

# Summary of Commission Actions



Champions For Our Children  
www.First5LA.org

## Meeting of October 10, 2013

### First 5 LA Commission Approves Financial Report

First 5 LA received excellent grades for the management of its finances according to a report from the CPA firm of Vavrinek, Trine, Day & Co. the agency's external auditors.

The auditor's report, covering fiscal year 2012-2013, was presented at the First 5 LA Commission's October meeting as part of the Comprehensive Annual Financial Report (CAFR). The CPA firm granted First 5 LA an "unmodified opinion," a high level of assurance that the agency's finances are in good order.

Last May, First 5 LA earned a Certificate of Achievement for Excellence in Financial Reporting for 2011-2012 from the Government Finance Officers Association. This is the fifth consecutive year the agency has won this award for its CAFR.

According to the annual financial report, in June 2012, First 5 LA approved a program budget of \$183.1 million for 2012-2013 and ended the year with a \$215.3 million budget. The increased spending was primarily due to funding a \$24.9 million Permanent Supportive Housing Initiative and additional investments of \$3.2 million in children's dental care funding, \$1 million for tot parks and trails grants and \$544,500 for data systems integration.

The report outlines the decline in tobacco tax revenues since 2010. First 5 LA oversees the L.A. County allocation of funds from Proposition 10, which added a 50-cent tax on tobacco products sold in California. The combination of fewer births Los Angeles County, lower smoking rates in the state and an increase in State Board of Equalization costs to administer the tax revenues has reduced First 5 LA annual revenues from \$149.5 million in 2010-2011 to \$93.9 million in 2012-2013.

The report also noted a reduction in the Commission's fund balance, showing a decrease of over \$128 million since 2010-2011 with nearly 90% of the remaining funds either already committed to future programs, reserved for future use consistent with the Commission's 2009-2015 Strategic Plan or "non-spendable" due to already being advanced to a contractor or grantee to expedite the implementation of programs.

### Highlights

- Commission finances given clean bill of health
- Executive Director applauds kick-off of open enrollment for Covered California
- *Best Start/Building Stronger Families Framework* Implementation Continues

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Commissioners commented that a mechanism needs to be in place to evaluate future investments in the context of decreasing revenues. It was also mentioned that the decrease in revenues means First 5 LA will not be able to sustain current investment levels and that this needs to be communicated to stakeholders.

### **Commission Approves \$1.4 Million in Increases to Fund 3 Projects**

The Commission unanimously approved increases totaling \$1,423,254 to the approved FY 2013-2014 Contract Authority as follows:

- Adding total contract authority of \$581,600 for the ECE Environmental Scan Countywide Initiative line item; and
- Increasing the contract authority for the *Best Start* (Family Strengthening) Place-Based Initiative line item by \$819,540; and
- Increasing the contract authority for the Universal Assessment of Newborns Countywide Initiative line item by \$22,114

The ECE Environmental Scan will involve a review of the continuum of out-of-home early learning services for children birth to age 5, including licensed and license-exempt care, and will identify current service levels, service types, populations served, funding sources, and related policies, as well as the gaps in these areas. The landscape is intended to help inform future decision-making by the Commission regarding First 5 LA's strategies, investments and partnerships related to ECE services, workforce, and quality improvement.

The addition of seven Welcome Baby hospitals for FY 2013-2014 calls for an increase in resources for the Family Strengthening Oversight Entity to coordinate and implement additional Welcome Baby trainings and technical assistance efforts. In addition, the Oversight Entity will coordinate trainings in conjunction with the national offices for the First 5 LA approved intensive home visitation programs for grantees, estimated to be 21 additional contracts. The increase of \$783,458 noted above will support these expanded responsibilities. The Welcome Baby provision of the White Memorial Hospital contract will require an increase of \$36,082, bringing the total requested increase for the *Best Start* (Family Strengthening) Place-Based Initiative to \$819,540.

The Welcome Baby hospital visit includes a Universal Assessment risk screening using the Bridges for Newborns Screening Tool. The Bridges for Newborns Screening Tool is part of First 5 LA's countywide Universal Assessment strategy for Newborns, which aims to identify families at greatest risk and need and link families to supportive services, if needed. The Universal Assessment of Newborns Countywide Initiative increase of \$22,114 results in a new fiscal year budget of \$6,253,127.



## **Executive Director's Report**

Executive Director Kim Belshé highlighted two achievements.

First, on October 1, Covered California opened its doors, providing access for nearly all families and children in the state to quality affordable health care coverage. With open enrollment beginning October 1, the action shifts from the halls of Congress and the State Capitol to our communities. All of us have a role to play in creating a “culture of coverage” where health coverage is something that is valued, accessible, and expected. First 5 LA has historically contributed to a culture of coverage through its support of outreach and enrollment activities as well as subsidized coverage programs. There is now significant work to be done with First 5 LA’s grantees and contractors to help them connect their clients with new health care coverage options. It will also be important to bring the message of new options to schools and child care providers – providing them with information to promote awareness and ease access to coverage. In that regard, Belshé noted that First 5 LA is supporting the “ALL IN” Campaign, a partnership of education leaders, schools and child care providers that is intended to families access coverage in easy and convenient ways. The Executive Director called it the “dawn of a new day.”

