

Summary of Commission Actions



Champions For Our Children
www.First5LA.org

Meeting of January 13, 2014

Knabe Touts Goals Upon Return As Commission Chair

Serving his fourth term as Chair of First 5 LA since he was the first Chair back in 1999, Los Angeles County Supervisor Don Knabe declared that 2014 will be a pivotal year.

In remarks to open the first meeting of his tenure, Knabe stated that his main goal as Chair is to lay the groundwork to sustain the good work of this agency over the long term. But, as with all things worthwhile, Knabe said it will not be easy. The Commission's primary source of revenue – tobacco taxes – has been steadily decreasing and all indicators are showing that downward trend will continue. This reality must factor into every decision the Commission makes, large or small, from this point forward.

This will require some tough financial decisions and some new ways of doing business, Knabe stated. To that end, he asked staff to develop a draft of "Governance Guidelines" for the Commission's consideration, which will help create a strong, consistent and transparent process for decision making. A final version for the Commission to vote on is expected in March.

Meanwhile, First 5 LA's work will move forward. Knabe highlighted two priorities at the center of First 5 LA's current strategic plan: Welcome Baby/Home Visitation, which is ready for launch; and Best Start, for which First 5 LA will finally be hitting the "play button" by moving forward with groundbreaking work that engages families and communities to improve child outcomes. The Chair also touched on investments from First 5 LA's prior Strategic Plan, noting the importance of the organization working with LAUP to find a sustainable source of funding for its preschools.

Finally, upon looking through the results of the [Listening, Learning and Leading \(L3\) effort](#) that was undertaken last year, Knabe noted some troubling perceptions of First 5 LA: that it has a lack of focus, clarity and consensus and a "scattershot approach." Knabe wants to turn those perceptions around in 2014. First, with the effective implementation of initiatives that are finally coming online this year. And second, by completing and voting on the agency's 5-year strategic plan this year. Click [here](#) for the complete text of Chairman Knabe's remarks.

Highlights

- Commission welcomes Don Knabe as Chairman, elects Nancy Au as Vice Chairman
- Long Term Financial Projection presented
- Governance guidelines discussed
- 15th Anniversary of First 5 LA to be celebrated

COMMISSIONERS

Los Angeles County Supervisor
Don Knabe
Chair

Nancy Haruye Au
Vice Chair

Jane Boeckmann

Philip L. Browning

Arturo Delgado, Ed.D.

Duane Dennis

Jonathan E. Fielding, M.D.,
M.P.H.

Sandra Figueroa-Villa

Neal Kaufman, M.D., M.P.H

EX OFFICIO MEMBERS

Patricia Curry

Karla Pleitez Howell

Marvin J. Southard, D.S.W.

Deanne Tilton

New Faces, Assignments for Commission

Chairman Knabe was not the only new face on the Commission at the first meeting of the year. Karla Pleitéz Howell joined the Commission as an Ex Officio member of the board. Pleitéz Howell is Supervising Attorney at Public Counsel Law Center's Early Care and Education Law Unit, where she advises child care providers on licensing, contract and employment concerns. She also teaches an upper-division course on early child care and education at California State University, Los Angeles. Her day-to-day work allows her to interact with referral agencies and the L.A. County Policy Roundtable for Child Care and Development, among others.

Pleitéz Howell says serving on the Commission is important because she will have the opportunity to bring the voices of the groups she works with daily to the Commission. These voices are important because they provide critical services to families with young children. Pleitéz Howell envisions developing an integrated system that provides all families with services that give their children the best start in life.

In another move for the new year, Commissioner Nancy Au was named Vice Chair. Also, a new, yearly practice of rotating selected voting and non-voting members of the Commission was implemented. Commissioner Marvin Southard, who also serves as the Director of the Los Angeles County Department of Mental Health, will become an Ex Officio (non-voting) member while Commissioner Arturo Delgado, Superintendent of the L.A. County Office of Education, will become a voting member of the board.

