COMMISSIONERS PRESENT:
Commissioners:
Michael Antonovich (Chair)
Nancy Au (Vice Chair)
Jane Boeckmann
Renatta Cooper
Jonathan Fielding
John Hatakeyama (Alternate)
Neal Kaufman
Carolyn Wilder

Ex-Officio Commissioners:
Jacquelyn McCroskey
Matt Rezvani
Deanne Tilton
Harriette Williams

COMMISSIONERS ABSENT:
Commissioners:
Corina Villaraigosa

STAFF PRESENT:
Evelyn V. Martinez, Executive Director
Victor Abalos, Director of Communications
Anthony Bellanca, Director of Finance
Lisa Brabo, Director of Grants Management
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. Vice Chair Nancy Au called the meeting to order at 1:43 pm.

CONSENT CALENDAR: (Items 2 – 3)
2. Approval of Commission Meeting Minutes – March 9, 2006 & April 13, 2006
   M/S (Jonathan Fielding / John Hatakeyama) APPROVED AS RECOMMENDED
3. Approval of Monthly Financials
   M/S (Jonathan Fielding / Neal Kaufman) APPROVED AS RECOMMENDED

COMMISSION: (Items 4-13)
4. Announcements by the Commission Chair
   RECEIVED
5. Executive Director’s Report
   RECEIVED AND FILED
In addition to the written report, Executive Director Martinez commented on the following Commission-related issue.

- **First 5 California Conference** – The conference will be held at the Grand Manchester Hyatt in Sand Diego on May 24-26, 2006. A pre-institute focusing on school readiness will be taking place on Wednesday, May 23rd. Commissioner Nancy Au will be facilitating a session on Family Literacy. Commissioner Harriette Williams will also be attending the conference.

At the conclusion of her report, Executive Director Martinez acknowledged Tricia Sarmiento, a parent participant of the ELC Family Literacy Program, who was present in the audience. Ms. Sarmiento thanked the First 5 LA Board and staff for the continued support of the Family Literacy Initiative.

6. **Approval of the First 5 LA Expansion and Enhancement of Oral Health and Nutrition Promotion Activities in Los Angeles County Through the Following Means:**

   A. Revision of the First 5 LA Next Five Strategic Plan in Order to Include Objective(s) that Address Oral Health Promotion.

   B. Approval at the September 2006 Board Meeting of an Oral Health and Nutrition Activities Framework and Allocation

Director Nuno commented that through examination of oral health and nutrition issues for children prenatal through five years of age and their families, research shows that early childhood carries (ECC) are the result of distinctive patterns of severe tooth decay in infants and young children, and one of the most common diseases in this age group. A primary issue for addressing ECC is access to preventive oral health services which includes many influential factors. Some of the factors that impact access include: lack of dental insurance; fewer dentists per capita in particular geographic areas; language and cultural barriers; and negative attitudes and beliefs about dentists, dental care, and dental disease prevention.

With respect to nutrition, research has shown the significant and long term effect good nutrition has on school readiness and health beginning with pregnancy and through the age of five. The diets of pregnant women directly correlate to positive birth outcomes including appropriate birth weight. Breastfeeding and the types of food babies and children receive markedly increases their capacity for learning, reduces their risk for chronic illness and can prevent diabetes and obesity and the precursors leading to heart disease.

In order to develop the specific activities that First 5 LA will carry out and fund to address oral health and nutrition issues, and create a framework for recommending a First 5 LA investment in this area, staff will take the following immediate action:

1. Present the issue for discussion and public input and comment at the June Joint Planning Committee Meeting (JPCM).
2. Convene an expert panel to engage key stakeholders to discuss best and promising practices in the field and identify leveraging partners and potential funding recommendations.
3. Seek Board approval at the September 2006 Commission meeting on the following recommendations: 1) oral health objectives to be included in the Next Five Strategic
Plan; 2) a general framework of activities, including, direct services, policy and advocacy and public messaging to demonstrate how First 5 LA can make the most significant impact on improving dental health and nutrition promotion for children and their families; and 3) an allocation of funding required to invest to support the activities outlined in the framework.

