to strengthen case management and case coordination, both of which will be stressed by state budget cuts.

The grant would come from monies the Commission already has allocated to Healthy Kids, which is the default insurance of last resort for children who are knocked off the Medi-Cal rolls because of State budget cuts. The grant would not only buffer the impact of cuts on the infrastructure at L.A. Care Health Plan, but it would enhance services provided to children and their families. The grant would serve as supplemental funding to improve the quality of care.

Executive Director Martinez requested that Chair Burke appoint an Ad-Hoc Committee of three to four Commissioners to finalize a report for the grant proposals presentation to the full Commission. Given the timeline on the state budget, the Commission would likely have to hold a special meeting on this item at the end of July or beginning of August since there is a deadline of August 15th in order for L.A. Care Health Plan not to notify existing participants of the cut in services.

Commissioner Fielding commented that he was supportive of the concept of providing a grant to the L.A. Care Health Plan to strengthen case management and case coordination. Furthermore, Commissioner Fielding commented that he would like to see a proposal and was open to working with staff on its development.

Legal Counsel Steele commented that the Commission had two options:

1. Add the item to the agenda, delegating authority to the Ad-Hoc Committee to finalize and move forward with the finalization of the proposal.
2. Have the final proposal presented to the full Commission at a special meeting during the early part of August.

Given the urgency of the issue, Commissioner Fielding proposed that this issue be added to the Commission agenda as an action item. Commissioner Au was supportive of Commissioner Fielding’s proposal and voiced a second to the motion.

M/S (Jonathan Fielding / Nancy Au) APPROVED AS RECOMMENDED

Upon approval of the addition of the Healthy Kids issue an agenda item, Commissioner Au then proposed that the Ad-Hoc Committee move forward with the proposal and allocated a grant of up to $15 million.
Commissioner Kaufman was supportive of Commissioner Au’s proposed motion to delegate authority to the Ad-Hoc Committee to finalize the proposal and suggested including the option of bringing back this issue to the Commission for discussion should the proposal exceed $15 million.

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

Chair Burke asked for volunteers to serve on the Ad-Hoc Committee. Based on the immediate response and demonstration of interest, Commissioners Jonathan Fielding, Neal Kaufman and William Arroyo were appointed as members of the Ad-Hoc Committee.

Executive Director Martinez commented that schedules would be coordinated to ensure that a meeting takes place prior to the end of July.


Director Bosch reported that on June 12, 2008, the Commission Chair put forth the motion that was continued from the May 8, 2008 Commission meeting proposing amongst other things that First 5 LA would provide LAUP with funding of $67.11 million for FY 2008-09 and a ramped-down funding commitment between FY 2008-09 and FY 2015-16 in an amount not to exceed $477.8 million (which included $20 million for facilities development for use in FY 2007-08 and FY 2008-09). In addition to the above allocation, First 5 LA would place $102.24 million into an early learning specific allocation of which First 5 LA committed to LAUP $3.75 million each year for four (4) years to establish promising demonstration projects and/or models in each Supervisorial District. The Commission Chair’s motion also included a financial obligation that LAUP was to raise $641,000 to help fund the FY 2008-09 LAUP Budget. With the exception of a few changes, the motion was passed unanimously by the Commission.

At the June 12, 2008 Commission meeting, the Commission requested that LAUP present to their Board for approval a FY 2008-09 budget that reflected the funding level approved by the Commission. The LAUP Board held a special session on June 17, 2008 where it reaffirmed that the LAUP budget in the amount of $71,499,818 submitted to First 5 LA on May 1, 2008 was the budget that should be presented to the Commission on July 10, 2008 which was within the Commission-approved amount agreed at the June 12, 2008 Commission meeting.

To this end, on May 1, 2008, LAUP submitted the FY 2008-09 scope of work, annual business plan and budget in the amount of $71,499,818 to the First 5 LA for approval. This total is made up of $56,740,646 in Operating Costs, $11,009,172 in Capital Expenditures and $3,750,000 in Demonstration Projects. Staff has reviewed the scope of work, budget and annual business plan submitted by LAUP for FY 2008 - 2009.