Chairman Knabe also announced the following committee assignments:

- Executive Committee: Nancy Au (Chair), Neal Kaufman (Vice Chair), Duane Dennis, Sandra Figueroa-Villa
- Program and Planning Committee: Duane Dennis (Chair), Marvin Southard (Vice Chair), Patricia Curry, Arturo Delgado, Karla Pleitéz Howell, Deanne Tilton
- Budget & Finance Committee: Philip Browning (Chair), Sandra Figueroa-Villa (Vice Chair), Jane Boeckmann, Jonathan Fielding

Long Term Financial Projection Presented

In what Chair Knabe characterized as a “sobering” report, the Finance Department presented a long-term financial projection (LTFP). The LTFP indicates that while First 5 LA's resources are adequate to cover existing obligations through the course of the current Strategic Plan (June 2015), over the long-term, the current rate of spending is unsustainable. This is primarily driven by the fact that First 5 LA spending continues to outpace revenue, requiring First 5 LA to depend on its existing Fund Balance to cover the difference.

For FY 2013-14, the Long Term Financial Projection (or LTFP) projects spending at nearly 170% above estimated revenue, an excess level of spending resulting in a commensurate decline in Fund Balance. This variance between projected revenue and expenditures results in a dramatic 65% decrease in the Fund Balance from the July 1, 2013 beginning Fund Balance of \$723.7 million (of which approximately \$513.8 million is committed to existing Commission-approved allocations) to \$250.1 million by June 30, 2018.

Based on preliminary estimates, if decisions are made to continue funding for expiring programs and allow for the spending of reserves, the Fund Balance will be depleted by FY 2018-19.

The LTFP demonstrates that now is the time to begin making critical, strategic decisions that will determine the future direction of First 5 LA. The LTFP shows that there is sufficient Fund Balance in the short-term to support a transition to a more sustainable spending portfolio—one that aligns annual spending with annual revenue with limited reliance on Fund Balance—over the course of the next few years.

The challenge for the near future is—in the context of declining revenue and Fund Balance—to evaluate programs currently scheduled to expire and to develop the next Strategic Plan (FY 2016 – 2020). By balancing future investments with declining resources, First 5 LA will have an opportunity to bring sharper focus to the directed areas of investment and realign them in a manner that ensures sustainability. It is expected that the LTFP will be presented to the Commission for consideration for approval at a future meeting.

New Governance Guidelines Proposed

As mentioned above, Chairman Knabe has asked staff to create new “Governance Guidelines” to enhance and improve the agency’s current process for making decisions. Updating and conforming First 5 LA decision-making guidelines to reflect organizational practice and best practices will advance important First 5 LA goals, including:

- Transparency and consistency in decision-making
- Coordination, coherence and integration of First 5 LA investments
- Accountability for First 5 LA’s declining revenues

Executive Director Kim Belshé outlined the highlights of the draft Governance Guidelines which fall into three categories:

Process

- Sequencing of action items - Any agenda items requiring Commission action will be considered first as an informational item at a full Commission meeting. Staff presentations will be provided and public comment received in one meeting, with public comment and action taken at a subsequent Commission meeting. When appropriate, the item may be referred to the relevant committee for further discussion prior to being brought to full the Commission for action.
- Staff presentations - Staff presentations on Commission agenda items will precede public comment.

Budget Development

- Long-term financial forecast - At least annually, the Board will review and adopt the next five-year financial projection that represents estimated 5-year trends of expenditures and revenues.
- “Paygo” - Board decisions that have a fiscal impact will require identification of the funding source – e.g., “assigned” funding (per the current Strategic Plan), “committed” (per previous Board-approved allocations) or “unassigned” or “uncommitted” funds. Staff will present to the Board a 5-year spending projection for all proposals with a fiscal impact, prior to action being taken.

- Financial sustainability - Recommendations to the Commission will include a section addressing the sustainability of any proposed programmatic investment. Staff will provide to the Commission a semi-annual sustainability status report for all First 5 LA investments.
- Leveraging - Grantees and contractors must demonstrate how First 5 LA investments will be leveraged; where unable, grantees/contractors will be provided training and technical assistance.
- Grant expiration and “sit out” - First 5 LA investments will end pursuant to the time stated in the original allocation or grant award. Grants/contracts subject to expiration will not be considered for further funding for a period of 1 or 2 years. Staff will provide an annual Board update each spring on expiring grants and contracts so the Board has this information prior to the development of the budget.

