

AGENDA

SPECIAL JOINT MEETING OF THE BOARD OF COMMISSIONERS AND THE BUDGET & FINANCE AND EXECUTIVE COMMITTEES

Budget & Finance Committee Chair: Robert Byrd

**Thursday, September 26, 2019
12:30 PM**

Meeting Location:

First 5 LA
750 N. Alameda Street
Los Angeles, CA 90012

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1. **ACTION**
Call to Order / Roll Call
- **Marlene Zepeda, Committee Chair**
 2. **INFORMATION** 4
Review Program & Planning Committee Meeting Transcript – June 27, 2019
- **Marlene Zepeda, Committee Chair**
 3. **INFORMATION** 102
2018-2019 First 5 LA Annual Report to First 5 California (State Commission)
- **Holli Kyle, Evaluation & Learning Analyst**
 4. **INFORMATION** 131
Strategic Plan Refinement (SPR4) Process and Impact Framework Updates
- **John Wagner, Executive Vice President**
- **Christina Altmayer, Vice President of Programs**
- **Steven LaFrance, Founder and CEO, Learning for Action**
- **Kim Hall, Interim Director, Measurement, Learning & Evaluation**

COMMISSIONERS

Los Angeles County Supervisor	Judy Abdo	Summer McBride
Holly J. Mitchell	Robert Byrd, Psy.D	Maricela Ramirez
<i>Chair</i>	Astrid Heger, M.D.	Carol Sigala
Brandon Nichols	Yvette Martinez	
<i>Vice Chair</i>		

EX OFFICIO MEMBERS

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M.P.H., M.Ed.
Jacquelyn McCroskey, DSW
Deanne Tilton

EXECUTIVE DIRECTOR

Karla Pleitez Howell

EXECUTIVE VICE PRESIDENT

John A. Wagner

A PUBLIC ENTITY

Details to Item 4:

12:55-1:45pm Intro and report Back from September 12th Board Strategic Planning Session

1:45-2:10pm Gallery Walk: Proposed Draft Strategic Priorities and Objectives

2:10-2:25pm BREAK

2:25-2:50pm Full Group Discussion

2:50-4:20pm Impact Framework Update

- | | | |
|----|---|------------|
| A. | Report back from September 12th Strategic Planning Session & Proposed Draft Strategic Priorities and Objectives | 196 |
| B. | Impact Framework Updates | 209 |
| | o Draft Strategic Plan Review Cycle (Review, Reflect, Refine, Results) | |
| | o Results for Children and Families: Revised Indicators and Available Data | |
| 5. | INFORMATION
Review Draft of the Comprehensive Annual Financial Report (CAFR), Including the Independent Auditor's Report for the Fiscal Year Ending June 30, 2019 (WRITTEN ONLY)
- Raoul Ortega, Director, Finance | 219 |
| 6. | INFORMATION
Communications Strategic Partnerships (WRITTEN ONLY) | |
| A. | Establish a Strategic Partnership with CalMatters in the Amount of \$150,000 for a Period of 20 Months to Create and Publish a Series of In-Depth Journalistic Content and Commentary on Early Childhood Issues | 298 |
| B. | Establish a Strategic Partnership with Fostering Media Connections in the Amount of \$150,000 for a Period of 20 Months to Create a Focus on Child Maltreatment Prevention in Policy, Practice and Research, as well as the Improvement of Health Services as they Pertain to Children, Youth and Families Through Trauma-Informed Approaches | 302 |
| 7. | INFORMATION
Authorize First 5 LA to Receive Funds from the Los Angeles County Office of Education (LACOE) for Quality Start LA IMPACT Hub Consultation and the California Early Care and Education (ECE) Workforce Study (WRITTEN ONLY)
- Kevin Dieterle, Program Officer, Early Care and Education
- Ofelia Medina, Senior Program Officer, Early Care and Education | 307 |
| 8. | INFORMATION
Public comment (for items not on the agenda) | |

9. **ACTION**

Adjournment



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MEETING OF FIRST 5 LOS ANGELES PROGRAM AND PLANNING
Thursday, June 27, 2019
750 North Alameda Street, First Floor
Los Angeles, California 90012

REPORTED BY:
HEATHERLYNN GONZALEZ
CSR #13646

1 Thursday, June 27, 2019; Los Angeles, California

2 1:33 p.m.

3 -oOo-

4 COMMISSIONER ABDO: I am going to call this
5 meeting to order. And can we have a roll call.

6 SECRETARY: We go around and introduce ourselves.

7 MS. BELSHE: Oh, yeah. We just go around and
8 introduce ourselves.

9 COMMISSIONER ABDO: We'll just introduce
10 ourselves.

11 So let's start with you.

12 COMMISSIONER MARTINEZ: Yvette Martinez.

13 COMMISSIONER INNES-GOMBERG: Deby Innes-Gomberg.

14 COMMISSIONER HEGER: Astrid Heger.

15 COMMISSIONER GAREN: Wendy Garen.

16 COMMISSIONER ARAGON: Linda Aragon.

17 MS. FICEK: Tara Ficek.

18 MR. JIMENEZ: Armando Jimenez.

19 MS. TITH: Kaya Tith.

20 MR. WAGNER: John Wagner.

21 COMMISSIONER VEGA: {Michelle Vega.

22 COMMISSIONER TAYLOR: Romalis Taylor.

23 MS. BELSHE: Kim Belshe.

24 COMMISSIONER ABDO: Judy Abdo.

25 STENOGRAPHER: Heatherlynn Gonzales.

1 Speaker: Brian (inaudible).
2 Speaker: Gabriel Sanchez.
3 Speaker: Barbara Andrade Dubransky.
4 Speaker: Jennifer Pippard.
5 Speaker: (Inaudible).
6 Speaker: Max Podemski.
7 Speaker: (Inaudible).
8 SPEAKER: Kathy Shriner, Best Start (inaudible)
9 Speaker: Antoinette Andrews-Bush.
10 Speaker: (Inaudible).
11 Speaker: (Inaudible).
12 Speaker: Jasmine Frost.
13 Speaker: (Inaudible).
14 Speaker: (Inaudible) Garcia.
15 Speaker: Angelina Ortiz.
16 Speaker: Elizabeth (Inaudible).
17 Speaker: (Inaudible).
18 SECRETARY: Linda Vo.
19 COMMISSIONER ABDO: Okay. We're all here who are
20 here.
21 Second item is to review the special
22 board/program and planning committee meeting transcript.
23 Has everybody looked at it? And -- we need a motion.
24 MS. BELSHE: It's just a receive and file.
25 COMMISSIONER ABDO: Okay. Receive and file. We

1 will go right onto Item 4, which is the impact framework
2 measuring progress towards our north star and preview of
3 July board strategic plan refinement session.

4 MS. BELSHE: Actually, we have a special agenda
5 item, Item 3.

6 COMMISSIONER ABDO: Item 3 is a different
7 transcript.

8 MS. BELSHE: John, do you want to speak to this?

9 MR. WAGNER: So as commissioners may know, there
10 are some requirements under Prop 10, and that -- including
11 that we have an annual public hearing on our strategic
12 plan and an annual public hearing on our annual report,
13 the statewide report.

14 So you had both of those items before you at the
15 last board meeting. But to validate that, we have to
16 submit official transcripts to the State to certify that
17 we in fact did this.

18 So your consideration and passage, we actually
19 have to take a vote to pass these transcripts. Allows us
20 then to say they're official and we can submit them to the
21 State before the end of the month.

22 COMMISSIONER ABDO: Before the end of the month.

23 So if anybody has a problem with this, now is the
24 time to say something.

25 Not hearing any problems, let's have a motion.

1 COMMISSIONER TAYLOR: I move that we accept that
2 report and submit it.

3 COMMISSIONER ABDO: Okay. Is there a second?

4 COMMISSIONER HEGER: Second.

5 COMMISSIONER ABDO: All right. Do we need to do
6 a roll call or just --

7 SECRETARY: No roll call needed.

8 COMMISSIONER ABDO: Anybody wanting to vote no or
9 abstain? Then we have approved.

10 MS. BELSHE: Thank you for your support of our
11 ministerial compliance. Don't want to get in trouble with
12 Sacramento.

13 COMMISSIONER ABDO: Then we'll go onto Item 4.

14 Armando, are you the guy?

15 MR. JIMENEZ: I am the guy.

16 So before we begin, I wish I had the time to
17 thank each and every person that was involved in the
18 development of the product and the information that we're
19 going to present today. There are so many folks that have
20 been involved in helping us create this presentation and
21 all the information. And you'll see later on there's a
22 neat little video, and I really, really wanted to call out
23 our communications team that has really been very helpful
24 to us.

25 I also wanted to thank commissioners.

1 Commissioners who have been involved with several of the
2 briefings. We've had discussions with commissioners.
3 Several of you participated. And I really wanted to thank
4 you so much for providing us with a lot of very important
5 guidance and thinking as we kind of move forward.

6 So today's impact framework measuring progress
7 toward our north star and preview of the July board
8 strategic plan refinement. And just to highlight our
9 objectives for today is to give you a sense of where we
10 are with the impact framework. Basically, our impact
11 framework is our tool, our process for helping us track
12 our progress towards the north star.

13 We want to introduce you to indicators for the
14 results for children and families and how they connect to
15 our work at First 5 LA. We want to talk a little bit
16 about how the indicators connect to the SPR4 process and
17 gather your insights on the indicators for the results for
18 children and families. And finally to preview the July
19 board strategic plan refinement session.

20 So the presentation is multi-part today. And I
21 have some colleagues who are going to play wonderful
22 roles. And to my right is director of health systems,
23 Tara Ficek, who is going to help us make some of the -- my
24 discussion concrete. And then Kaya is going to bring it
25 all home at the end to talk about the strategic plan and

1 refinement session at the July retreat. So I look forward
2 to engaging with all of my partners here.

3 So as I mentioned before, we had some discussions
4 in the past about the impact framework. And I think we
5 got some wonderful feedback from board members and also
6 from staff about how to make this discussion more
7 accessible. So we use that feedback and we work with our
8 communications team. And I have to shout out to Anastasia
9 who's sitting over there, who is just an amazing resource
10 and help to us in thinking this through, and the staff.

11 So I'm going to play a little video for you.

12 (Video plays.)

13 MR. JIMENEZ: So thank you.

14 Today the discussion is really about the
15 measurement process and not the entire measurement
16 process, but we want to focus on -- the description in the
17 video talks about the control tower, the process of
18 providing us with information as an organization to help
19 us move forward and make progress. So we're going to talk
20 a little bit about that.

21 And in the next part of this discussion, we're
22 going to talk about what we're going to identify as our
23 indicators to help us understand how to measure progress
24 towards our north star.

25 And we've talked a little bit about this before,

1 but I wanted to highlight how important it is to make this
2 distinction that the work we do in systems change is very
3 complex, multifaceted, and there are various ways to
4 approach the work. The important thing about this slide
5 is that I wanted to make it clear that we alone as First 5
6 LA are not in this work to get us to our north star. We
7 have multitudes of partners. Families are partners.
8 Grantees are partners. Communities are partners. Public
9 institutions are partners. Governments are partners. So
10 it's really the collective work of all of us that we're
11 trying to assess and measure our progress.

12 We also want to make sure that we can identify
13 our own contribution in a meaningful way. So if you think
14 about it, we have our north star on the right-hand side.
15 We have all of the partners and us on the left-hand side.
16 And we have a very, very complex process in between. So
17 we need something to help us think about how to measure
18 that progress.

19 So we've talked about this in the past and wanted
20 to do some refreshing here. We have as an organization
21 identified our north star. It's very ambitious. It's a
22 wonderful thing to aspire that every child in LA county
23 gets to school -- gets to enter school ready to learn by
24 2028. We also have identified four results. And our
25 thinking and our collective belief is that, if we achieve

1 these four results, then children will enter kindergarten
2 ready to learn and, hopefully, by 2028.

3 The work that we do as an organization is focused
4 on systems change and policy. And the direct result of
5 that systems change work, our strategies that we're
6 implementing, will be identified and will make clear what
7 the outcomes are in terms of having systems that are
8 accessible, quality, aligned, and sustainability. These
9 are the direct results of the work that we do. And those
10 systems in turn will generate those results that we seek
11 for children, the four results. And then at the end of
12 the day, our hope is that all children will enter
13 kindergarten ready to learn by 2028.

14 We also on this slide have identified --
15 highlighted some things we have called monitoring
16 measures. Those are measures that help us understand the
17 context in which children live. We've in the past have
18 identified those and brought those for review. And we are
19 still doing work to refine those.