In addition, the Commission also approved that unspent funds from LAUP’s Fiscal Year 2007-08 budget should be carried over to FY 2008-09 to fund the provider grants for the months of July and August, 2008. Once the amount of unspent funds from LAUP’s FY 2007-08 budget is determined, a budget adjustment request will need to be submitted to First 5 LA by LAUP.

M/S (Jonathan Fielding / Carolyn Wilder)  APPROVED AS RECOMMENDED
7. Approval of a Consultant Contract with Altmayer Consulting, Inc. for an Amount Not-to-Exceed $50,000 to Complete the Process of Shifting LAUP to a Performance-Based Contract Model

Director Bosch reported that on November 28, 2007, the Commission approved a sustainability plan for LAUP that included a FY07-08 LAUP operational budget not to exceed $60 million, of which $40 million was allocated for the period of July 1, 2007 thru December 31, 2008. An additional $20 million was earmarked for already-contracted capital expenditures and was to be used on an as-needed basis for the current fiscal year.

At the request of the Commission, an update on the progress of the budget detail and scope of work was presented at the March 13, 2008 meeting. During the March 13, 2008 Commission meeting it came to light that LAUP had submitted to Chair Burke a counter proposal to the Commission’s sustainability plan. The Commission requested that the counter proposal be agendized for discussion at the April 10, 2008 Commission meeting in order to give the full Commission time to review the document.

Following the March 13, 2008 Commission meeting, Altmayer Consulting was hired to provide a third party high-level comparative analysis of the significant terms and related financial implications of each proposal. Christina Altmayer worked diligently with both First 5 LA and LAUP to secure the information and figures needed to complete her analysis.

At the April 10, 2008 Commission meeting, Ms. Altmayer provided her analysis and comparison of the First 5 LA sustainability plan for LAUP and the LAUP sustainability plan to the Commission with a recommendation that the Commission move to a performance-based contract with LAUP. The deliverables included (1) a timeline of major decisions and activities related to the LAUP contract (2) a matrix comparing terms and conditions; and, (3) a financial analysis of the summary cost impacts of each proposal.

The Commissioners requested that she be asked to continue to work with both First 5 LA and LAUP to investigate moving to a performance-based contract with LAUP. Specifically, Ms. Altmayer was asked to complete the following items:

1. Determine a cost per space and per child for operating and construction costs based on actual expenses incurred in fiscal years 2007 and 2008;
2. Develop a methodology for ongoing cost analysis to support future contract years; and,
3. Provide a framework for developing a performance-based contract with LAUP.

On May 8, 2008, Christina Altmayer presented her findings. Based on the above and in light of the action taken by the Commission at its June 10, 2008 meeting in approving the modified motion proposed by Chair Burke, the Commission requested that Christina Altmayer continue to be retained to complete the process of realizing a Performance-based contract with LAUP.

M/S (Jonathan Fielding / Evangelina Stockwell) APPROVED AS RECOMMENDED
8. Approval of the Updated First 5 LA Long-Term Financial Plan (LTFP) for the Period of July 1, 2007 through June 30, 2009

Director Bellanca presented the First 5 LA Long-Term Financial Plan (LTFP) covering the period from July 1, 2007 through June 30, 2014 to the Commission. The Long-Term Financial Plan provides both historical information and projections through June 2014.

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

9. Approval of the Existing First 5 LA Specifically Invested Portfolio Investment Policy

Director Bellanca reported that annually, the Specifically Invested Portfolio Investment Policy needs to be reviewed. The last update took place August 13, 2007. The existing Specifically Invested Portfolio Investment Policy is modeled after the Investment Policy of the Los Angeles County Treasurer’s Office.

Director Bellanca also reported that as announced by Commissioner Fielding at the Commission of May 8th, First 5 LA has issued a Request for Qualifications (RFQ) seeking qualified Investment Advisor firms to perform an assessment of allocation of funds among the various securities authorized by the State of California Government Code Section. A recommendation on the selected Investment Advisor firm will be presented to the Commission at the September 11th Commission Meeting.

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

10. Request for Authorization to Destroy Records Pursuant to the Commission’s Records Retention Policy

Legal Counsel Steele reported that State law requires public agencies to retain all records of the agency for a minimum of two years, and then permits the destruction of obsolete records pursuant to a written records retention schedule. In many cases certain specified records, such as the minutes and agendas of the agency, records relating to real property, and personnel records, must be retained for longer periods, or even permanently. An efficient records retention and destruction system, in compliance with applicable law, is essential to the operation of the organization since records are expensive and cumbersome to maintain when they are past their useful life.

