CALL TO ORDER / ROLL CALL

1. Vice Chair Veloz called the meeting to order at 1:40 p.m.

CONSENT CALENDAR:  (Items 2 – 3)

2. Approval of Commission Meeting Minutes – April 14, 2005  
   M/S  (Renatta Cooper / Jonathan Fielding)  
   APPROVED AS RECOMMENDED

3. Approval of Monthly Financials  
   M/S  (Renatta Cooper / Jonathan Fielding)  
   APPROVED AS RECOMMENDED

COMMISSION:  (Items 4-10)

4. Announcements by the Chair  
   In the absence of Chair Molina, Vice Chair Veloz made the announcements.

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.

- **LAUP** – The Board of Directors will be holding a special meeting on Wednesday, May 25, 2005 to discuss and approve their operating budget for 2005-2006. The year-end report, business plan, and 2005-2006 operating budget have not been submitted to First 5 LA. It is anticipated that these documents will be forwarded to First 5 LA for review upon Board approval by LAUP.

Commissioner Kaufman commented that if the submission of the year-end report, business plan, and 2005-2006 operating budget after their special Board meeting of May 25th would not provide an adequate amount of time for review prior to the First 5 LA Commission meeting scheduled for June 9, 2005. He suggested that these documents be reviewed during the month of June and that First 5 LA staff should be prepared to make a staff recommendation at the Commission meeting scheduled for July 9, 2005.

6. Authorize Staff to Send a Letter of Support for Assembly Bill (AB) 1285

Patricia Alvarez Sahagun, Communications Officer, provided background information on the origin of the Assembly Bill (AB) 1285 authored by Assembly Member Cindy Montanez.

In Los Angeles County, qualified child care providers are eligible to receive stipends through the “Investing in Early Educators” (IEE) program administered by the county. IEE gives training, stipends and support to child care workers who contract with CDE to help attract and retain skilled providers. AB 1285 would expand IEE eligibility to include teachers that do not currently hold contracts with CDE, allowing all Los Angeles County licensed, qualified child care providers to be eligible for a stipend.

The stipend program is funded annually through the state budget, and no new funding is being requested to implement AB 1285. The Governor’s 2005-06 budget includes $15 million for the stipend program through 2006-07. Los Angeles County receives $9.9 million of the total allocation, with a pending contract amendment set to increase the contract total to $14.9 million over a three year period. As a result of the increase, stipends and services to child care providers in facilities with CDE contracts are not expected to be adversely impacted. The stipend program also has been identified by CDE to meet State matching requirements for the Federal Child Care Development Block Grant.

According to the County of Los Angeles Office of Child Care, approximately 1400 child care providers currently receive a stipend through IEE. Expansion of IEE through AB 1285 will allow approximately 1,000 more child care providers to be eligible for a stipend, for a total of approximately 2,400 Los Angeles County child care providers. To qualify for IEE, child care providers must work directly with children at least 20 hours per week in CDE-funded centers and complete 3 semester units of relevant coursework. The stipend amount is an average of $1500 per funding cycle, with each cycle lasting a little less than one year. Child care providers completing 6 semester units receive a maximum $3,000 stipend.

Since the beginning of the stipend program in late 2001, over 4,700 stipends have been awarded to qualified child care providers working in CDE-funded centers, totaling more than $11 million. An additional 2184 stipend applications for the program’s Cycle 5 are pending, following completion of appropriate coursework. All eligible child care provider applicants have never been denied a stipend.

M/S (Jonathan Fielding / Neal Kaufman ) **APPROVED AS RECOMMENDED**
7. UPDATE: KCEd Project

Director Lisa Brabo provided background information on the KCEd project. The KCEd project is a multi-platform initiative to teach home childcare providers how best to foster school readiness in children under five. The goal of KCEd is to enhance the professional development of providers, to provide guidance and insights in early learning and child development issues, and to connect home providers to the larger community of early childhood education.

Al Jerome, President & CEO of KCET, provided a status report on the activities of the past year. Mr. Jerome highlighted project areas such as production, testing and evaluation, broadcast and audience data, website development, outreach workshops, publicity, on-air promotion, professional development, and collaboration efforts among other First 5 LA initiatives and program such as First 5 LA Connect.

Production of the two series – “A Place of Our Own” and “Los Niños en Su Casa” -- began the last week of June 2004, concluding January 28, 2005. 240 programs were produced in this first season. KCET produced the series in association with Sesame Workshop and 44 Blue Inc., a Hollywood production company specializing in talk and reality series. The goal was to create engaging and entertaining programs filled with accessible information about caring for young children.