Secondly, Belshé commended *Best Start* staff on what has been a very intensive couple of months of activity to implement the new Building Stronger Families Framework. Complex place-based change is complex and challenging. It takes time, it is hard work – and it is work worth the effort, given the potential to strengthen the capacities of families and the broader community and improve results for children.

## **L3: Learning Report**

Executive Director Kim Belshé offered a recap of what we have learned from L3 (the Listening, Learning and Leading effort) and an overview of activities stemming from learning to date.

Learning highlights included strong support for First 5 LA’s mission and desire that the organization succeeds. First 5 LA is also seen as playing a clear role as a funder. Yet a number of issues are seen as standing in the way of First 5 LA realizing its full potential, such as a lack of sufficient focus and commitment to a clear strategic direction. Given that the Commission supports 52 different initiatives and projects, First 5 LA is viewed as having a “scattershot” approach to funding.

As part of the L3 exploration, First 5 LA has also developed additional learning documents such as the creation of an Accountability and Learning Report, a Prenatal to 5 Environmental Scan and a First 5 LA Brand Awareness and Perception Study.

Activities stemming from L3 that are currently underway include:

- A honing of strategic focus through implementation of the *Best Start* Building Stronger Families Framework
- Appointment of a Chief Operating Officer as First 5 LA’s “champion” for organization-wide coordination

- The filling of key vacancies, including the search for a *Best Start* Director
- An employee compensation and benefit study
- A heightened emphasis on First 5 LA's role as a leader of policy and advocacy on behalf of children
- Creation of an internal Organizational Transition Team (OTT) to translate L3 "baseline" findings into concrete actions, strengthen the implementation of the current Strategic Plan over its final 18 months; and lay the groundwork for First 5 LA's next Strategic Plan and planning effort.

## **Best Start/Building Stronger Families Framework Implementation Update**

Staff provided a detailed update on progress with the implementation of the Building Stronger Families Framework. In addition to an update on implementation activities, staff highlighted the work of Community Partnerships in the broader context of the Strategic Plan's investment strategies and reviewed the components of a possible short-term business model and funding plan to support the achievement of the desired Building Stronger Families Framework core results.

Community Partnerships are identified as a key strategy of place-based work that contributes to community capacity building. The capacities being enhanced include engagement and leadership as well as community infrastructure and investment in the community. Community capacity building serves as a vital link between systems improvement and family strengthening, the other two of First 5 LA's investment strategies.

*Best Start* Community Partnerships champion a broadly supported community change process which is focused on achieving the core results of the Building Stronger Families Framework. The status of each Partnership's capacities to implement the Framework is being examined through multiple assessments involving First 5 LA staff, consultants and Partnership members. This baseline information will help inform what additional capacity building Partnerships require and what community change actions they can implement through the proposed "Learning by Doing" process.

First 5 LA has a long history of supporting community capacity building efforts beginning with investing in a strategic partnership that has created and maintained 100 Neighborhood Action Councils (with 63 across all 14 *Best Start* communities). A newer community capacity building investment, Peer Support Groups for Parents, is in the early stages of implementation.

Progress towards the core results of the Building Stronger Families Framework has continued with refinements to the Framework theory of change, finalization of the indicators of success, more detailed articulation of the "Learning by Doing" process and completion of a family survey.

Next, staff presented a brief update on progress to develop a business model for the Building Stronger Families Framework. First 5 LA is reviewing its internal readiness as a first step towards the development of that model. The system of support that will be captured in First 5 LA's BSF Framework business model is organized around the following three components:

1. First 5 LA's Infrastructure
2. Funding Mechanisms
3. Operational Policies and Procedures

A recommended short-term business model and an approach for determining a long-term business model will be provided to the Commission in November 2013.

Finally, staff provided information on progress in the development of a recommended funding approach and plan for the 18-month period beginning in January 2014. Principles for a funding approach include promotion of a focus on results and performance, not funding levels, minimization of competition for First 5 LA resources and discouragement of a premature conclusion about a Partnership's capacity. Staff will provide a more detailed presentation to the Commission in November but anticipates recommending a single funding level for *Best Start* that would support all Partnerships and provide phased access to funds based on performance.

### **New Agreements Made, Amendments Approved to Maintain Important Services**

The Commission approved five new agreements totaling \$2,266,908. These include:

- Three Countywide Investments projects – \$1,167,700
- Two from the Research and Evaluation Investments Area – \$1,099,208

Two amendments totaling \$3,861,726, which include:

- One with Dignity Hospital (dba California Hospital Medical Center) – \$2,383,458
- One for White Memorial Community Benefit Corporation – \$1,478,268

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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 17-member 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.