Strategic Planning

- Decision-making document - The Strategic Plan will represent a decision-making document that focuses First 5 LA’s strategic direction, aligns the organization’s efforts and activities, and clarifies its intended impact.
- Alignment of “legacy” investments with new Strategic Plan - Prior Strategic Plan initiatives must expire pursuant to their terms or be clearly aligned with the new Strategic Plan going forward, with specific and measurable outcomes and performance measures.
- Criteria for new initiatives/programs - To be included in the new Strategic Plan, initiatives/programs must include:
 - Specific and measurable outcomes and performance metrics.
 - A budget and fiscal impact analysis, including a 5-year spending projection.
 - Realistic implementation timeline.
 - Statement of alignment.
 - Evidence of or potential for effectiveness.
 - Evidence of or potential for sustainability of results.
 - Review and recommend from the appropriate Board Committee

Knabe instructed staff to work with the Executive Committee to review these draft Governance Guidelines and to come back to the Commission in February with a final recommended version to be voted on in March.

15th Anniversary of Proposition 10, First 5 LA

Noting that 2014 is the 15th anniversary year of the formation of California voter approval of Proposition 10 and the formation of First 5 Commissions in California, Public Affairs Director Francisco Oaxaca announced that a number of anniversary events will occur throughout the year highlighting past accomplishments, what we have learned and also plans for the future.

Activities include regular features of grantee “success stories”, a monthly highlight interview with one of the Commissioners, a monthly feature in the Monday Morning Report with a “Fast Fact” about First 5 LA over the past 15 years, Op-eds and letters to the editor to selected publications, key messages on website and social media channels and targeted pitching to selected media for more in-depth interviews regarding First 5 LA’s first 15 years.



In addition, First 5 LA will use a special statewide anniversary logo on First 5 LA materials and coordinate activities with the First 5 Association and First 5 California, including a special “Legislative Day” in Sacramento and closing reception in the state Capitol tentatively scheduled for late February.

Executive Director’s Report

Executive Director Belshé briefly discussed the year ahead and what gives her optimism and hope for 2014. First, she expressed her appreciation for First 5 LA’s staff, the Board, and the availability of a dedicated – though declining - revenue source. She also noted the considerable learning from 2013 – via the [L3 effort](#), the Best Start inquiry, and other inputs – that establishes an important foundation for the work required in 2014 to make progress in sharpening First 5 LA’s strategic focus and impact. In addition, she said, the environment within which we work is changing. The state fiscal situation has improved. The good news is that the discussion in Sacramento is where to invest and why, not where to reduce. The Affordable Care Act and Local Control Funding Formula present new opportunities for improving access to health care and quality early education opportunities. Legislative leadership in state senate and assembly has also stepped forward with an effort to make universal quality preschool available to all four-year-olds.

The 50th anniversary of the War on Poverty reminds us that there is still a lot of work to do, Belshé said. Two recent reports, the [LA 2020 Report](#) and the [Shriver Report](#), point out some troubling trends as it relates to challenges to the public education system, the widening income gap and growing poverty among women and children. It is against that backdrop that we do that work on behalf of young children and families. We have many strengths. And many opportunities. Belshé said she was looking forward to the year ahead and working together to make a difference in the lives of LA County’s youngest children.

New Agreements Made, Amendments Approved to Maintain Important Investments and Services

The Commission approved two new agreements totaling \$623,173. These include:

- One from Countywide Investments projects - \$133,333
- One from the Place Based Investment Area - \$489,840

The Commission also approved 27 amendments totaling \$4,434,736, which include:

- Twenty-two from the Place Based Investments Area - \$2,905,034
- Three from Research and Evaluation - \$823,702
- Two from Countywide Strategies Investments - \$70,600

The First 5 LA Board of Commissioners is comprised of 17 members (nine voting, four ex-officio, four alternates). The board includes voting members appointed by each of the Los Angeles County supervisors and the L.A. County departments of Children and Family Services, Public Health and **Mental Health**. The Chairman of the L.A. County Board of Supervisors also serves as Chairman of the First 5 LA Commission. The Board also includes representatives from other educational, children and families organizations throughout the county. The Board of Commissioners meets on the second Thursday of each month at 1:30 p.m. unless otherwise indicated at the First 5 LA offices. All meetings are open to the public and agendas are posted [here](#) at least 72 hours in advance.