Mr. Jerome also commented that based on formal evaluations to anecdotal viewer mail, the series and its various extensions have all been very successful and well received. He also commented that KCET is now looking forward to another season of “A Place of Our Own” and “Los Ninos en Su Casa.” As production wrapped up, the question of what topics to cover opened up, in another season of production as well as workshops. KCET is has also opened the door to exploring deeper partnerships with community colleges and continuing to support professional development for childcare providers.

Mr. Jerome stated that KCET was very grateful for the support received from First 5 LA in the development of the KCEd series and looked forward to a continued partnership.

8. UPDATE: Public Opinion and Attitudes Survey

Director Victor Abalos promoted that the Communications Department recently concluded a public opinion and attitudes survey conducted by research firm Fairbank, Maslin, Maullin & Associates. The purpose of the survey was to determine the level of awareness of First 5 LA and its initiatives in Los Angeles County among the public in general and among those who would be most likely to need and use our services in particular.

The methodology of the survey involved telephone interviews with 1,000 randomly-selected adults [random digit dial] residing in Los Angeles County. The margin of error for the survey results is +/- 3.1%. Telephone survey interviews were also conducted with an over-sample of 100 expectant parents. While the results from that population are informative, they are less predictive because the over-sample was not randomly selected.

The survey – which also included African-American, Asian (Chinese), Hispanic and “mainstream” focus groups – also measured public opinion regarding our initiatives and our revenue source, as well as media usage [TV, radio, newspapers] among the general public and our potential client target audience.

All of the information gathered via the survey has proven an invaluable first step in crafting and implementing the marketing strategy which the Communications Department is now launching. First 5 LA is charged with the task of using the media to bring, to as many people in Los Angeles County as possible, the message of all the great work you are doing to help the children of Los Angeles County.

Commissioner Fielding inquired how much funding was being spent in developing the media campaign and questioned if this funding could be better used to fund community programs and
services. Further, Commissioner Fielding questioned if it was more important for First 5 LA to provide programs and services regardless of whether the community knew about First 5 LA. In his view, Commissioner Fielding felt that the branding of First 5 LA in the community was not as important as the funding of programs and services.

9. UPDATE: Budget Workshop

Director Anthony Bellanca reviewed the budget workshop report prepared by Cristina Altmeyer who facilitated the budget workshop of May 2, 2005.

The session began with a brief presentation of the revenues and allocation for the first two strategic plans and a summary financial picture for beginning July 1, 2004 through the end of the Third Strategic Plan, June 30, 2009.

In sum, First LA will have total estimated resources of $1.3 billion from the period of July 1, 2004 through June 30, 2009, including prior period carryover balances and new revenue. Planned allocations are as follows:

<table>
<thead>
<tr>
<th>Allocations (in millions)</th>
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<tbody>
<tr>
<td>First and Second Strategic Plan</td>
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<tr>
<td>Third Strategic Plan</td>
</tr>
<tr>
<td>- Early Learning/UPK (LAUP)</td>
</tr>
<tr>
<td>- Health</td>
</tr>
<tr>
<td>- Safety</td>
</tr>
<tr>
<td>- Zero-Three</td>
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<tr>
<td>- Administration &amp; Operations</td>
</tr>
<tr>
<td><strong>TOTAL ALLOCATIONS</strong></td>
</tr>
</tbody>
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After review of the financial results and projections, Commissioners then discussed the impacts of the current allocations and provided direction to staff. Commissioners were asked to review the allocations included in the Third Strategic Plan, in particular the $105 million allocated to the Prenatal Through Three focus area.

Commissioner discussion and direction to staff was divided into three categories:

- Requested Financial Analysis and Follow-up Actions
- Recommendations on Third Strategic Plan Funding Allocations
- Challenges and Other Funding Considerations.

Direction in each area is summarized below, including requests for additional information or analysis by staff.

1. **Requested Financial Analysis and Follow-up Actions**

Commissioners requested that staff complete the following in regards to financial policies and management:

a. **Validate Spending Projections for Open Initiatives** – The current plan assumes that the open initiatives spend as originally programmed. Commissioners requested that staff analyze initiatives to determine the projected rate of expenditure by the end of the contract term and determine if there are any potential savings that the Commission may realize and could potentially redirect.