20 So we're going to talk more about where we are
21 today. So we have identified our north star. We have
22 identified our four results for children and families.

23 (Commissioner Tilton enters.)

24 MR. JIMENEZ: And in March of 2019 in a previous
25 discussion we came back and reviewed the monitoring

1 measures. We also introduced the long-term system
2 outcomes.

3 So here's our place that we are today. And now
4 that we've reviewed where we've been, we want to go back
5 and talk about the focus of children and results. And
6 there's a tremendous amount of information that as staff
7 we received on a daily basis, a weekly basis, a monthly
8 basis. These are all things that allow us to do our work.

9 And here's the place that we're going to talk
10 about for the remainder of the presentation. As I
11 mentioned, the purpose of identifying indicators for our
12 results is to allow us to have a sense of the collective
13 work of First 5 LA and our partners. It is not meant to
14 be a representation of all data that we as an organization
15 rely on every day or weekly or monthly. In fact, we have
16 presented to the board many examples of data that, for
17 example, with Barbara Dubransky and Christina Altmayer
18 presenting data on home visiting. Those are all
19 datapoints and data elements that we will continue to have
20 to allow us to do our work to make the kinds of
21 on-the-spot course corrections and understand what's
22 happening with our projects. But what we're talking about
23 today is indicators that allow us as an organization and
24 our collective work with our partners to understand our
25 progress.

1 So what is an indicator? In a sense, it's a
2 specific observable, measurable characteristic. And it
3 allows us to show changes towards achieving a specific
4 outcome, and it allows us to see changes over time, and it
5 allow us to understand the progress that we're making
6 towards our north star.

7 We also have things that we rely on that we call
8 proxy indicators. Sometimes we don't have the benefit of
9 having direct measures of the things that we want. We've
10 identified what are called proxy measures. And they're an
11 direct measure that represents the best available data
12 when direct measurements are not possible. One example I
13 always think about as a parent and as a grandparent is,
14 you know, hold my child and I'll sense that they're warm
15 and I'll say, you know, I think something's wrong with my
16 child or grandchild. Let's take a temperature. Let's see
17 if they have a fever.

18 Well, the fever isn't necessarily indicative of
19 the illness; it is a representation that something is
20 wrong with the child and that you as a parent would want
21 to do further investigation and understand and monitor.
22 And if it continues, go to a physician. So in a sense,
23 the fever itself is kind of a proxy indicator of that
24 child's wellness in the moment.

25 So in a sense, we don't -- I don't -- as a parent

1 don't have all of the machinery to be able to determine
2 what is wrong with my child. That is for physicians and
3 clinicians to do. But for me as a parent, having some way
4 to say, my child needs some help and I need to keep
5 monitoring my child. That is in a sense a proxy
6 indicator.

7 What did they tell us our indicators can provide
8 a broad snapshot of information relevant for the multiple
9 results and they act as a really important input for us to
10 be able to help us understand what's happening and where
11 we want to go moving forward.

12 So the question that we often are asked is, now
13 that we have a potential set of indicators, how did we get
14 there? How did we identify them? What were the things
15 that helped us orient ourselves and get us to a set of
16 indicators that we felt were meaningful? So we use three
17 kind of considerations.

18 One of them is what's very, very important
19 consideration for us is, what's best practice, what are
20 others doing in selecting indicators for their work. And
21 one of the learnings I've had as director of measurement
22 learning and evaluation here at First 5 LA and also
23 coordinating with colleagues that do similar work, is
24 identify a small but meaningful set of indicators. I've
25 been involved in projects where we have identified lists

1 and lists and lists of indicators, and they haven't been
2 as helpful to us to communicate our story and to help us
3 measure our progress or to help us think about what we do
4 and how to make action from the information that we
5 receive.

6 So the other is, we oftentimes rely on what's
7 called best approximations. And I mentioned that as proxy
8 indicators. Oftentimes, the field itself is not as
9 advanced as we want it to be with regard to data. So we
10 have to find the next best thing. We wanted to identify
11 indicators that encompass the entire set of results.

12 One of the things we didn't want to do is to have
13 a result with its own specific indicator attached to it.
14 What we wanted to portray was, these are indicators that
15 personify the collective work that we do and that
16 represents the four results. In fact, as you'll see
17 later, a lot of those indicators correspond to multiple
18 results.

19 We also wanted to make sure that we took into
20 account what's going on in the context, context of
21 California, the United States, and also in LA county, to
22 make sure that we're aligned with other efforts as they're
23 moving forward. There are several other folks out there
24 at this point that are developing indicators for work,
25 whether it's strategic planning or whether it's specific

1 efforts of their departments, or whether it's cities or
2 municipalities thinking about moving work forward. They're
3 identifying indicators. So one of the things we want to
4 be conscious of is, how can we be aligned to that work.

5 We also want to maximize the windows of
6 opportunity. Several of the conversations we've had as a
7 board have talked about the exciting work that's happening
8 at the State and how the Governor is enhancing his own
9 priority for early childhood and how we want to make sure
10 that we're taking advantage of those opportunities. But
11 there also are empirical considerations. And these are
12 things for the measurement folks that I spent a lot of
13 time on. And those are really, really important things as
14 well.

15 We want to make sure that the indicators are
16 relevant and credible, that they're being used by others,
17 that they have a basis and sound methodology and they're
18 high quality. We don't want to be in a situation where
19 we're using data that we have some skeptical sense of
20 whether the data says what it should.

21 We also want to make sure that the utility is
22 important for us. And one of the things I wanted to
23 highlight was this concept of disaggregation. For all of
24 us who've been involved in looking at data and for LA
25 county, we know the county is very large. The county data

1 that we get does not necessarily represent what may be
2 happening in south LA or in Lancaster Palmdale, or it may
3 not represent what's happening with the different
4 subgroups that we know are important. For example, race
5 ethnicity is extremely important level in which we want to
6 establish and understand what's happening with the data.
7 So disaggregation is a really important factor for us in
8 selecting indicators. The ability for us to understand
9 the stories that go beyond what we see for LA county.

10 Probably the most important example of that is
11 what we see with low birth weight. Existing -- as an LA
12 county measure, you may say, hmm, we're not doing so bad.
13 But if you look by race ethnicity, there are some
14 subgroups, African-Americans that we need to pay attention
15 to. So that's an example of how disaggregating data will
16 help us talk about the information and tell the story in a
17 more meaningful way.

18 The other is feasibility. That's having access
19 to data. We often find that sometimes we wish we had all
20 the data in the world to tell us how we're doing and the
21 progress that we're making. But oftentimes, it's not
22 accessible, whether there are legal parameters or whether
23 it's just not collected in the way that we want and is
24 available to us at the time periods that we want.

25 So these are the results that we've identified as

1 a board. And they're very powerful results. And we have
2 to -- we've been able to have discussions. And I just
3 wanted to have a reflection that, for us, we talk about
4 these as all staff a lot. We have lots of discussions
5 where we talk about our work in relation to these results.
6 And I see this resonance with staff about, oh, how does my
7 work relate to this result; is much more focused than what
8 we've had before when we've had multiple results, multiple
9 initiatives, multiple projects and programs. Now, we're
10 able to talk about our work and how it relates to these
11 four results.

12 So here are the indicators. I'm not going to go
13 through them in detail. Hopefully, you've had a chance to
14 review them when you received your packets. But we've
15 identified ten indicators that represent what we believe
16 is our collective effort at First 5 LA in partnership with
17 others. These are the things that we feel would represent
18 our progress if we were to measure them over time and if
19 we're able to understand what's happening with these ten
20 indicators. And, again, we've represented them as ten
21 because so many of these correspond to multiple results.
22 So, again, we didn't want to say, this was the result and
23 here's the two indicators related to that and here's the
24 other result and here's the two. We wanted to show these
25 as a group because we felt they were meaningful as a

1 group.

2 So the next question is: How does all this
3 relate to our work? How do we make this concrete? And
4 I'm going to pass on to my esteemed colleague, Tara Ficek,
5 who is going to walk us through an example.

6 MS. FICEK: So this is going to be the exciting
7 part of our segment -- of the segment to the journey of
8 the north star. Nothing against the previous. It's also
9 going to be very short, so you're going to have to pay
10 attention.

11 So thank you. Just to reinforce Armando's
12 comments, we do see the indicators as playing an important
13 role in guiding and informing our work but also helping us
14 measure and track collective progress, not only for First
15 5 LA's, but the progress of our work with our partners.

16 So of the ten indicators that Armando just
17 highlighted, I'm going to be -- I'm going to be able to
18 highlight two for you. So by increasing the rate of
19 children screened with the validated tool at the
20 appropriate age, we believe more children will be
21 identified and have early access to intervention services,
22 thereby leading to a decrease in the average age of entry
23 into special education services. The current status of
24 early identification and intervention is that 15 percent
25 of children experience a developmental delay, but only

1 three percent of children are receiving intervention by
2 the age of three. However, with the support of Help Me
3 Grow LA and improved access to intervention services for
4 children with developmental and behavioral delays,
5 screenings will increase and children will be linked to
6 services earlier so that the need is met earlier so that
7 we're looking to increase the percentage of children
8 receiving intervention services from three percent to 15
9 percent and, therefore, close that gap.

10 But Help Me Grow isn't the only First 5 LA effort
11 that is committed to early identification and
12 intervention. Other investments such as Welcome Baby and,
13 of course, our work in QRIS also play an important role in
14 this field.

15 So this overview we wanted to provide because we
16 feel it offers a practical application of the indicators
17 and how they both inform and shape our work and our
18 strategy, but also help us track progress as I mentioned
19 at th beginning.

20 Now, I'm going to hand it back to Armando --
21 remember, I said it was short -- who's going to discuss
22 how the indicators then relate to strategy refinement.

23 COMMISSIONER ABDO: Are we building the
24 excitement with each presentation?

25 MR. JIMENEZ: Yeah. And Kaya is going to get the

1 standing ovation.

2 But I do want to say that, as I passed through
3 the list of indicators and we as staff realize that, in
4 some sense, what you see on that page is our best
5 thinking, we're often reminded by our wonderful leader,
6 Kim Belshe, that do not let the perfect be the enemy of
7 the good. We needed to find a set of indicators that
8 represented what we felt was our collective work.

9 We also know that they're not perfect. We also
10 know that in some sense the indicators and any lack of
11 data that's out there is some sense a representation of
12 the field itself in that there's so much that we don't
13 know and we want to know, and that there's a lot of things
14 -- we're excited to see a lot of things happening that
15 will I think fill many of the gaps. But I just wanted to
16 say that these are things that we all struggled with as we
17 were doing this work, and it's something that many others
18 in other areas are struggling with around, how to measure
19 prevention, how to measure -- you know, whether it's in
20 public health or whether it's in child welfare, the idea
21 of preventing something that you hope doesn't happen is a
22 very difficult thing. So I wanted to say that these were
23 the things that kind of helped us think through.

24 What you see in the information that you have is
25 our best thinking. And, also, we did have lots of

1 conversations with experts and also colleagues that in
2 many cases were thinking about how we could work together
3 collectively to advance the field so that we get better
4 knowledge and better information and better data over
5 time.

6 So how do these relate to the strategy refinement
7 process. We've shared in the past this graphic which
8 identifies three major things that we think are important
9 that have been identified, and that is the guardrails for
10 strategy refinement. Those are things that Christina and
11 Kaya and others have shared with all of you. We also
12 shared critical success factors for the strategy
13 refinement.

14 But for today and the indicators, this is one of
15 many inputs that staff will have as we are engaged in
16 strategy refinement process. They're -- data that we have
17 available for the indicators will be one of many pieces of
18 information that staff will have. They will not be the
19 only piece and it does not necessarily mean that staff
20 can't identify other data sources that they are -- have
21 access to, that they're steeped in, that they may have
22 colleagues that are providing data that will help them
23 think about strategy refinement in a meaningful way in
24 order to -- for us to get the results that we want and
25 ultimately our north star.

1 I've been an advocate for figuring out ways of
2 getting better data. And I honestly believe that the
3 discussions that will happen moving forward in the
4 strategy refinement process will elevate some really
5 interesting and good ideas about how we may be able to
6 fill some of the data gaps. And I'm excited to see the
7 work moving forward. I'm also excited to get your all
8 comments about how we can identify other data sources that
9 we may be using.

10 So -- and Kaya is going to talk a little bit more
11 later on about the July board strategic planning session.
12 But as I mentioned before, the indicators will be one of
13 many inputs for the strategic refinement process. And
14 I've said before we wished the list could be as perfect as
15 perfect could be, but it is I think a good representation
16 of what data is available, what we have available, and
17 what is represented in the field. So I would say we are
18 about 80 percent there.