The Commission has previously adopted a records retention schedule in compliance with applicable law. Prior to the destruction of any record, the policy and State law require the approval of Legal Counsel, the Executive Director and the Commission. Ms. Martinez and legal counsel have approved a records destruction request from Yolanda Bosch, Esq., Director of Contracts & Legal Compliance. Staff, therefore, requests the Commission’s approval to destroy 19 boxes of document files, which are no longer needed for current Commission business or for historical records in compliance with the Commission’s Records Retention Policy.

M/S (Neal Kaufman / Neal Kaufman) APPROVED AS RECOMMENDED
11. Development of FY 2009-2014 Strategic Plan: Summary of Phase I Internal Assessment Activities

Director Nuno provided background information on the strategic planning process and reported that per the request of the Commissioners, staff initiated strategic planning efforts earlier this year. At the Joint Planning Committee Meeting (JPCM) held on January 17, 2008, staff presented and the Commission approved a two-phase process for Strategic Planning activities that would allow for First 5 LA to:

- Take stock of its current work (Phase I: February 2008-June 2008); and,
- Prepare for the development and approval of the FY 2009-2014 Strategic Plan (Phase II: September 2008-May 2009).

This phased process was created in response to timely Commission policy decisions and the Commission’s interest in identifying critical issues that could impact the development of strategic programmatic priorities and related funding for the next plan. First 5 LA contracted the consultant team, The Sandoval Group, to assist staff with the Commission’s Phase I efforts to establish the necessary building blocks for Phase II.

Cecilia Sandoval, Strategic Planning Consultant, was welcomed and proceeded with her presentation on Phase I of the strategic planning process. Ms. Sandoval reported that Phase I had consisted of an abbreviated Internal Assessment that examined First 5 LA’s current priorities, investments, processes and Accountability Framework. The process used to generate the assessment consisted of the following:

1. A review of available reports and data, evaluations and policy briefs;
2. Commissioner and management staff interviews and small workgroup discussions; and,
3. Joint Planning Committee meeting discussions in April and May regarding the development of core outcomes and a Commission-level theory of change.

The results from the Internal Assessment conducted by The Sandoval Group have highlighted a number of key issues First 5 LA must address in order to focus its next strategic plan and maximize its desired impact through the Commission’s investments and partnerships. It is important to note that within these issues, the findings of the Phase I assessment point to thematic areas of general agreement, as well as divergence of opinion, among and between Commissioners and staff who were interviewed.

By addressing these strategic issues, First 5 LA will be better able to construct and tell a compelling story about its role and success in impacting the well-being of children prenatal through five and their families in Los Angeles County. It also provides a starting point from which to build the necessary framework as First 5 LA embarks on the development of its next (FY 2009-2014) strategic plan.

In response to the presentation by Ms. Sandoval, Chair Burke requested that Ms. Sandoval recommend Commissioners to participate in a Liaison Workgroup that would work with staff in developing the strategic plan. The recommendation would be based on her consideration of Commissioners who have served for several years as well as those who are relatively new to the Commission in order to represent the diversity of perspectives needed to create the new strategic plan. The Commissioner Liaisons would
support staff presentations to the larger Commission and the public as the strategic planning activities are developed.

Due to Brown Act requirements, Ms. Sandoval’s recommendation would be restricted to four Commissioners. The Commissioner Liaison meetings would provide a forum for more candid and intimate discussions that would (1) clarify First 5 LA’s focus on specific impact areas and outcomes; (2) build consensus among First 5 LA’s leadership; (3) gain consensus on solutions to critical issues that arose during the Phase I internal assessment; (4) make decisions that are fundamental to the First 5 LA mission; and (5) be genuinely engaged in a process of organizational change.

Commissioner McCroskey commented that a strategy was needed for continuous Commissioner involvement, in addition to staff involvement. Ms. Sandoval commented that to date, discussions have been confined to three smaller workgroups, each comprised of four Commissioners, where the same issues are being discussed at three separate meetings.

