COMMISSIONERS PRESENT:

Commissioners:
Michael Antonovich (Chair)
Nancy Au (Vice Chair)
Jane Boeckmann
Jonathan Fielding
Marvin Southard
Corina Villaraigosa

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

COMMISSIONERS ABSENT:

Commissioners:
Neal Kaufman
Carolyn Wilder

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 1:46 pm.

CONSENT CALENDAR: (Items 2 – 3)

2. Approval of Commission Meeting Minutes – May 4, 2006
   M/S (Jonathan Fielding / Marvin Southard) APPROVED AS RECOMMENDED

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

COMMISSION: (Items 4-15)

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

**RECEIVED AND FILED**

Executive Director Martinez highlighted the following Commission-related issues from her written report:

- **Power of Preschool (PoP):** The State has committed to allocating Los Angeles County $28.3 million based on the proposed number of children served by LAUP as the lead PoP implementing agency. It is anticipated that all details related to the PoP implementation will be finalized and that the program can start in late summer.

- **KTTV Fox 11 Collaboration:** First 5 LA and KTTV FOX 11 have begun collaboration on a weekly series: "Good Beginnings," which focuses on child health, safety, and early learning. The first segment, “The Importance of Early Dental Care”, was broadcast on June 1, 2006.

- **Joint First 5 LA & LAUP Staff Meeting:** On May 15th, First 5 LA and LAUP met at The California Endowment for a joint staff meeting. This meeting was designed as an introduction to help members of each organization get a better understanding of the responsibilities, goals, and duties of the other.

6. Approval of the Proposed AB 109 and SB 35 Related Policies and Long-Term Financial Plan

Director Bellanca reported that the statutes have been amended by the passage of AB 109 and SB 35 to provide increased oversight of First 5 County Commissions. The proposed AB 109 and SB 35 related policies and long-term financial plan require Commission approval and adoption by June 30, 2006. If these policies are not adopted, the State Commission may withhold the disbursements of tobacco tax funds to County Commissions.

Commissioner McCroskey requested that the term “research” before “evaluation” in the proposed Evaluation Policy be added.

M/S (Jonathan Fielding / Jane Boeckmann) APPROVED AS AMENDED

7. Approval of the Los Angeles County Children and Families First-Proposition 10 Commission Maximum Operations Administrative Cost Rate of 5% of the Total Program Evaluation and Provider Grants Budget for FY 2006-2007

Director Bellanca reported that the passage of AB 109 requires all that First 5 County Commissions to adopt a policy which maximizes the total administrative cost allowed in a fiscal year. First 5 LA staff prepared an analysis of First 5 LA’s actual administrative cost rate for the past four years, reviewed other First 5 County Commissions within the Southern Region approved administrative cost rate and the percentages of bigger non-profit organizations. The analysis was taken to the Operations Committee where it approved the rate of 5%. With a projected $264 million budget for program, evaluation and provider grants, the total maximum administrative cost approved is $13,198,000.
Commissioner Fielding requested that an analysis be done to determine different cost rates for more intensive versus less intensive grants such as LAUP. Director Bellanca commented that the different grants and contracts that First 5 LA currently funds were taken into consideration in making the recommendation of a maximum operations administrative cost of five percent.

Commissioner Fielding commented that he did not oppose the proposed policy but would like for the administrative cost analysis to be brought back to the Commission for review in 60 days.

M/S  (Marvin Southard / Jonathan Fielding)  APPROVED AS AMENDED

8. Approval of the Los Angeles County Children and Families First-Proposition 10 Commission Operations and Administration Budget for FY 2006-2007

Director Bellanca reported that the budget forecasted for the new FY, 2006-2007, will be approximately $10.4 million. The Operations Committee of the Board of Commissioners has reviewed and approved the proposed budget for FY 2006-2007. The method used to develop the budget is a “base line” approach with every line item having a written justification. The increase from the prior year’s operating budget is primarily due to the creation of two new departments (Medical Administration Activities/Targeted Case Management (MAA/TCM) and Policy); the development of the First 5 LA Fellowship Program; and increased County overhead associated with our Specifically Invested Portfolio.