19 But there is refinement that's needed and there
20 is feedback that we want to get from our strategy
21 refinement -- the staff in strategy refinement process.
22 And I strongly believe that, once the strategy refinement
23 process is completed, it would be wise to look at those
24 indicators once again to ask ourselves, do these represent
25 the set of strategies that we will be moving forward with

1 once the refinement process has been completed.

2 The other thing that's really important is, there
3 may be other developments which we need to take into
4 consideration that will be helpful for us to think about.

5 So what's next? What's the next steps? And we
6 are going to bring additional information on other
7 measurement components, including the monitoring measures
8 and also the systems outcomes. We are going to be steeped
9 in continuing to refine the indicators and data sources.
10 In fact, as we speak, data is coming in related to the
11 indicators. We've also benefited from a vast network of
12 partners that have allowed us to understand how these data
13 will help us think about the progress.

14 And I wanted to thank LACOE and public health and
15 Department of Children and Family Services. In fact, I
16 was led to some wonderful data that ICAN has, and Deanne
17 was wonderful to share it with us that really kind of
18 provide us with some really good thoughtful information as
19 we move forward.

20 And so I wanted to have some questions and really
21 get feedback from you. So we've outlined some questions
22 that we thought would be helpful for us to ground the
23 discussion: And that's, what questions or feedback do you
24 have on the proposed indicators? And what are the
25 connections between the results? Are they clear? The

1 description that we provided, was it clear about how these
2 indicators relate to our work? And what emerging data are
3 you aware of that could be helpful for First 5 LA?

4 MS. BELSHE: If I may, it might be helpful before
5 we jump in, Armando. Say a word about the matrix that was
6 included in the board packet to help bring to light some
7 of these key questions about why these indicators, what
8 are their strengths, limitations, who else shares our
9 interests.

10 MR. JIMENEZ: So thank you.

11 In your packet, we provided a background
12 document. And it was to help us and the whole
13 organization ground us into why these particular
14 indicators; so what's the relationship between the
15 indicators, the results, and the north star; how did they
16 relate to the systems work that we do; and what does the
17 indicator tell us and what does the indicator not tell us.

18 So I don't -- it's -- sorry.

19 COMMISSIONER ABDO: So everybody's memorized that
20 chart, I know.

21 MS. BELSHE: So can you go back to this chart?

22 MR. JIMENEZ: Yes. Again, back to the long
23 document.

24 In the document, you'll see these are the
25 indicators that we highlighted in the presentation, the

1 ten indicators. In the document we have a little
2 background that talks about the criteria or the
3 considerations that we used in developing the indicators.
4 We provided a little background about what that really
5 meant for us.

6 There's some technical notes that, again,
7 describes the difference between what an indicator and
8 proxy indicator is so that helps you ground the work that
9 we've done. But the real meat of the -- this document is
10 the table. And in the table we highlight the result,
11 indicators that we are most closely linked to the results.
12 We highlighted why is it important for children and
13 families, and what is it -- how is it connected to the
14 systems work that we're engaged in, and what does it tell
15 us, and what is the basis of that information, and what
16 doesn't it tell us, what are some of the limitations.

17 I always feel very strongly that in the proposal
18 or the identification of indicators is to really highlight
19 some missing pieces. And in the column where it says,
20 what it does not tell us, we tried to highlight some of
21 the limitations we have for these indicators. And, again,
22 you'll see there are some areas where there are some major
23 limitations. And we wanted to shine a light on that and
24 we acknowledge that.

25 The other thing that we have is what we call the

1 partner connection. And these are groups that we feel
2 that there's some alignment between the work that they're
3 doing, some of the measurement that they're doing and what
4 we've identified.

5 So that's the basis of the document that you
6 have.

7 COMMISSIONER ABDO: All right. Do you want the
8 feedback in any particular order or do you just want to
9 hear what people are thinking?

10 MR. JIMENEZ: Yeah.

11 COMMISSIONER ABDO: Okay.

12 COMMISSIONER GAREN: I want to thank Kim for
13 pointing out this document because the devil is in the
14 details and not necessarily in the headline that we've
15 used. So I reacted to the bullet that was cumulative risk
16 of involvement in child protective services. And I didn't
17 really understand what that meant. And then I was able to
18 look at the document and it's not -- I don't think it's
19 cumulative risk. It's incidents. We're counting
20 incidents, it looks like here.

21 So I thought the presentation overall really was
22 about why indicators matter and why we should try to do
23 this messy and hard work. But I would like more time
24 spent on each indicator and understanding, unpacking them
25 so that we actually -- you may understand them perfectly.

1 But even with this chart, I'm a little -- I'm unclear on
2 some of them. And this -- the getting clear on this part
3 at the beginning is -- it's like a setting up a matrix for
4 data collection. If you get it wrong, you're just in
5 trouble later. So this -- so this vetting of in the way
6 the detail on each one of these ten may be worth the time
7 if we can create the time for it.

8 MS. BELSHE: And there are a lot of different
9 ways we have been and can continue to be engaging board
10 members. I know many of you have had one-on-one
11 discussions as well as --

12 COMMISSIONER GAREN: Around these individual
13 ten --

14 MS. BELSHE: About the impact framework broadly.
15 And if there is an appetite amongst some board members to
16 go really deeply into each of them, we can certainly do
17 that. We can also see where we can find space in the
18 context of board meetings potentially. So welcome
19 other --

20 COMMISSIONER GAREN: To me, this is where it gets
21 really interesting. It's where the rubber is literally
22 meeting the road. It just seems like there may be some
23 value add for the board to be involved in that.

24 COMMISSIONER ABDO: So maybe those kinds of
25 meetings could be offered to all of us and those who want

1 to really dive in.

2 COMMISSIONER GAREN: If I'm the only one, I can
3 just -- I know who to follow up with.

4 COMMISSIONER TAYLOR: No, you're not the only
5 one.

6 COMMISSIONER ABDO: I think we also have to
7 remember that people are coming into this process at
8 different points. Some people have been around for a
9 while and others are brand new at this. So it's hard to
10 figure out where to focus the remarks and the emphasis on
11 what we all need to know. And, remember, we're doing this
12 also for the public.

13 COMMISSIONER INNES-GOMBERG: Armando, I wanted to
14 compliment you on the way you illustrated the logic model
15 around this. I think one of the things that I really like
16 and, as you know, is an interest of mine is in
17 operationalizing risk factors and protective factors. So
18 I see that the ten indicators here kind of do a nice job
19 of doing that.

20 And I think the second comment I would have
21 doesn't necessarily align with your questions, but is kind
22 of considering the relative contributions of other
23 departments. And I speak for Department of Mental Health
24 in terms of some of the programs we are doing. And I'm
25 thinking about some of our evidence-based practices:

1 Incredible Years, parent-child interaction therapy, a
2 number of practices that might support the work of this
3 outcome in addition to some community capacity building
4 we're doing on trauma.

5 Thank you.

6 COMMISSIONER ABDO: Okay. Yes.

7 COMMISSIONER TILTON: Let me agree with both of
8 you. For years we've tried to figure out how to measure
9 how well we're preventing child abuse. And we struggle
10 with it because we can't account reports of child abuse as
11 a bad thing. And so we kind of venture into that arena a
12 little bit here by saying, involvement in the child
13 welfare system is a negative outcome, so to speak.

14 And, first of all, Armando, really appreciate the fact
15 that you've spent time on this and that you have
16 communicated with me on this. I've really thought about
17 how can we measure our effectiveness in preventing child
18 abuse because, if we are, in fact, measuring reports of
19 child abuse or entry into the system as a negative, then
20 everything that we do is going to counter that because
21 we're encouraging people to report and to get kids into
22 the system and give us a chance to help the families and
23 save the child's life.

24 So I -- I'm thinking about exactly what Wendy
25 said, more time to kind of sift through this, but also

1 trying to measure adverse childhood experiences. We all
2 now are familiar with that -- with that phenomenon. And,
3 in fact, if we can look at preventing adverse childhood
4 experiences in many areas, physical, emotional, mental,
5 educational, whatever, domestic violence can be in there,
6 family violence, neighborhood violence. It's, to me, a
7 more reasonable thing to target rather than entrance into
8 the system because I think, if we do anything with the
9 system, we want to make it more responsive, if in fact we
10 can do something to make the system better once we become
11 aware of a situation that may result in harm to the child.

12 Does that make sense?

13 MR. JIMENEZ: Yes.

14 COMMISSIONER GAREN: I'm reading this as child
15 who've actually become involved in the system as opposed
16 to the 200,000 reports. So I think the concern that
17 you've raised about just reports, I don't think that's
18 what this is getting at.

19 MS. BELSHE: Why don't we ask Armando to speak to
20 that?

21 MR. JIMENEZ: So this particular measure enables
22 us to look at, from a birth cohort, any particular
23 interaction with the child welfare system, whether it be a
24 referral or whether it be a substantiated case or an
25 out-of-home placement. So it's an opportunity to look at

1 entire population of a birth cohort, for example, every
2 child born in 2002. And over a span of five years to be
3 able to say what percentage of those kids were engaged in
4 child welfare, whether it's through a referral,
5 substantiated case, or out-of-home placement, during that
6 five-year span.

7 The thought is, is that percentage is something
8 that we want to decrease. That is something that we feel
9 that over time every child that, you know, goes through
10 from birth to five has a reduced likelihood of engaging
11 with child welfare. That's the really the thing that we
12 want. And what I think is the struggle for us, and I
13 think this is mentioned about the protective factors, is
14 us not having a sense of what kind of monitoring or
15 measuring what parents strengths are or family strengths
16 over time, which is really, I think, an important
17 consideration for us.

18 So that is really the -- that particular
19 indicator and the purpose is over time for us to be able
20 to see that percentage go down.

21 COMMISSIONER TILTON: And I understand that. I
22 wasn't talk about reports because I know we can't do that.
23 That's all we can do if we're trying to keep track of
24 reports.

25 I guess I'm thinking about how the child welfare

1 system becomes something other than a bad place to be, so
2 to speak, and how -- how we can assure that entry into the
3 child welfare system does connect to the community and to
4 the resources other than the Department of Children and
5 Family Services, and how we share responsibility with the
6 community and the families and the other agencies. So I
7 want to go back to why are we concerned about these kids.
8 And it's because they have these bad traumatic experiences
9 and -- and we need to be able to respond to that.

10 I will say -- and I think maybe when I talk about
11 this -- one of the big indicators, of course, is -- of
12 future abuse is previous abuse. So you look at multiple
13 referrals to the child welfare system. I think that's
14 something worth looking at, if the family keeps coming
15 back into the system. Those have very bad outcomes often.

16 So anyway just that's my two cents. I don't have
17 an answer. I just would like to delve into it a little
18 bit.

19 MR. JIMENEZ: Can I also say that in the context
20 of the ten kind of working together, one of the things
21 that I think we would hope to see is that, if you saw
22 increases in parent who said that they have someone to
23 talk to in times of need, if you saw parents who were
24 participating in what are really, really vital safety net
25 programs -- and those are the real concrete things that

1 families need. If you see those increasing among those
2 that are eligible, then what we hope to see is decreases
3 in those things that we don't want to see, which is this
4 cumulative risk.

5 So that's why I really like to say that they in
6 some sense work together. You should see patterns that
7 make sense together for some of these to show increases
8 and others to show decreases. For example, the example
9 that Tara mentioned around screenings. There's a
10 relationship between those things and this particular work
11 as well. So these are relationships that we want to look
12 at as a collective. And I always feel that looking at one
13 individually is important, but looking at them in the
14 context of others is really, really. Important.

15 COMMISSIONER HEGER: I really like those two
16 points, points against each other. I think that one of
17 the things that First 5 funded 15 years ago whenever, was
18 the idea of -- although it's imperfect but it was an
19 answer, it was the hub system, was the idea of being that
20 we wanted to accurately intervene in the lives of families
21 appropriately, and that I think you can use that actual
22 intervention that you are actually doing something as an
23 -- lowering that intervention would be a goal.

24 I think the critical thing here is that they have
25 other -- that they're not isolated. You know, my banner

1 in my clinic right now is that I can't stop poverty, but I
2 can stop isolation. And that's going to be the biggest --
3 that's going to be the biggest factor I think in
4 prevention.

5 I don't think we're ever going to stop adverse
6 childhood experiences unless everyone has two or three
7 other people in the community that helps set a standard of
8 behavior within the family. I don't think that -- and I
9 think that, once we identify it, we need to step in and
10 respond to it.