Legal Counsel commented that perhaps the Commission may want to consider having the strategic planning process placed on the monthly Commission meeting agenda as a discussion item. Given that the Commission meetings are public meetings, the Commissioners could have a discussion among themselves regarding the strategic planning process with the public being present.

Executive Director Martinez commented that having the small Ad-Hoc Committee would be more feasible due to scheduling issues. She reminded the Commissioners about the scheduling challenges that staff encounter when trying to coordinate multiple Commissioner calendars. The Joint Planning Committee Meeting (JPCM) would still be used as a forum where Commissioners could be debriefed allowing for the stream of information to keep flowing.

Commissioner Au inquired of Legal Counsel Steele why adherence to the Brown Act was based on the nine voting members and not the total 13 members of the Commission, inclusive of the four ex-officio members.

Legal Counsel Steele responded that the applicability of the Brown Act was mostly based upon perception. Based on this, the Commission has taken a conservative approach and has not been a Commission to entertain legal nuances to avoid complying with the Brown Act. The public is not aware of the voting and non-voting status of the Commissioners and could potentially question the integrity of the Commission’s actions by having five Commissioners at a meeting, which would constitute a public meeting under the Brown Act. The Commission has always been extremely transparent and cognizant of Brown Act compliance.

Commissioner Tilton expressed, on behalf of her fellow ex-officio Commissioners, to Legal Counsel Steele opposition to his legal opinion on public perception and the applicability of the Brown Act. Furthermore, Commissioner Tilton questioned how the Commission’s position got molded. Commission Tilton also requested on behalf of her fellow ex-officio Commissioners that a re-examination take place of the Commission’s position on the applicability of the Brown Act. Commissioner Tilton mentioned that she did not think that the media would closely monitor whether there was an extra Commissioner serving on a Committee. She commented that this reasoning was unfounded to her.
Executive Director Martinez suggested that the LA County Board of Supervisors address this issue by re-examining the ordinance. Commissioner Kaufman commented that the Commission’s membership was based on State law and specific child advocacy areas. This is why the Commission currently has nine voting members and four ex-officio members.

Legal Counsel Steele stated that he respected Commissioner Tilton’s opinion and further stated that he was only providing his conservative interpretation of how the applicability of the Brown Act would be perceived by Brown Act activists and media members.

Legal Counsel Steele also commented that he was providing his legal opinion to the Commission based on 20 years of experience. However, the Commission could choose to proceed in a different direction. Legal Counsel did caution the Commission on taking a nuance position regarding the applicability of the Brown Act in order to have private discussions on a very public and important issue such as the strategic planning process.

Commissioner Tilton commented that she was not talking about changing quorum for the Commission. She thought it was ungrounded to be so concerned about how many Commissioners serve on a subcommittee when there are such active ex-officio members. While not taking herself as an example, Commissioner Tilton stated that with the caliber of Commissioners like Harriette Williams, Jacquelyn McCroskey, and Connie Russell, it would be worthwhile to re-examine the issue having five Commissioners serve on a committee. In her view, she honestly believed there would be no adverse outcome with an additional ex-officio member serving on a committee.

Commissioner Williams supported Commissioner Tilton’s position on re-examining the position of the Commission on the applicability of the Brown Act as it pertains to Commissioner voting status. Commissioner Williams also mentioned that she would be in favor of having two Commission meetings per month. Executive Director Martinez reminded the Commission that there were two meetings held each month in a public setting--the Joint Planning Committee Meeting (JPCM) and the Commission Meeting.

In order to move forward, Commissioner McCroskey suggested that feedback be obtained from Ms. Sandoval as to which Commissioners should serve as Commissioner Liaisons based on her first-hand knowledge of the strategic planning issues; the Commission needed to agree to having multiple strategies; and, Joint Planning Committee Meetings (JPCM) should continue to be regularly scheduled. Commissioner McCroskey stated that everyone wants to be involved in strategic planning because it is very important.

Having no further discussion, Chair Burke thanked Ms. Sandoval for her insightful presentation.

9. Public Comment

None.
ADJOURNMENT

The Commission meeting adjourned to a Closed Session at 4:13 pm.

The next regularly scheduled Commission meeting will be on:

    September 11, 2008 at 1:30 p.m.
    Multi-Purpose Room
    750 N. Alameda Street
    Los Angeles, CA  90012

Meeting minutes were recorded by Maria Romero.