Commissioner Fielding commented that he would like to see an addendum to the budget line items. Further, Commissioner Fielding requested to know how much was being spent on public affairs and programs.

Commissioner Williams asked to have more information on the fellowship program. Executive Director Martinez commented that the fellowship program was defined in her yearly goals and was currently in the development stage. Executive Director Martinez reported that she and members of her senior staff were working with UCLA. It is anticipated that the fellowship program would be implemented in the fall.

M/S  (Jonathan Fielding / Marvin Southard)  APPROVED AS RECOMMENDED

9. Approval of the Proposed Annual Operating Budget Policy

Commissioner Bellanca reported that as proposed in the policy, the allocation of the unspent/uncommitted portion of the Annual Operating Budget or unexpected revenue for the Executive Director to use for operations would provide needed operating flexibility to the Executive Director while providing the Board of Commissioners with sufficient controls. The maximum amount authorized to be allocated can not exceed 5% of the Annual Operating Budget without approval from the full Board of Commissioners.

This proposed policy also provides authority for the unspent/uncommitted portion of the previous year's Annual Operating Budget, with approval of the Operations Committee, to be used to fund an Operating Budget sustainability reserve.
Mayor Antonovich suggested that the Executive Director be given the same discretionary authority on spending limits as County Department Heads which is at $100,000.

M/S  (Jonathan Fielding / Marvin Southard)  

**APPROVED AS RECOMMENDED**

10. Approval of the Los Angeles Universal Preschool (LAUP) 2006-07 Scope of Work, Business Plan and Budget

Director Brabo reported that at the July 12, 2004 Commission meeting, the Commission voted to approve the contract between First 5 LA and LAUP to be the administrator of the Universal Preschool Master Plan. The contract is for the time period July 15, 2004 to September 30, 2009. September 13, 2004 to June 30, 2006 is designated in the contract as the “start-up period.”

LAUP is required to prepare and submit a “detailed scope of work, annual business plan, proposed budget for the next year of the Program and a year-end report detailing the Contractor’s performance and compliance” on an annual basis. The Commission is then required to take formal action to approve, deny or require amendments to the submitted documents (collectively the “Subsequent Year Plan”).

Mayor Antonovich welcomed Graciela Italiano-Thomas, CEO, and Gary Mangiofico, Chief Operating Officer, from LAUP.

Ms. Italiano-Thomas reported on the key achievements of LAUP during FY2005-2006. Since the early launch in March 2005, LAUP has grown to actively serve over 4,400 children with an additional 5,600 new spaces under some stage of development for 2006-2007. In total, LAUP has expended or encumbered funds to support 10,000 high-quality preschool spaces for 4-year-olds across Los Angeles County.

The upcoming FY 2006-2007 will be a significant year of further growth and development for LAUP. It is anticipated that LAUP will develop an additional 8,600 new, high-quality spaces. By year’s end, LAUP will be supporting a total of 18,600 spaces, representing a growth rate of 86% over FY2005-2006.

Commissioner Au commented that the new range in salaries for LAUP employees was a concern to the Operations Committee. Commissioner Fielding stated that he echoed the concern over salary ranges of LAUP employees. Further, Commissioner Fielding commented that the Commission needed to be careful stewards of allocated funds since LAUP was receiving approximately 80% of First 5 LA total funding.

Commissioner Southard inquired if LAUP had figured a cap on the administrative costs of the organization. Ms. Italiano-Thomas responded that LAUP had done this and that such costs were five percent as stipulated in their proposed budget.

Commissioner McCroskey inquired about how a five-star grading system was going to be developed to be applied to all of the LAUP preschool sites. Ms. Italiano-Thomas responded that LAUP is currently working with the County’s Office of Child Care and UCLA to develop a systematic grading system.
Commissioner McCroskey also asked how the sharing of evaluation tools and
collaboratives was going to be done. Ms. Italiano-Thomas commented that the “matrix"
project was an informal collaborative formed to share data gathered through LAUP.

Commissioner McCroskey further asked about what activities LAUP was going to be
engaging in relation to workforce development. Ms. Italiano-Thomas stated that LAUP
was working closely with First 5 LA on this issue.