11 I think that, although it's an imperfect measure,
12 I think the measure of your impact has got to be on
13 decrease in kids in out-of-home placements, a decrease in
14 the response from the system, whether it's DCFS or the hub
15 system or whatever to take children out of homes, and then
16 an increase in access to community-based organizations and
17 people who will support them in and protecting their
18 children.

19 I don't think we're ever going to eliminate child
20 abuse and I don't think we're ever going to eliminate
21 adverse childhood experiences, but I do think that we can
22 treat them and that we as a group and First 5 can measure
23 our overarching impact.

24 You know, when we talked, Armando, before, I said
25 I think you guys are missing an opportunity to take credit

1 for all the stuff in this county. And I realized from Kim
2 when I was a little feisty the other week, she pointed out
3 to me, was that the idea that you did get it when you
4 said, let's do it accurately. And I think that -- and
5 invested in that, which made a huge change. And we have
6 seen a dramatic drop in the county of kids in foster care.
7 And what we haven't done and we should do more is work
8 with community-based organizations, especially since you
9 also should take credit for your home visitations -- I'm
10 going to be your PR person -- and identify in that process
11 who they rely on in the community for the standard of
12 care. It's not just going in saying, but it's how you put
13 the linkages to those two or three people. And the CDC
14 has shown in their research that that's the single biggest
15 factor in preventing child abuse.

16 I think this is all positive and I love the fact
17 that you included the people that they talked to.

18 COMMISSIONER ABDO: Romalis.

19 COMMISSIONER TAYLOR: I agree with everything my
20 colleagues are saying, but I want to bring back one of the
21 things that we're pushing forward is equity and
22 equitability. And I know we're looking at a macro versus
23 a micro look at data input, but we'd have to look at that
24 with the lens of implicit bias and how these systems react
25 to communities and the failure of them to be able to have

1 access to these resources in a timely way. That's why I
2 think our push to go with Help Me Grow and getting early
3 assessments is the next big thing we need to really get
4 behind and support First 5 on in doing because -- and but
5 we've got to have that equity and accessibility lens on
6 this because, if you don't, then what happens is, is a
7 certain part of the population that can't advocate for
8 themselves, which we're trying to give voice to, will not
9 be able to get these services; and, therefore, the data we
10 said we have will be skewed.

11 So we need to drill down and put that equity and
12 accessibility lens on this. I don't know how you put that
13 in what you're doing. I'm not saying anything's wrong
14 with what you have, but if we don't do that our analysis
15 will be skewed by our inability to understand that some
16 communities, because they have no voice and don't know how
17 to have voice, which we're trying to give through the 14
18 Best Start communities, but that doesn't cover everybody.
19 So how do we get that and how do we measure that as it
20 goes down because that will affect your data set and it
21 will affect your analysis of what the data is and how
22 we're going to react to that. I'm just saying.

23 MS. BELSHE: Can I just say something on that?
24 Because it's such a critical piece and it speaks to both
25 our evolution as well as some of -- you know, a theme of

1 Armando's comments of, this is all imperfect. And one of
2 the example of where it's imperfect is, the data is
3 imperfect. With the board's support of equity as one of
4 our investment guidelines, as we've talked with the board,
5 equity is an important component of the strategy
6 refinement process that Kaya will talk about more in a
7 moment.

8 So one of the areas of focus for each of the
9 teams is to look at the data and look at disaggregated
10 data with an eye towards, what are -- we have universal
11 roles, but we then want to break down, so what are the
12 different experiences the different communities,
13 geography, race, language, et cetera are experiencing.
14 And then take that data to inform, so what's going on,
15 what are the barriers that certain communities or
16 populations are experiencing to help inform strategy
17 refinement.

18 So what I just said there is what we call the
19 targeted universalism frame. It sounds good. And in
20 practice, we have big data gaps. So we're going to do our
21 best, but we're going to be doing it intentionally. We'll
22 be able to bring a better -- a clear lens to what we can
23 learn given the data about where those equity or gaps in
24 equity and outcomes may be. And they may help inform
25 where there's some data projects we need to work on or

1 partnerships we need to enter into.

2 But I'm trying to manage expectations that we
3 have an equity as investment guideline. We'll be talking
4 with the board about next month about equity in the
5 context of our evolving values, We are incorporating
6 equity into our strategy refinement work, and we will
7 still be bumping up against some real data limitations
8 that can only allow to go so far.

9 So it won't be a barrier; it's just a limitation,
10 but it's throughout all of the issues we're talking about.

11 COMMISSIONER TAYLOR: My whole thing was just,
12 keep that in our minds as we go forward, keeping in mind
13 what you said.

14 MS. BELSHE: And that was the disaggregated data
15 issue that Armando spoke to earlier in terms of what are
16 some of the considerations. So, clearly, if we're making
17 a choice about data sources and some data sources allow us
18 to disaggregate, yay. It's one of the reasons why we are
19 looking closely at, what are our partners like DPH and
20 other county agencies looking at because you all are
21 keenly interested in being able to disaggregate data.

22 So that's what we're wrestling with. So it's
23 absolutely a criteria and a consideration.

24 COMMISSIONER ARAGON: That's exactly what I was
25 going to say. I appreciate looking at this table that --

1 I also appreciate the column on the limitations on the use
2 of this data. I was looking at that because I really
3 think that, as a commissioner and as a partner agency, it
4 then becomes incumbent upon us to look at where we have
5 opportunities to also do data projects or do evaluation
6 projects that maybe we haven't thought about and as
7 partner connections that there's so many other departments
8 in the county that can be part of this. And so as -- as
9 commissioners and as partner agencies, again, I think that
10 we really have that opportunity to look at -- take a good
11 look at these and provide that information to you all so
12 that, even though we have 80 percent of our data, there's
13 20 percent that could be -- that we could provide or get
14 to or -- and then also acknowledging that there probably
15 are going to be some data that we'll never have, but that
16 it is possible to do this.

17 So I just wanted to thank you and just
18 acknowledge that this is very helpful in how we plan our
19 work as we move forward as well. Thank you.

20 COMMISSIONER HEGER: I just wanted to ask you a
21 question if you thought it would be helpful. I'm sitting
22 here and we're talking with DMH about creating a model
23 megahub at the med center, the idea being looking at the
24 calls coming in in terms of how we screen them in or out
25 and looking at the mental health issues, you know, some of

1 the other indicators that have been not seen and not
2 evaluated but begin to look at them as a mental health
3 trauma-informed care, identifying family early.

4 I'm just -- you know, I was thinking about this
5 over the last week or so. I'm wondering about doing a
6 mini research or a sampling or all the calls that, say,
7 came in to like one of the hubs or our hub or whatever, and
8 looking at what were -- what kind of decisions were made
9 in terms of seeing the kids. And I think in terms of
10 what, Romalis, you were saying is the idea of, are there
11 families that we automatically screen out, do we -- on our
12 -- inside at our own prejudice, do we say, oh, well, they
13 live X or they're an immigrant or they're black or
14 whatever. And so that's, uh-huh. I mean, is there
15 something in our involvement or investment in families
16 that -- and maybe there isn't. Hopefully, there isn't --
17 that excludes certain families from accessing services. I
18 think it might be an important -- you know, it might be --
19 I don't know the answer to this, but I'm wondering if we
20 shouldn't look at it from a standpoint of putting it out
21 on the table.

22 COMMISSIONER ARAGON: A just so see --

23 COMMISSIONER HEGER: Yeah. It just troubles me
24 that, yeah -- I mean, it just troubles to me watch that
25 the ethnicity of the kids who are dying and, like, where

1 the calls come in, and was there something about them or
2 their -- where they were or whatever that mitigated
3 against their getting access to the acute services that
4 they need. And I don't -- I mean, if DCFS is sending
5 them, I think that's another population looking at who
6 gets seen. It's just a thought. I'd be interested in
7 that.

8 COMMISSIONER ABDO: I wanted to, I guess,
9 highlight a couple of things that may or may not even be
10 related. But I want to pick up on what Deanne said about
11 the -- if there are more families that are being
12 identified and going into services, that the indicators
13 will look like child abuse has increased or domestic
14 violence has increased or -- where it may not have
15 increased. And I'm not sure how we're going to tell for
16 sure which way it is, because the -- as we touch more
17 families, which we really need to do, we're going to have
18 larger numbers of practically everything.

19 So -- and then I wanted to highlight also how
20 important home visiting will be in this whole process
21 because there are going to be many, many families who
22 never enter into the system. And if we're focusing only
23 on those who have entered the system, then we've got the
24 rest -- the 85 percent, is it, who are not part of the
25 system, not identified in some way, and yet these are

1 families that have needs as well and also families who --
2 who should have indicators assigned. Good ones maybe.

3 You know, we've got X number of families that got out of
4 fresh start or, you know, moved on beyond this or that.

5 And I think some of those indicators are going to
6 be made more obvious over time as opposed to right now
7 when we know for sure what we want on -- on a lot of the
8 sort of basic ones.

9 I also wanted to say that I thought that the --
10 the video was really, really well done and in regular
11 language, unlike the charts.

12 MS. BELSHE: Can we just pause for a moment?
13 Validation from plain speaking Commissioner Abdo. Well
14 done, team.

15 COMMISSIONER ABDO: And I think, if you think
16 about showing that video to community groups where people
17 who are not a part of our process, they will understand.
18 And I don't know how many of you have been in a
19 helicopter, how many have been in a helicopter. I can
20 totally understand that, but everybody can kind of imagine
21 what that's like. And I think that was a really good
22 analogy.

23 MS. BELSHE: Thank you, Judy. And you know my --
24 our referencing of the plain speak is with the highest of
25 admiration, and just, you know, it resonates and we work

1 hard. So I appreciate the acknowledge of that, and,
2 again, commending the team across the organization that's
3 been involved. Anastasia has shared that we will be able
4 to have that translated. So we will have it available in
5 different languages and we're going to get it on our
6 website. But we appreciate the feedback.

7 COMMISSIONER ABDON: I did notice that the mouth
8 of the speakers didn't have an accent or an obvious
9 ethnicity, so that helps.

10 Anyone else because we've got more to this?

11 MR. JIMENEZ: One final comment to say -- and I
12 really, really appreciate all of your feedback, especially
13 in those discussions where we had an opportunity to engage
14 with you one-on-one. But also to say, we're on the
15 forefront here with this work. For all of the
16 opportunities we have and all the partners that are
17 sitting here, I think if we were to put ourselves in a
18 time machine and move five years from now, it will look
19 very different and people will be looking and saying: How
20 did you do that? How did you fill that gap? How did you
21 identify a way to understand the strengths of parents and
22 track them over time? How did you look and see the
23 relationships between the work that's happening on the
24 ground and those kind of high-level measures that people
25 always use and that tell them nothing? And then how were

1 you able to integrate what stories mean and family
2 experiences mean to this work?

3 So I really, really feel like we are on the
4 forefront. And every time I ask my colleagues if they're
5 doing this type of work, they ask me, well, no, but when
6 are you done so we can look at your -- what you're doing.
7 Lot of pressure.

8 But, anyway, thank you for your comments.

9 MS. TITH: Thank you, Armando. Thank you,
10 commissioners.

11 So we're going to wrap up this presentation by
12 providing a brief preview of next month's strategy --
13 strategic planning sessions. So we hope we leave you with
14 excitement of what's to come next month.

15 So for the purpose of today's presentation, we'll
16 provide an overview of the purpose of next month's
17 session, it's format and structure, as well as what the
18 discussion topics will be.

19 So as a reminder, our SPR4 process consists of
20 these four phases. And we've officially launched into the
21 refine phase this month. So this phase is focused on
22 refining our strategies based on the learnings and
23 findings that we've had from the review and reflect
24 phases, working towards identifying refining our
25 strategies to strengthen systems that support and serve

1 children and families so that they are aligned,
2 accessible, quality, and sustainable. So connecting to
3 our system outcomes.

4 So the slide here is just an overview of our
5 progress to date with the SPR4 process, highlighting that
6 at start of the SPR4 process in January, one of the key
7 milestones that we reached was the endorsement of the
8 investment guidelines, which Kim has referenced, which
9 includes two new investment guidelines, which is equity
10 and sustainability, and together with the other investment
11 guidelines serves policy guidance for the board and staff
12 for both the SPR4 process and implementation of the
13 refined plan moving forward.

14 We also completed the review phase during this
15 time period and engaged the board in discussion on key
16 findings from the review phase data report during the
17 April board and PPC meetings. We also held a series of
18 county partner interviews that were conducted by LFA, and
19 staff facilitated community engagement sessions in the
20 spring to inform strategy refinement.