Chair Antonovich commended the staff for their work in developing oral health and nutrition promotion activities.

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

7. Approval of the Re-Allocation and Integration of $1.6 Million from the Community-Developed Initiative (CDI) Small Grants Allocation to the Capacity Building/Systems Improvement/Sustainability Allocation Approved in November 2005 as Part of the Revised Programmatic and Fiscal Policy

Director Nuno reported that the present recommendation was based on discussions centering on the need for continued support of small community business organizations (CBOs) to address capacity building and encourage neighborhood level program innovation. This direction is consistent with the Next Five Strategic Plan and the revised Programmatic and Fiscal Policy Paper approved in November 2005.

Based on the new policy direction of the Commission, integrating the remaining budget of $1.6 million allocated to the CDI Small Grants with the recently approved Capacity Building/Systems Improvement/Sustainability allocation is an opportunity to blend investments that have similar purpose and target. This direction also maximizes cost effectiveness of future planning and administration of small grants that would not be realized if CDI Small Grants continued as a separate, stand-alone program. Through the key strategies allocation, effective approaches to granting small agencies can be fully explored, using the lessons from CDI as well as other emerging innovative practices.

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

8. Approval of the Prenatal Through Three Focus Area—Two-Pronged Approach

Director Nuno commented that the vision of the Prenatal through Three Focus Area is to optimize the early development of children in Los Angeles County from the prenatal stage through age three with voluntary community involvement. The purpose of the Prenatal through Three Focus Area is to increase the number of children who achieve appropriate social, emotional, cognitive, language, physical and motor developmental milestones to the best of their potential. The attached document titled, “ABC’s of the First 5 LA Baby Zones” expands on the previously approved implementation plan and outlines a two-pronged approach to realize this vision. This approach includes a dynamic community-focused strategy called Baby Zones coupled with a broad Policy Agenda.

Commissioner Fielding shared his thoughts about Baby Zones being a wonderful idea but also too small at the same time. He commented that the Baby Zones should be place-based. As such, a Baby Zone should be determined wherever there is a “baby.”

Furthermore, Commissioner Fielding expressed concerns over three specific issues:
SUMMARY ACTION MINUTES

- **Policy:** While Commissioner Fielding agrees with the concept, there needs to be a revision of what it means to be “prenatal through three friendly.” This component is too comprehensive and priorities should be established.

- **Marketing:** Commissioner Fielding expressed concern over the cost of marketing. While he understands the need for marketing, Commissioner Fielding is wary of the resources being used for such given that this a pilot project.

- **Economics:** Commissioner Fielding expressed concern with using the locale-based matching option as not all communities have the same economic resources.

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

9. Receive and File Cash Flow Statements

Director Bellanca reported on the following key points of the status of the cash flow statements of First 5 LA.

1) The State First 5 Commission has provided us with updated revenue estimates that increase the projected cigarette tax revenues by about $48.6 million through June 30, 2009. The revenue projection model they use is based on a number of factors including per capita cigarette consumption, State Department of Finance population information and a prevalence of smoking study provided by the University of San Diego.

2) While they have increased their estimates of the total amount First 5 LA is estimated to receive through June 30, 2009 they estimate that the amount of cigarette tax revenue First 5 LA is estimated to receive is going to decrease by about 4% each year. This is in part due to the declining birthrate in Los Angeles County compared to other counties. First 5 LA's share of cigarette tax revenue for FY 05-06 is 28.1%. This percentage is estimated by the State Commission to drop to 26.8% for the FY 2010-2011 distribution of cigarette tax money.

3) The estimated interest earnings have been increased by around $35.6 million through June 30, 2009 primarily to reflect the significant increase in the interest earnings rate. This increase is primarily associated with the Federal Reserve increasing the federal-funds rate charged on overnight loans between banks for the 15th consecutive time since June 2004 when it was 1% to the current federal–funds rate of 4.75%. Among other things this has impacted the short-term interest yield. Our current projections assume an interest rate yield of 4%.