Mayor Antonovich asked Ms. Italiano-Thomas how LAUP was planning to address the
concerns of the Commissioners regarding compensation. Ms. Italiano-Thomas
responded that LAUP was not intending to take any action based on the compensation
study recently completed. The proposed budget did not reflect any salary adjustments
based on the compensation study recommendations.

Commissioner Au commented that while she respected the autonomy of LAUP as a
separate organization from First 5 LA, she is also very concerned about the stewardship
of funding.

Commissioner Williams inquired if the LAUP Board had the authority to increase the
salaries of executive management. Specifically, Commissioner Williams wanted to know
the protocol for this process.

Mayor Antonovich expressed strong concerns regarding the salary structure of LAUP.
He requested that this issue be further studied. Mayor Antonovich appointed
Commissioners Au and Fielding to meet with LAUP to further assess the compensation
issue.

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

11. Approval of the Open Grantmaking Conceptual Framework in Accordance with the
Revised Programmatic and Fiscal Policies (November 2005) and Agreement that Staff
Proceed in Developing

Director Nuno commented that the approved goal of Open Grantmaking is to give the
Commission flexibility to fund projects with significant potential to positively impact
outcomes. The proposed Open Grantmaking conceptual framework outlines the funding
priorities, areas of emphasis, and types of approaches that will allow the Commission to
achieve this goal.

Upon approval of the Open Grantmaking conceptual framework, staff will proceed in
exploring the advantages and disadvantages of various funding mechanisms to
determine the most appropriate for the context at First 5 LA and for addressing the
funding priorities and areas of emphasis of Open Grantmaking. Potential funding
mechanisms could include, but are not limited to, a traditional RFP process, high-
engagement philanthropy, and funding of Commission-identified projects. In addition,
staff will develop an evaluation plan that will include the development of one or more
overarching themes that will inform First 5 LA’s evaluation of Open Grantmaking. The
totality of this information will be developed into an implementation and evaluation
plan that will be presented to Commissioners for approval in the fall.

M/S (Jonathan Fielding / Nancy Au) APPROVED AS RECOMMENDED
12. Approval of the Legislative Plan

Director Abalos reported that First 5 LA has taken public positions on legislation impacting our mission several times in the last few years without having a formal process in place for supporting or opposing legislation. Last year alone, First 5 LA took formal positions on three state legislative bills that each, in their own way, impacted First 5 LA’s mission to improve the lives of children and families.

The present recommendation is based on the need to have a formal policy in place for taking public positions on legislation, as well as regulations and ballot measures. It is intended to guide staff and Commissioners in publicly endorsing or opposing legislation, regulations and ballot measures that could impact the Commission’s vision, mission and strategic plan, as well as the use and administration of Proposition 10.

The legislative advocacy plan provides a structure for making decisions on legislation, while at the same time providing for the flexibility necessary to make quick decisions on fast track legislation. It applies to legislation, regulations, state budget issues and ballot measures at the local, state and federal government levels.

Commissioner Fielding stated that while he was supportive of the overall goal of providing guidance to staff on taking a public position on potential legislation impacting the Commission, he needed to understand the process more clearly. For instance, it needed to be clear as to who would be responsible for taking a position on a specific issue on behalf of the Commission. He requested a short list of priorities for Commission approval.

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

13. Approval of the Extension of Terms for Ex-Officio Members Serving on the Los Angeles Universal Preschool (LAUP) Board

On June 1, 2006, the LAUP Board of Directors voted to request that the First 5 LA Commission extend the terms of two non-permanent ex-officio members of the LAUP Board, John Agoglia and Eleanor Plummer, until June 30, 2006.

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

14. Approval of the Proposed LAUP Contract Language Modification

Legal Counsel Steele reviewed the proposed contract language modifications.

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

15. Public Comment

None.
**ADJOURNMENT**

The meeting adjourned at 4:07 pm.

The next Commission meeting is scheduled for:

July 13, 2006 at 1:30 p.m.
Multi-Purpose Room
750 N. Alameda Street
Los Angeles, CA 90012

Meeting minutes recorded by Maria Romero.