21 So where we are is that we've established key
22 guardrails, inputs, and guidelines for strategy refinement
23 process, as Armando has referenced earlier, and presented
24 those at the May program and planning committee meetings.

25 And earlier this month during the board of

1 commissioners meeting, we shared these key findings from
2 the county partner interviews and the community engagement
3 sessions. And today you heard about the indicators for
4 the results for children and families.

5 So all this leads to our strategy refinement
6 process occurring now through the rest of the summer,
7 which also includes next month's strategic planning
8 session, and then coming back to the board in September
9 with a debrief and update on strategy refinement.

10 So the slide you seen earlier today, but it's a
11 reminder of that our strategy refinement process is
12 grounded in these key guardrails that serve as decision
13 making criteria for the strategy refinement process. That
14 includes our investment guidelines, and applying an equity
15 approach to our strategy refinement process is one of
16 these key decision making criteria that we're using for
17 strategy refinement. We also have various inputs,
18 including the indicators for the results for children and
19 families, as well as those other inputs from our review
20 phase data report, the community engagement session,
21 county partner interviews, and many more. This is just a
22 list of examples of key inputs for strategy refinement.
23 And also we have cross-cutting guidance to help us
24 prioritize and focus our work, aligned with our critical
25 success factors we've outlined for this process. And,

1 again, one of which is on equity, applying an equity lens
2 when we think about strategy refinement.

3 So the key strategic issues and questions that we
4 will address during strategy refinement are based on our
5 learning and inputs from the review and reflect phase. So
6 as a reminder of these key inputs include those review
7 phase data report that we shared earlier in April, and it
8 highlighted key learnings from our implementation progress
9 to date of our current strategic plan, what changes in the
10 external landscape may inform our work moving forward, as
11 well as learning about our organizational capabilities and
12 capacities to do systems change work effectively. Also,
13 our county partner interviews and those community
14 engagement sessions that were conducted serve as input and
15 help identify the key strategic issues and questions for
16 strategy refinement, as well as ongoing board and staff
17 discussion and input.

18 So staff across the agencies now are formed into
19 what we call strategy refinement teams, and they're
20 focused on addressing these key strategic issues and
21 questions for strategy refinement.

22 For next month we're bringing some of those key
23 strategic issues and questions to gather your input and
24 guidance for the teams as they work through strategy
25 refinement during this summer. We prioritize the strategy

1 refinement topics for board engagement based on those --
2 on the following criteria, specifically that the topic is
3 an area that the board has previously expressed interest
4 in or sought staff recommendations on or that the topic is
5 an area where the team's recommendation is anticipated or
6 may result in a significant change in our current
7 strategic plan focus, or the topic represents an area in
8 which was not previously discussed by the board in any
9 significant way.

10 So based on that criteria, we've identified four
11 strategy refinement topics that we will be seeking board's
12 input and guidance on during next month's session. The
13 board will have an opportunity to provide input to these
14 topics through World Cafe formality where we have a
15 station for each of these discussion topics and four
16 rounds where the board members can rotate to the
17 discussion topic of your choice.

18 The four discussion topics we will focus on for
19 next month's sessions are ECE quality supports,
20 kindergarten readiness assessment, communications, and
21 alternative revenue.

22 So the next slide will provide an overview of
23 what those discussion topics are and why they were chosen
24 as for board engagement for next month.

25 So starting first with the first topic, ECE

1 quality supports. This topic was identified for next
2 month's session because it represents an area where --
3 where we anticipate the recommendations may result in a
4 significant change from our current strategic plan focus.
5 We've heard from the review phase data report and county
6 partner interviews to bring an equity lens in our efforts
7 to expand access to and improve the quality of early
8 learning settings across communities. So this means
9 balancing a focus on quality within ECE centers with
10 efforts to enhance quality of home-based care, which
11 serves most of LA county's low-income children and
12 children of color.

13 So, therefore, the purpose of this discussion
14 during next month's session is to review our current
15 approach in improving quality in early learning settings
16 and gather the board's feedback on what adjustments may be
17 needed based on our current learning and the diversity of
18 settings in the current environment.

19 The second topic for next month's session is
20 kindergarten readiness assessment. And this was
21 identified for next month's discussion because it
22 represents an area in which the board has previously
23 expressed interest or sought staff recommendations on.
24 Specifically, we heard from the review phase data report
25 that further clarification is needed of First 5 LA's KRA

1 strategy and what success for KRA strategy looks like in a
2 sustainable way. During next month's session, staff will
3 facilitate discussion with the board to explore the value
4 of KRA in helping First 5 LA achieve our north star.

5 The third topic is communication. And just like
6 KRA, it was identified for next month's discussion because
7 it represents an area that the board has previously sought
8 staff input or sought staff recommendation on. We've
9 heard from the board throughout this process, as well as
10 in the review phase data report, the need to invest more
11 in communications and dissemination with clear and
12 accessible campaigns to align to outcomes and target
13 results. We also heard that First 5 LA need to continue
14 to build capacity to collect and use data and communicate
15 effectively to inform our systems change efforts.

16 So for next month's discussion, staff is seeking
17 guidance from the board on the communication strategies
18 and target audience we should focus on to inform First 5
19 LA's systems change efforts.

20 The fourth topic for next month's session is
21 alternative revenue. And this represents a strategy that
22 has not been previously discussed at -- by the board. As
23 a reminder, one of our new investment guidelines endorsed
24 by the board in March is sustainability; that is, First 5
25 LA will embed sustainability strategies within all of our

1 work, which includes creating new revenue and fund
2 leveraging strategies.

3 So what we also heard during the review phase
4 data report is the need for First 5 LA to explore new
5 revenue sources a component of our sustainability efforts.
6 So for the purpose of next month's session, staff will
7 present the proposed sustainability framework where one of
8 the component of that framework is alternative revenue.
9 And we're going to be engaging in the board and gathering
10 input on how First 5 LA will organize its sustainability
11 strategy and approach to alternative revenue, the goals
12 for generating revenue, and what are the potentially
13 available venues for alternative revenue as well.

14 So those are the four exciting topics we will
15 engage the board in discussion for next month's session.

16 So before we close and take any clarifying
17 questions you may have about next month's session, this is
18 just an overview of what's up ahead for the SPR4 process,
19 which is mainly getting into strategy refinement for the
20 rest of the summer. And then also an input that we'll be
21 receiving from the Center for Effective Philanthropy is
22 the stakeholder and grantee perception report surveys, and
23 which potentially could be input for strategy refinement
24 an as well.

25 So with that, we're happy to take any questions

1 you may have.

2 COMMISSIONER ABDO: Okay. So the parameters here
3 are not to talk about the specifics because that's what
4 we're going to do next month. So right now, questions
5 about process are in order.

6 MS. BELSHE: Have commissioners participated in
7 World Cafes? Can you say, Kaya, maybe a word about World
8 Cafes?

9 MS. TITH: The World Cafe is a trademarked
10 process. So it's meant to be -- yeah, like a cafe where
11 you're visiting these topics and having conversations.
12 And then each round is building on the conversation --
13 previous conversations as well.

14 COMMISSIONER GAREN: So it's a technique.

15 MS. BELSHE: Yeah. And it's intended to give
16 commissioners flexibility in terms of, do you want to --
17 they'll each be about 20 minutes.

18 COMMISSIONER ABDO: So each of us rotate
19 through --

20 MS. BELSHE: You can rotate through or, if you
21 want to go deep in one topic -- if you are all about
22 communications and you want to hear what all commissioners
23 have to say building on each of the previous comments, you
24 can do that. So it's endeavoring to give a little bit of
25 flexibility.

1 COMMISSIONER ABDO: And that's only if you're not
2 interested in the other things.

3 MS. BELSHE: I'm confident there will probably be
4 a lot of rotation. But they're all going to be really --
5 staff are shaping and leading these efforts. So there
6 will be an opportunity for board members to be working
7 with the staff directly. And this will be building
8 towards recommendations that will then be coming to the
9 board in the fall. So this is a step on the journey, but
10 these, for the reasons Kaya noted, are topics we want to
11 be talking with the board about sooner rather than later.

12 COMMISSIONER ABDO: It sounds like we have
13 homework here, and that is to think about these items.
14 Thinking, yeah. I don't think we have to turn anything
15 in.

16 MS. BELSHE: There will be some, but we're not
17 intending to overwhelm commissioners with reading.

18 COMMISSIONER GAREN: It's not our summer ticket
19 to the beach reading.

20 MS. BELSHE: You have already given at the
21 office.

22 COMMISSIONER ABDO: Okay. Romalis.

23 COMMISSIONER TAYLOR: My question is, are we
24 going to have access to not everything, but kind of the
25 general input from the wonderful staff we have, the

1 community, as well as the wonderful partners and
2 organizations that we partner with, what they're saying we
3 should be doing as well? Are we going to have access to
4 that as part of these four topics?

5 MS. TITH: So we shared high-level key findings
6 of the community partner, community engagement sessions
7 and the county partner interviews earlier this month at
8 the board of commissioners meeting. And then that serves
9 as input and those are available for staff as well to
10 serve as input for strategy refinement. And those are
11 available as well. And I think part of the discussion
12 next month, staff will have conversation, staff will
13 provide how those input have informed the latest thinking
14 on strategy refinement around those four topics.

15 COMMISSIONER TAYLOR: I'd like to honor the input
16 from everyone on each of these different issues and see if
17 there's anything more we need to really bring to it or ask
18 for guidance or clarification on, because I think you're
19 doing good work, so I just want to see what other people
20 are saying.

21 COMMISSIONER ABDO: Astrid.

22 COMMISSIONER HEGER: Number one, I resent the use
23 of the word retreat when we're going to be here. So I
24 just wanted to point that out. I was kind of anticipating
25 it as a new commissioner that we were leaving the

1 building.

2 COMMISSIONER ABDO: You want us to go to a hotel
3 on the beach.

4 COMMISSIONER HEGER: Judy, you and I can have --
5 plain speak that's right there.

6 COMMISSIONER GAREN: You can roll a hot tub in.

7 COMMISSIONER HEGER: And then, Armando, I just
8 forgot to mention one thing that would make me extremely
9 happy on your indicators. I hate to go backwards, but
10 there it is. Is if we're going to screen, I think in
11 light of the fact that I have this obsession with fetal
12 alcohol spectrum disorder, I would really like, not that
13 we're asking them to do it necessarily, but it will be --
14 it would be so exciting to put that on the agenda and have
15 people start thinking about it as something they should be
16 screening. And we've just formed a partnership with DMH
17 to start training mental health provider on how to
18 actually treat this disorder. And since it's the single
19 biggest cause of developmental delay, I think we probably
20 ought to keep it. We ought to just go ahead and throw it
21 out there for the heck of it.

22 COMMISSIONER ABDO: And since we're throwing out
23 little bits of things, I would like to say kindergarten
24 needs to be ready for children. It's the other side of
25 that. I think it's much more likely that we could have an

1 impact on kindergarten teachers and programs being ready
2 for children than we think we would have.

3 Okay. Thank you very much. This has been really
4 helpful.

5 COMMISSIONER HEGER: Beach next time.

6 MS. BELSHE: That will be fun for public comment.

7 COMMISSIONER ABDO: So we'll bring our beach
8 towels with us.

9 Okay. We will take a ten-minute break, which
10 means we'll come back -- I'm going to just push it to
11 3:05. How's that?

12 (A brief break.)

13 COMMISSIONER ABDO: It's time to reconvene. We
14 have a new panel. Commissioners, it is time to come sit
15 down.

16 Romalis, will you come here.

17 Okay. Let's begin. We are on Item 6,
18 communities outcome, strategic partnership with resources
19 legacy fund.

20 And who is going to be -- Antoinette, you are in
21 charge.

22 MS. ANDREWS BUSH: Thank you. Well, good
23 afternoon, commissioners. I'm looking around the room,
24 and I'm like, this is a hot topic. And we're really,
25 really excited to bring this to you.

1 You may recall the last time we were before you
2 was in April of this -- a few months ago when we were
3 talking about the first year of implementation of the Best
4 Start regional network structure. And so I just want to
5 connect the dots between that presentation and the
6 presentation that you're going to hear today.

7 So the network approach that we're taking is
8 grounded in our belief that the best way to build capacity
9 within the Best Start communities to achieve results for
10 the children and families is by strengthening the
11 relationships between parents, residents, organizations,
12 public agencies, and stakeholders. And we believe that
13 this strengthening of relationships does a few things.
14 One, it expands the possibilities of what can be achieved
15 which sparks innovation, it helps to diversify and knit
16 together resources, and it deepens collaboration and
17 coordination. And all of this cultivates a resilient
18 ecosystem of resources and support that facilitates the
19 achievement and the sustainability of the four results for
20 children and families, which Armando and team were
21 referring to earlier and approved by the board in November
22 of 2018. And this really is the promise and the power of
23 Best Start.