Commissioners requested an update regarding the unspent funds from initiatives that have sunset. The commissioners stated that there may be some “potential savings” from
the original CDI allocation. In addition board members would like a process to be established to determine policy decisions around the redirection of funds.

b. The Commissioners requested “real time” spending analyzes on the current (or open) initiative.

c. *Investigate Expanded Use of Revenue-linked Contract Provisions* – The existing LAUP contract links annual funding awards with Prop 10 revenue allocations. LAUP’s annual contract amount may decrease proportionally, if First 5 LA’s revenue is less than projected. The annual contract review of LAUP will include a consideration of this provision. The Commissioners requested that staff investigate whether this revenue-based contracting strategy should be applied to other major contracts of First 5 LA.

d. *Establish Sustainability Fund* – Commissioners propose that any revenue received above the current projection be dedicated to a sustainability fund.

e. *Establish a contingency policy* – Commissioners proposed that all contracts include a revenue dependant clause as stated above. Based on staff recommendation to the Board, the Commission will fill in any shortfalls with moneys drawn from the contingency fund. The contingency fund will be developed through unspent initiative funds.

f. *Review Projected Administrative Expenses* – Staff should re-evaluate the projected administrative cost inflation rate included in the Third Strategic Plan. The current budget should be used as the base year, projected forward with a goal of keeping administrative expenses to 5 to 7% of total budget.

2. **Recommendations on Third Strategic Plan Funding Allocations**

Commissioners discussed the Third Strategic Plan funding allocations as presented (see above) and provided the following direction to staff:

a. *Integrate Funding for Results* – Early Learning, Health and Safety are results as identified in the Third Strategic Plan and should not be construed as funding intervention categories. Commissioners recommended that funding available from these three results areas ($330 million in total) be combined and that the Commission evaluate proposals that support these results, either collectively or in part, based on each proposal’s projected return on investment. Given the amount of funding for four-year olds through LAUP, Commissioners requested that 70-75% of funding from these integrated results be directed at children prenatal through age three.

b. *Map Current Initiatives* – Commissioners requested that staff analyze current initiatives on several dimensions to understand current results and funding strategies, including but not limited to:

- Age-focus
- Goal/result
- Expenditure by fiscal year
- Geography

c. *Develop Priority Funding Strategies* – Commissioners requested that staff return with priority funding strategies for allocation of the $330 million. Development of priority strategies should be based on the Third Strategic Plan, and not construed as a new strategic planning process. Existing commitments, such as Family Literacy and LA Connection should be considered in this priority-setting. A committee of Commissioners, including Commissioner Liaisons, will be formed to guide and expedite the process through the Planning Committee.
It was requested that staff develop criteria in collaboration with the Commissioner liaisons. Commissioners stated that this would be a “working policy document” that would allow First 5 LA to look at timely decisions and weigh the merits and impact of our investments towards our results.

3. Challenges and Other Funding Considerations

a. It was recognized that there are several challenges in completing the requested mapping in terms of time requirements and limitations of the existing data resources. Commissioners discussed these issues, sought input from staff, and reviewed potentially mitigating strategies. Issues discussed included:

b. Sunsetting of Initiatives – Several initiatives funded as part of the Second Strategic Plan may be sunsetting and renewal decisions may be required prior to the completion of the priority-setting process. Commissioners recommended that staff consider whether these initiatives should have a one-time funding extension while the priority-setting process is completed.

c. Analysis of CDIs - CDIs are often structured to go across multiple age group and result areas which may make mapping of these initiatives complex. Evaluations are not necessarily in place for CDIs to conduct a return on investment analysis and CDIs may be evolving in focus over time. Staff will attempt to provide a best “guesstimate” in some circumstances to understand how these initiatives map across age grouping, results, etc.

d. Several other funding considerations and issues were identified and discussed by Commissioners as overall direction to staff:

e. Funding for Evaluation and Marketing – As a general funding principle, any marketing and evaluation costs should be included within the budget for that initiatives or result area. Staff should review existing obligations and consider whether First 5 LA has the ability to redirect any of the funding within evaluation and marketing.

f. Future Plans for Evaluation – Commissioners requested staff to develop recommendations on how evaluation resources should be directed in the future, given the change in funding approach outlined above.

 g. Sustainability Approach – It was emphasized by several Commissioners that the emphasis in sustainability should not be in sustaining First 5 LA funding, but the results and outcomes that are being achieved through First 5 LA’s support.

Staff agreed to work through a plan of action to respond to Commissioners’ direction and utilize existing analyses and matrices, to the degree available, to provide a map of the current initiatives.

10. Public Comment

None.

ADJOURNMENT

The meeting adjourned at 4:12 p.m.

The next Commission meeting is scheduled for:

June 9, 2005 at 1:30 p.m.
Multi-Purpose Room
750 N. Alameda Street
Los Angeles, CA 90012

Meeting minutes recorded by Maria Romero.