4) A technical adjustment has also been made to this updated version of the cash flows. The previous cash flow statement in part was based on a misunderstanding that the year-to-date School Readiness Initiative expenditures did not include the state’s portion of the initiative expenditures. Consequently, the previously projected ending cash balance at June 30, 2009 was overestimated by $23.2 million. Adjustments are included in current cash flow statements as shown on the attached Reconciliation schedule to reflect the current understanding.

Director Bellanca reported on the status of the Investment Portfolio after the reinvestment of $49 million of maturing securities and investment of an additional $86 million on April 5 & 6 bringing the total invested in the Specifically Invested Portfolio to $721 million with a weighted average yield of 4.327%. The net average yield was approximately 4.292%. This was only slightly higher than the County Treasury Pool Allocation Rate of 4.27%.

The current investment strategy for the Specifically Invested Portfolio is to continue to invest short term. This is the same strategy the County Treasurer is using for the County Treasury Investment Pool. When the Federal Reserve Board stops increasing the Federal Funds Rate, we expect to again take advantage of the longer-term interest rate potentially increasing the difference between the Specifically Invested Portfolio and the County Treasury Pool Rate.

11. PRESENTATION: Neighborhood Data Use Collaborative (NDUC)

Director Jimenez commented that in April 2003, First 5 LA established demonstration research partnerships with community organizations for the development of community level data related to the health, well being and school readiness of children birth to five in Los Angeles County. The Neighborhood Data Use Collaborative (NDUC) was a two year, $1.8 million project that emphasized data gathering from “the ground up” in order to supplement and better inform current First 5 LA initiatives. The two major goals of the project were:

- To support activities that build community capacity to collect and use research to create sustainable, grassroots strategies to improve the lives of children prenatal through age five and their families.
- To provide the First 5 LA Commission with data from hard-to-reach communities in order to inform current and future First 5 Initiatives.

First 5 LA partnered with five community organizations to engage residents in the design and implementation of community-based research projects. NDUC utilized a Participatory Action Research (PAR) approach in order to build community capacity to identify important community issues related to children 0-5, collect data on these issues, and utilize the data to improve the lives of children. PAR is predicated on the effective involvement and ownership of research by community members who are impacted by the problem under study.

12. PRESENTATION: Healthy Kids Initiative Evaluation Baseline Client Survey Findings

Director Jimenez reported that in May 2004, First 5 LA contracted with the Urban Institute to conduct a comprehensive evaluation of the Healthy Kids Initiative. The evaluation team also includes subcontractors at Mathematica Policy Research, UCLA and USC. At the September 2005 Commission meeting, the evaluation team presented qualitative findings from the year one stakeholder interviews and parent focus groups, along with process monitoring data from DHS and LA Care related to outreach, enrollment and retention. At that time the evaluation team reported that the baseline client survey was in the field and that survey results would be available in the spring of 2006.
Based on the results from the baseline survey, the following are key findings:

- Healthy Kids reaches the most vulnerable: very low income kids
- most children are ages 4-5 and from two-parent, working Latino families
- few kids have access to private coverage
- most kids have uninsured parents
- prior to Healthy Kids, there was high enrollment in emergency Medi-Cal
- both enrollment and renewal in Healthy Kids are easy with clinic outreach/enrollment being key
- access to services is generally very good
- almost all Healthy Kids participants have a usual source of care, usually clinics
- parents are very satisfied, but still very concerned about child’s needs
- a need exists for better after hours care and for improvement in parent/provider communication on developmental/behavior concerns

13. Public Comment

Samuel Gilstrap, Los Angeles Unified School District

ADJOURNMENT

The meeting adjourned at 4:20 pm.

The next Commission meeting is scheduled for:

June 8, 2006 at 1:30 p.m.
Multi-Purpose Room
750 N. Alameda Street
Los Angeles, CA 90012

Meeting minutes recorded by Maria Romero.