24 So from a built environment prospective, it
25 prompts this question: What would it look like if

1 families, government, organizations, and advocates
2 cultivated strong relationships and acted together to
3 improve the physical environments that affect the health
4 and development of children.

5 So we present to you today an opportunity to
6 explore -- to explore this question more concretely
7 through a program we're calling, Link Governments
8 Advocates Families and Parks Program. Very, very long --
9 very long title. So, therefore, we just call it Link. So
10 we're going to discuss Link together today. And the
11 purpose of it is to strengthen relationships between these
12 stakeholders, so between governments, families,
13 community-based organizations, and park experts within
14 Best Start communities, and by doing so build, to their
15 collective capacity to access public funding. We'll talk
16 a little bit more about that. And to access that funding
17 in a way that centers the voices of community residents.

18 This is an approach to changing how park and
19 infrastructure funding is deployed in Los Angeles county.
20 And we are one of several partners that are doing this.
21 So we're going to talk more about the relationships that
22 we've been developing with several funders, as well as
23 with the Los Angeles County Regional Parks and Open Space
24 District. And we're also here to request approval of a
25 strategic partnership, not an action today, but we'll be

1 bringing it back to the board for consideration, but
2 requesting a strategic partnership with the Resources
3 Legacy Fund.

4 So before we get into the -- what Link is and
5 what it is intended to do, I just want to ground the board
6 in a presentation that we presented in May of 2018 where
7 we looked at the built environment strategy that was
8 endorsed by the board. And that strategic has three
9 objectives. One is to strengthen the capacity of built
10 environment advocates to elevate the voices and needs of
11 families and to partner with stakeholders and decision
12 makers. And we've been making great gains in achieving
13 these goals over the last year. Some of the examples
14 include the release of a request for proposals for a built
15 environment policy advocacy fund, as well as the creation
16 of a strategic partnership with the LA Food Policy Council
17 to work in partnership with First 5 LA and DPSS to
18 understand the barriers to families accessing CalFresh.

19 Today we're going to give you an overview of the
20 Link program. And to provide some insight to that, I want
21 to turn it over to Max Podemski. But before I do that, I
22 also want to introduce Jane Beesley, who is the regional
23 director for the -- and I'm going to get it -- Los Angeles
24 County Regional Parks and Open Space District. It has
25 been wonderful partnership, and Jane will explore more

1 about how we've been collaborating to move this really
2 important effort forward.

3 Thank you, Max.

4 MR. PODEMSKI: Great. So good afternoon,
5 commissioners. I'm very excited to present this program
6 to you today. And Link is really based off of two
7 precedents, both in our Best Start communities and also in
8 the county and state as a whole, and one of those is
9 Zamora Park. And this involved parents and residents in
10 our south El Monte El Monte Best Start community who are
11 really fed up with the dilapidated conditions at a local
12 park and decided to document those conditions and then
13 present it at meeting of the El Monte city council. And
14 through that, they were connected with the Trust For
15 Public Land, which is a nonprofit park developer and
16 worked with them to create a vision for rehabilitating the
17 park to better meet their needs. And they ultimately were
18 awarded \$3.7 million in an urban green and grant from the
19 State which was one of the largest awards that year.

20 And this really demonstrates the transformative
21 power of partnerships between parents and residents,
22 community-based organizations, and municipal governments
23 to really drive change in their communities. And it also
24 is a clear example of those three roles that Antoinette
25 laid out of our built environment strategy, which is

1 strengthening capacity, elevating voices, and partnering
2 with stakeholders.

3 And Zamora Park really comes at a pivotal time in
4 the county because Los Angeles is on the cusp of a huge
5 transformation to its built environment which is due to
6 huge funding measures that have recently been passed. And
7 this includes Measure A for parks, Measure W for water,
8 and Prop 68 which is a State bond for parks.

9 But in the past with similar infrastructure
10 investments, we've seen that it hasn't been equitably
11 distributed around the county and that high-need
12 communities are often less competitive at leveraging these
13 resources, and they often go to communities that have that
14 capacity. So there's a real risk here of these funding
15 measures, instead of addressing the existing inequality in
16 the county, of actually deepening the inequality that
17 exists.

18 And this is really backed up by academic
19 research. The Measures Matters report came out about a
20 year ago, which was produced by USC PERE and partially
21 funded by First 5 LA. And this report gives
22 recommendations for how these funding sources can be
23 equitably invested so they improve the quality of life of
24 LA county residents. And it found that one of the key
25 barriers to achieving equitable distribution is a lack of

1 capacity in certain communities, particularly amongst
2 government agencies and community-based organizations, as
3 well as a lack of parent and resident involvement in the
4 decision making process. This has lead to these
5 communities being unable to compete for and receive public
6 infrastructure grants.

7 So what we're trying to do with Link is
8 institutionalize the Zamora Park model of creating these
9 partnerships and also carry on with the recommendations of
10 Measure Matters Report to create systems change around how
11 investments in parks and open space are done in LA county.

12 And we have three main goals for Link. So one of
13 which is to build the capacity in underresourced
14 communities through creating these robust partnerships
15 like the Zamora Park model so that they can leverage these
16 state funding sources.

17 Our second goal is to ensure that parents and
18 residents have a voice in the decision making so the
19 projects that result from these fundings really respond to
20 their needs and address their needs and improve the
21 quality of life in their communities.

22 And then our third is, we're working with the
23 Regional Parks and Open Space District to integrate the
24 Link program into the technical assistance program they're
25 developing for Measure A. And you're going to hear later

1 in this presentation from Jane Beesley more about our
2 collaboration with that agency.

3 So Measure A will create over \$90 million a year
4 for parks and open space, but policy change is not
5 necessarily systems change, and we must transform how
6 these funds are accessed in order to ensure that they go
7 to underserved areas in a way that is responsive to the
8 needs of children and families. And we've sort of created
9 a chart here to show how funding sources in the past have
10 typically worked. So if you look at the blue boxes,
11 that's sort of the typical pattern. There's a policy
12 change. Voters approve a funding measure for parks or
13 open space or other infrastructure. Those resources
14 become available usually with a competitive grant process.
15 But because of a lack of capacity in high-need communities
16 and also a lack of involvement of community voices, they
17 don't leverage those funding sources at the rate that, you
18 know, they deserve to leverage them. And then we've seen,
19 you know, especially in our Best Start communities, a lack
20 of infrastructure in these neighborhoods.

21 So what we're really trying to do is create
22 systems change in this model, which we've shown in the
23 teal boxes. So after the funding becomes available, we
24 want to create these robust partnerships, build capacity,
25 have community-identified projects, and then have those

1 projects be funded so that we improve the conditions in
2 these communities. And we want to institutionalize this
3 shift in how funding is distributed through working with
4 the Regional Parks and Open Space District on Measure A
5 funding to change how park funding is allocated in LA
6 county.

7 So how will this work. So we want to go to up to
8 two municipalities in our 14 Best Start communities. And
9 the map there is from the LA county parks needs
10 assessment. And we've outlined our Best Start communities
11 in black, and you can see that almost all of our Best
12 Start communities are either high or very high need.

13 And then once we're in those communities, we want
14 to form those partnerships, like Zamora Park, between
15 parents and residents, community-based organization, park
16 experts, affordable housing groups, and the municipal
17 government. And these partnerships are really going to
18 have two deliverables. So the first is, they're going to
19 create strategic planning documents that prioritize the
20 park needs of community residents so, where new parks
21 could go, parks that could be rehabilitated programs. And
22 then the second deliverable is we want them to apply to
23 one of these funding measures to implement one of the
24 projects from that plan. That's really where we see that
25 capacity being built because these partners will learn

1 what are the grant funding sources for parks, how do we
2 apply for them, and then, hopefully, if they're successful
3 in getting them, how do we actually implement these parks.

4 And we think that these partnerships will be a
5 sustainable model for how under invested areas can
6 leverage infrastructure funding in a community-driven way
7 over the long term. So through that one exercise, they
8 will be able to leverage other funding sources as they
9 come along.

10 And through First 5 LA's partnership with the
11 strategic partnerships department here at First 5 LA, we
12 have -- we knew that there was sort of a broader desire
13 within the philanthropic community to work on capacity
14 building to help communities leverage these funding
15 sources. So through presenting to the LA funders
16 collaborative for smart growth and then also having
17 on-on-one meetings with other funders, several other
18 organizations have expressed interest in partnering with
19 us on this program, and that includes Enterprise Community
20 Partners, the Resources Legacy Fund, the Water Foundation,
21 and the Rosalyn and Arthur Gilbert Foundation. And
22 through collaborating with these groups, they've really
23 sort of deepened this program and connected it to broader
24 issues around infrastructure and development, so things
25 like gentrification and displacement and also resiliency.

1 But because there's such a large interest among a
2 lot of different funders, we needed to create a mechanism
3 for joint decision making to streamline the management of
4 the program. And the agency has experience working on
5 pooled funds. And that was identified as one of the best
6 sort of mechanisms to do this. The Resources Legacy Fund,
7 which is one of the funders that expressed interest in
8 collaborating with us, has organizational background and
9 capacity to pull resources, and they also have deep
10 knowledge of park and infrastructure investments. And
11 they were identified both by First 5 LA and other funders
12 as being a good candidate to act as a fiscal sponsor for
13 the pooled fund.

14 So in addition to contributing resources, if
15 approved, the Resources Legacy Fund scope of work includes
16 providing services such as program consultation,
17 contracting support, and administrative support, if
18 needed. And the Resources Legacy Fund will also convene
19 other partners for decision making and to gather input
20 about the program.

21 So now I'm going to pass it to Jane Beesley from
22 the Regional Parks and Open Space District to talk more
23 about our collaboration with that.

24 MS. BEESLEY: So good afternoon. Happy to be
25 here with you all today.

1 So just to give you a little bit of information
2 about the Open Space District, it was created in 1992.
3 And since that time, we've put over a billion dollars into
4 urban parks. We put close to \$2 billion into parks, but
5 over a billion dollars in urban parks. I have a -- all we
6 do is grant money for park projects. In the past, it's
7 all been capital projects. As Max indicated, those who
8 have money got money. It's just our reality of capacity
9 building.

10 So when time came to, you know, have something
11 sunset, Prop A was going away, to look at a new mechanism
12 and new devices. And I think all the things that Max was
13 just speaking about the capacity building of a community,
14 we engaged those folks. And they were all, yes. You
15 probably all remember 2016. Everybody was in. 75 percent
16 were in.

17 So with that charge, you know, the staff that we
18 have, the grant money for park projects, we have --
19 welcome to a government agency. They've been there a long
20 time. They have over a hundred years in grant making
21 experience, just because they've been around a long time
22 and they've experienced this and what the pitfalls are,
23 what the timelines are, because to build a park takes a
24 long time.

25 Well, this doesn't happen alone, you know. Our

1 key -- the key to our success is working with partnership
2 and organizations like First 5 LA. Most importantly, a
3 successful park project thrives on timely local community
4 engagement and support. A park is not a successful park
5 without a community that visits it and lives with it.

6 Parks are accessible with health and recreation.
7 Parks help clean our air. Parks help capture storm water,
8 support wildlife, bring communities together, help our
9 children stay healthy and grow up strong. The county and
10 the Open Space District have very much appreciated First
11 5's past commitment of time and staff resources to our
12 work. I mean, you all started in this work on your own
13 with tot lots, but you also sat on the steering committee
14 for the park needs assessment the county ran. You also
15 sat on the steering committee for the implementation of
16 Measure A. Let me just tell you, that steering committee
17 was once a month for three hours. And before that
18 meeting, there was probably three inches of documents.
19 And your staff provided very clear dialogue, very clear
20 suggestions, and were actively engaged. And it was very,
21 very helpful as we moved forward because you all do much
22 what we do, so understanding how grant work is critical.

23 We called the program that we are invested in, as
24 we move forward, is technical assistance, as Max
25 indicated. We have two technical assistance programs.

1 One which is general, which you probably all do as well;
2 here's how do a grant, here's some general grant making,
3 every grantee has some hand holding, and you take them
4 down the road. But there's also will this deeper
5 technical assistance program that needs to be handled,
6 which is the Link program kind of -- part of -- I think
7 many parts of it are being shown in the Link program,
8 which is how do we build capacity as government-built
9 capacity. That's the hard part, which is why seeking
10 collaboration is really critical.

11 And then the Open Space District totally is
12 behind this, this supporting -- this approach that Max is
13 presenting here today and you all are listening to.
14 We're encouraged by the plan to work with the LA Funders
15 Network for Smart Growth and the Resources Legacy Fund.
16 This will help us coordinate our efforts to build this
17 capacity in our communities, especially in the underserved
18 communities.

19 We're really focused on our communities of high
20 need. I can't say enough, those who have money got more
21 park money in the last three park bonds. So we're trying
22 to change that. It's -- and we're very clearly trying to
23 change that. Any partner we can find who sees this. You
24 all are very much on the same path as us, and it is a
25 really good -- I was -- energizing place to be. We have

1 like minds, Max and I. Oh, wait, you're going to do that.
2 I'm so happy to see that black box start to materialize in
3 somebody else's hands.

4 So I look forward to seeing additional resources
5 on this table, additional minds at the table, and to help
6 support this model as it moves forward. And I look
7 forward to working very deeply with your team if you move
8 this project going forward. So you know how excited I am
9 to have partners to help me do this work.

10 MR. PODEMSKI: So in conclusion we have several
11 important milestones coming up for the program. In July
12 we hope to return with a strategic partnership with
13 Resources Legacy Fund for \$600,000 over two years for
14 board consideration and approval. In September we will
15 return again with a contract with Resources Legacy Fund
16 for fiscal year 2019-2020 in the amount of \$300,000 for
17 board consideration. And then in the fall of 2019, we
18 hope to launch the program.

19 So thank you very much for your time today. My
20 son, Levy, is very excited about this. He loves going to
21 the park. And we have some questions for you and we look
22 forward to a robust conversation about the program.

23 So thank you very much.

24 COMMISSIONER ABDO: Okay. Yvette.

25 COMMISSIONER MARTINEZ: Well, thank you so much.

1 As you know, I managed Measure W, so it's very near and
2 dear to my heart. That was a year and a half of community
3 building and coalition building, and I think it was a
4 really good model of how to build public support for a
5 measure countywide. That passed with 69 percent of the
6 vote last year. So very proud of that.

7 And I think that this collaboration fits very
8 well with the strategic planning. It's an example of
9 forming a partnership with the huge environmental
10 nonprofit like Resource Legacy Fund. It could lead to
11 other partnerships with other big funders. I think it's a
12 great pilot project that fits really well with what we're
13 doing and the impact that we want, not just in our
14 targeted communities, Best Start communities, but for open
15 space and equity all across Los Angeles. So I'm really
16 excited about this.

17 Jane, you have a huge fan here. We've worked
18 together for so many years on environmental justice
19 issues, and Max, too, while you were at Pacoima Beautiful.
20 So I just have really positive things to say about this
21 collaboration. I'm really thankful that First 5 LA is
22 going there.

23 COMMISSIONER ABDO: Okay.

24 COMMISSIONER ARAGON: Just a quick question. I
25 love this idea and I love that First 5 is engaged in this.

1 Just a quick question in terms of, who actually
2 would receive the money for the parks? So I'm just trying
3 to get my head around because I'm reading community
4 partners and park experts and municipalities. So, like,
5 who would apply to get this money is what I'm trying to
6 figure out.

7 MS. BEESLEY: It depends on the park project
8 itself because in some cases, it could be like Zamora
9 Park, TPL, or it could be the city. It just depends on
10 who has the wherewithal to do it. Sometimes it is a TPL
11 who comes in and does it. Sometime you can actually built
12 capacity in the cities to do it. Some cities are good.
13 Some aren't. So I think it's going to depend on the
14 group. It could be another CBO that's in the community.
15 Think of Pacoima Beautiful as another nonprofit that
16 probably has capacity. So it just is going to depend
17 individually.

18 COMMISSIONER ARAGON: So we're just going to find
19 in the different municipalities, like, who's interested in
20 building their capacity to receive these funds and manage
21 and oversee the park development?

22 MR. PODEMSKI: So for the Link program, we want
23 to fund these partnerships, but we don't want to be too
24 prescriptive about how these partnerships form. We want
25 to assist with the, but sort of like fund them

1 organically. The main thing we're looking to do is fund
2 staff time so people have the time to participate. But it
3 probably will be a combination of park expert, because we
4 see that's really critical role as we saw in Zamora with
5 TPL who has a knowledge of park development; also,
6 community-based organizations that, you know, organize
7 parents and residents to get robust community engagement.
8 So we have projects that respond to their needs and also,
9 you know, exploring opportunities for the municipality.

10 So but that's also something that the Resources
11 Legacy Fund with this pooled fund will create sort of a
12 decision making process. But we're sort of trying to be
13 flexible on it, but we want to fund, you know, multiple
14 partners.

15 COMMISSIONER ARAGON: Thank you.

16 COMMISSIONER ABDO: Romalis.

17 COMMISSIONER TAYLOR: I'm loving this already
18 myself. I think the first pilot we've already tested the
19 concept that we can do it. I like the idea that we're
20 going to do it with our Best Start communities. Some of
21 them are ready to go and do things even now.

22 And my question gets to be, as I looked at it is
23 you want to do two pilots. I want to push the bubble. I
24 want to push it to seven. The reason why is that some
25 communities are ready to actually engage and learn to deal

1 with the built environment and what they're doing. We
2 have at least six Best Start communities that have water
3 contamination issues that they want to see done, as well
4 as to do some park things that need to get done in their
5 communities. So I would like an inventory of what
6 communities and Best Start of the 14 are ready to engage,
7 that they've been engaging their governmental community
8 organizations and other things to advocate for their
9 needs. So that we start with those that are ready. And
10 then using that to help them mentor those that aren't
11 ready for the next seven groups so that we touch all 14 of
12 our communities.

13 I think this is vital to be dealing with our
14 built environment. And if we put that into the community,
15 they will know how to navigate the systems in order to
16 make change happen, and then we can use that as something
17 that uplifts our modeling concept that we're pushing for
18 in our strategic plan.

19 So I'm just kind of looking at that. So I'd like
20 to see more than two.

21 MS. BELSHE: I would note, one of the strategy
22 review teams is focusing on the built environment. So
23 we'll have an opportunity to talk more with the board
24 about opportunities to build upon our existing work and
25 further leverage.

1 COMMISSIONER TAYLOR: I'm just saying I'm in
2 support of it.

3 MS. BELSHE: We hear it.

4 COMMISSIONER ABDO: Okay. I'm hearing lots of
5 support.

6 COMMISSIONER GAREN: I'm excited about this too.
7 I think that this kind of capacity building to help
8 increase the ability of these neighborhoods to attract the
9 resources is essential. It's sort of the chicken and egg
10 problem.

11 What's a little unclear to me is, well, first how
12 much will Resources Legacy Fund contribute. You know,
13 what amount is their skin in the game? I hadn't heard of
14 them before. I looked them on Guide Star. They are
15 pretty substantial, but they're sort of a worldwide
16 organization with a hundred million dollars in net assets.
17 So that's significant.

18 So it was unclear to me if they were just the,
19 quote, backbone and the distributor of funds to other
20 NGOs, or will they actually be doing the work in the two
21 communities?

22 MR. PODEMSKI: So all the funders that's interest
23 now, but they've committed in the ballpark of around
24 \$200,000. And they will not be doing the work in the two
25 communities, but they would be facilitating the pooled

1 fund. And we would be working collaboratively the funder
2 table to, you know, pick these partnerships and sort of
3 design the program.

4 COMMISSIONER GAREN: Understood. And also, are
5 you going to try to grow the table?

6 MR. PODEMSKI: Yeah. So this --

7 COMMISSIONER GAREN: Always, right?

8 MR. PODEMSKI: So there's a lot of interest to do
9 this work, and we're --

10 COMMISSIONER GAREN: Because this seems like the
11 right thing at the right time.

12 MR. PODEMSKI: Yeah. And this is sort of one of
13 the first initiatives out of the gate. And we think this
14 pooled fund will really create a vehicle for other
15 funders, both local funders. The Funders Network, there's
16 other funders on that that are still interested, and even
17 national funders who are really interested in the huge
18 amount of investment in building this capacity. So we do
19 intend to try to attract other funders to this pooled fund
20 as well.

21 COMMISSIONER GAREN: And some of the grants then
22 might in fact go to somebody like the Trust For Public
23 Land or others that have been park developers locally?

24 MR. PODEMSKI: Exactly.

25 COMMISSIONER GAREN: And then in terms of the

1 picking of the two -- let's just say for argument's sake
2 it's two. Your passion noted. And ambition is a good
3 thing. How will we sort that out? And I would just want
4 to say about where we might pick. River LA and the
5 opportunities being driven in south counties that -- the
6 bell, et cetera, there's -- there's some catalytic
7 opportunities that I think are already in play that in
8 neighborhoods that have nothing, and that we might want
9 to, you know, make the most of what's -- that underlying
10 work already going on and hook up with it. So I think
11 there's fantastic opportunities because of the park that's
12 being planned that will be -- you know, the Frank Gehry
13 designed piece that's going to go over the LA River in
14 what is undoubtedly in one of our neighborhoods.

15 COMMISSIONER ABDO: Thank you. I've --

16 MS. ANDREWS BUSH: I just want to reiterate the
17 importance of the connections. I mean, that's what you're
18 pointing to, that this isn't about going into communities
19 and saying, here's yet another initiative from First 5 LA
20 or any of these other funders, but really how do we build
21 upon the momentum that's already there, which is why I
22 appreciate what you're saying, like communities are ready
23 to do this, and then making those connections.

24 So, you know, in April you heard about Best Start
25 regional networks. This is the same thing. There are

1 various aspects to what we're doing within Best Start
2 communities. And through the strategy refinement process,
3 it's about making those connections more explicit and
4 stronger.

5 And then the other thing as it relates to
6 expanding. We had a lot of internal conversations about
7 this as well. Do we start with two? Do we start with
8 seven? Do we just go all 14? But we've also had -- and
9 then we appreciate the energy and all the support around
10 the table. We've also had a lot of conversations with the
11 funding partners. Some of them they want to start small,
12 see what works. We've got an example with Zamora Park,
13 but they want to know, you know. So we've got funders who
14 are saying, we're going to contribute to the evaluation of
15 this because we do want to expand it beyond a potential
16 pilot, but what do we need to learn from it first before
17 we go to scale.

18 COMMISSIONER GAREN: I would just jump in one
19 last time on this to say, I think from the -- I can speak
20 from the point of view of one funder that there's always
21 this tension between go big, you know, go fast. Sometimes
22 you have to go slow to go far. And the concept of sort of
23 rapid prototyping, too, we're going to learn a lot as we
24 do this. So to not spin our wheels too much, to figure it
25 out in a couple of places so that we really know what

1 we're doing before we try to execute big because it's a
2 lot to manage.

3 It's always going to be a challenge for the
4 county. You know, one in every district or one -- so we
5 have our 14, you know. Maybe it's not always the smartest
6 thing to try to spread the peanut butter thin. Maybe we
7 need to spread it kind of thick to get it to work.

8 But it's wonderful work and I think the fact that
9 strategically it fulfills so many of the things we're
10 trying to do, to be collaborative, to make the most of
11 what's already out there, to not act like we can make this
12 happen on our own. And it's so respectful of the
13 communities and empowering them to really bring the park
14 bacon home for their network. So I -- I just love it.

15 MS. ANDREWS BUSH: And one more thing on that.
16 As Max pointed out, this isn't just about parks. So we're
17 looking at housing and economic mobility. This is what
18 the partners are bringing to this. So although we're
19 looking at Zamora Park as the model, we're actually sort
20 of blending and braiding if I'm able to use that --

21 COMMISSIONER GAREN: The lens is the build
22 environment.

23 MS. ANDREWS BUSH: Right. Exactly. And how all
24 of these things work together to improve the
25 infrastructure within communities. And so we just want to

1 test some of these things out, learn from it, And
2 determine what to do afterwards.

3 COMMISSIONER TAYLOR: Can I jump back in here
4 about this?

5 I understand that about the two and getting that,
6 but I want the community to feel that we committed and
7 that we're willing to expand to seven, depending on where
8 they are, because some are going to be ready, some are not
9 going to be ready, and lining up those possibilities after
10 we've experienced those two that are ready to go. But
11 there's that evolution. So I want to the community to
12 feel that we're committed to this concept and that we're
13 committed to learning as we develop this process. So it's
14 that kind of flexibility. So it allows for the learning.
15 It allows for the expansion as we learn. But I -- I hear
16 you. But I just want to make sure that the community
17 hears us, that we're committed.

18 MS. ANDREWS BUSH: Yes. Absolutely.

19 COMMISSIONER ABDO: I want to say that I have
20 trouble with the slow process. I get it. I understand
21 why it has to be, but I'm impatient to make change as
22 quickly as we can. And what I -- what I see missing in
23 this -- and I understand this will be later -- is that
24 school districts have a lot of property and a lot of open
25 space and in every community. That's the one thing that's

1 always there, is a school.

2 And I would wish that there were a school
3 district person. And I know that there are like many,
4 many, many school districts, but if there could be a pilot
5 working with a school district -- with the community
6 working with the school district to open the campus after
7 school and on weekends, I think it would be a great model
8 for other communities to -- to use. So --

9 COMMISSIONER MARTINEZ: It is happening in some
10 -- in El Monte.

11 COMMISSIONER ABDON: I know it's happening, but
12 it's not being mentioned here. Santa Monica did it years
13 ago. And it can be done. It's really hard and it takes a
14 lot of organizing. But let's not forget the schools.

15 MR. PODEMSKI: I totally agree, Joint use at
16 schools. I mean, in some communities, that's really the
17 only option for open space if we're talking about really
18 dense built-out communities.

19 And in Measure A, that's actually an eligible
20 category. And LAUSD has committed to joint use. So I
21 think that definitely, you know, is on the table as part
22 of that community planning process.

23 COMMISSIONER GAREN: And I think there's an
24 opportunity, too, to collaborate with the -- you know, the
25 Debra Duardo for LACOE is launching, I believe, 15

1 community schools throughout -- not the -- that they will
2 run, but they will support countywide with the notion of
3 schools at the center of community. So to be aware of
4 that work and where it might overlap with the Best Start
5 work I think would be an opportunity because they're just
6 gearing up now to do -- I think it's a \$30 million
7 fundraising push to help create these community schools to
8 be centers of this kind of work in the community.

9 COMMISSIONER ABDO: And maybe it's Debra who
10 should be sitting in this fourth chair here.

11 COMMISSIONER GAREN: Could be helpful.

12 COMMISSIONER ABDO: Okay. Thank you very much.
13 We'll be excited to take the next steps.

14 And now we have Peter who is going to tell us all
15 about the money.

16 MR. BARTH: Hi, everyone. I think it's really
17 great that I'm actually following up to the conversation
18 that we just had because, whenever I start my
19 conversations with members of the board of commissioners,
20 I always like to remind folks that, one, the vast majority
21 of the policy work done by this organization is done by
22 staff in the programs division, staff in the communities
23 department. This is a really great example -- the
24 conversation about joint use is a really great example of
25 how all staff are embracing a systems change and a policy

1 change approach.

2 And with that in mind, the public policy and
3 government affairs department, which I have the privilege
4 of leading with a few members of the team here in the
5 room, our job is to pay attention to and drive an advocacy
6 agenda at the state and federal level, acknowledging the
7 significant influence that those dollars and policies have
8 on families and children in LA county, and then also to
9 bring that contextual experience of the state and federal
10 decision making here to inform our work in LA.

11 Throughout the year we provide updates to the
12 board in various ways. Every month in your board packets
13 and the executive director's report, there are updates
14 about our advocacy agenda. And as commissioners will
15 recall, we reframed what used to be known as the
16 legislative agenda as an advocacy agenda because we
17 acknowledge that legislation is but one tool to advance
18 policy change. In fact, the -- where we spend a lot of
19 our time is actually on administrative advocacy, in
20 particular this year, because we have a new governor who
21 for the first time in I would say in the First 5's history
22 has made early childhood the top priority for the
23 administration. And throughout the year, there are
24 different timelines that we have to pay attention to, the
25 different major events.

1 Right now, I'm just going to share a few things
2 verbally. And there's some materials in your packet that
3 talk about the state budget because the Governor is poised
4 to sign -- I mean, he has to sign by midnight tonight a
5 state budget. But an announcement just came out between
6 the legislative leadership -- a press release -- and the
7 Governor announcing that the deal that has been pulled
8 together that we have been tracking for the last couple of
9 weeks is the deal that will get signed.

10 So the information you have in your packet, one
11 is a memo that outlines a number of the more detailed
12 pieces of information that our team has been actively
13 advocating for in engaging in at the state level is what
14 we're going to have in the budget. So it's nearly \$3
15 billions -- more than \$2.8 billion in new state spending
16 for early childhood development priorities. And more
17 importantly, it represents the broad spectrum of
18 investments we know are necessary to support strong
19 families and children across multiple domains, family
20 strengthening programs, health programs, and early
21 learning programs as well.

22 I included a couple of the materials just to
23 demonstrate a little bit of the behind the scenes magic
24 that happens. So there's some detailed budget charts that
25 are behind the memo in your packet. I'm not expecting

1 that each of you are going to read through every detail or
2 know all those details, but it shows that, throughout the
3 process from the moment the Governor announces his
4 proposal in January through the final signed budget that
5 happens six months later, there are a number of iterations
6 and proposals that come up. And our team tracks them all
7 because we want to make sure we know who we need to engage
8 with, where we need to engage, where there's differences
9 of opinions so that we can try to influence those
10 components.

11 We also engage deeply with the legislature
12 because LA county has a significant share of elected
13 officials in the state senate and the assembly, many of
14 whom are in very important leadership positions. We have
15 worked hard through our government affairs team to make
16 sure that we have relationships with those offices. Our
17 executive director will remember that early on, when we
18 started engaging in some work at the State, there was a
19 lot of work that had to be done with who is First 5 and
20 what are we all about. And now we're really in the
21 position to say, here are our priorities. And they say,
22 oh, let me reach out proactively, how do you feel about
23 this, where are we going.

24 And so in your packet is also a letter that we
25 sent to a LA county elected official, Senator Holly

1 Mitchell, who is the chair of the Senate Budget Committee,
2 thanking her for her leadership in trying to advance an
3 early childhood agenda. So that's just one example of the
4 back and forth that we do on a regular basis.

5 I won't call out all the different items that are
6 in the budget. And I want to leave more time for you to
7 ask questions if you have any. But I do want to call out
8 that sometimes the size of the dollar figure doesn't
9 always equate with the size of the effort to move policy.
10 There's some really incredible components of this budget.
11 For example, the expansion -- the significant expansion of
12 the earned income tax credit. It's more than \$800 million
13 of that nearly \$3 billion figure. That's so important
14 because the EITC as its known has been proven to be one of
15 the greatest tools in combating poverty around the country
16 and here in California. This is significantly expanding
17 it so that the size of the credit is larger for working --
18 low-income, working families and that more families can be
19 eligible for it. So that's a really significant win.

20 The EITC though is an existing program. So the
21 mechanism needed for paying attention to implementation
22 isn't as significant because the policy change alone and
23 the addition of dollars is the win in and of itself. But
24 as commissioners will recall, one of the issues we're
25 paying very close attention to is the implementation of

1 expansion of home visiting dollars, because that's
2 relatively new for the state. So the budget also includes
3 an expansion of \$135 million in new funding that will
4 support the expansion of the CalWorks Home visiting
5 program and also the Maternal Infant Early Childhood Home
6 Visiting program, which is currently paid for only by
7 federal funds.

8 So that's great. But as you've heard in previous
9 board meetings about home visiting -- I think it was just
10 last board meeting where Barbara and others presented --
11 you know, this is -- require as a lot of time and
12 attention, which Commissioner Aragon can speak directly,
13 so that we can do this right, we can do this well, and
14 that we can inform on the back end the guidance that the
15 State Department of Social Services, for example, will
16 push out to counties, the technical implementation issues
17 that need to be paid attention to.

18 There's also an example of something that really
19 is barely a blip. You'll never see it in any news
20 articles that come out about the budget. But there's
21 \$500,000 to support the creation of a working group
22 focused on improving the transitions for children with
23 special needs between regional centers and school
24 districts. This is a critically important component of
25 our work around ensuring all children have -- receive

1 timely and appropriate developmental screens and then
2 referrals to services because the way that our state has
3 structured that system means that a lot of children don't
4 get their screens screened, and that, when they are
5 screened and are connected to services, they may not get
6 that transition to the school system appropriately.

7 So a lot of the things that do get the headlines,
8 like increased need for spending on special education
9 through our K-12 districts is actually a direct result of
10 the fact that we aren't serving children early enough and
11 soon enough and connecting them and their families with
12 services. So that's an example of an item that our team
13 is paying close attention to because we want First 5s and
14 all of our experience to inform that working group. So
15 it's going to be a heavier lift on the staff side, even
16 though the dollar figure, when it comes to the state
17 budget impact, is relatively row.

18 The final thing I'll note is that we really have
19 appreciated and benefited from a governor having a team of
20 staff dedicated to early childhood development priorities.
21 So a lot of our work moving forward, not only on
22 implementation on things that have already happened, is
23 actually already looking to next year's budget.

24 Those of you who have familiarity with how the
25 State works, staff and departments are already developing

1 proposals for next year's budget. So we have an
2 opportunity to help shape and craft those proposals moving
3 forward. And also, the Governor has put forward and the
4 budget includes \$5 million to support the creation of a
5 master plan for early childhood development. And this is
6 a great opportunity for us to make sure that building upon
7 the great work of the Assembly's blue ribbon commission
8 last year that First 5 LA informed and participated in and
9 other planning efforts that have happened before, that we
10 can put forward a bold policy vision that's multiyear, not
11 just year to year, in partnership with the Governor who
12 will be in office for at least of the next three years.

13 So that's all I will verbally say about it.
14 There's a lot here. There's a lot to be celebrated.

15 I also want to thank the communications team who
16 are still in the corner actively working so that we can
17 also share the news with our partners and through -- and
18 with the community and others.

19 And I guess the final thing I'll share, apropos
20 of the meeting we just had, is in the memo, we also call
21 out a lot of items that we haven't had a lot of direct
22 influence on but we know are really important to your
23 community partnerships, issues like safe and clean
24 drinking water, issues like housing. And we want to make
25 sure moving forward, as our community partnerships are

1 developing their community change agendas, that we can
2 help make sure information that we provide is relevant to
3 their work as well in the community, not to just our
4 team's work up in Sacramento.

5 So with that, any questions?

6 COMMISSIONER ABDO: I'm very interested in
7 looking at what the next budget going to have because a
8 lot of what's happening right now is planning for good
9 things to happen. And I -- I think the budget is going to
10 be challenged next time to actually make those changes
11 happen by funding them.

12 MR. BARTH: Yep. We obviously agree. That's one
13 of the reasons -- one of the conversations we're having
14 with the board next month is actually about alternative
15 revenues and what does that mean for our work.

16 I will call out -- and I mentioned this when I
17 did a brief verbal update to the full board in this last
18 meeting -- a really important component of this budget was
19 the commitment of large percentage of the Proposition 64
20 cannabis prevention funds to child care. That is
21 incredibly important because it's a -- I was going to say
22 a pot of money, which would be apropos. It's a funding
23 source that from experience in other states that have done
24 this is expected to grow. And it is an additional
25 nongeneral fund source of funding that's available for

1 early childhood services. That alone is not going to
2 solve our issues or prevent against -- it's not recession
3 proof in and of itself, but it does acknowledge the need
4 to diversify our funding sources so that, if -- when we
5 have challenges in the future with the budget, early
6 childhood priorities and prevention priorities aren't the
7 first to get cut.

8 MS. BELSHE: You might want to just say a word
9 about -- that was not a warmly embraced or unanimously
10 embraced proposal by the Governor, so just complicate the
11 board's thinking a little bit on that.

12 MR. BARTH: The Governor put that forward and
13 prioritized it. The legislature and a lot of other
14 advocates were very upset, quite frankly, that resources
15 would be set aside from cannabis prevention funds for
16 early childhood programs, early learning programs.

17 We are fortunate that the Governor -- and this
18 goes back to when he was Lieutenant Governor and
19 championed the passage of -- the development of Prop 64
20 said, no, I really think this is important and the
21 evidence bears it out, the evidence is clear that children
22 who experience quality early learning programs grow up to
23 be stronger -- in stronger families, and that will help us
24 both prevent drug abuse in the future, but also support
25 communities, especially those communities who have been

1 historically impacted by the war on drugs.

2 But that connection point, that -- that is not
3 necessarily shared by a lot of partners and even
4 legislative champions who otherwise would have championed
5 an early childhood agenda.

6 So I think it highlights the importance of our
7 work even more broadly. Why does even early childhood
8 even matter; why should it even be something that we as a
9 business community, we as champions for social justice
10 care about. And in some ways also, unfortunately, in the
11 conversation was on the brink of pitting groups who
12 normally work well together against each other. And so we
13 had a role to play. But a lot of folks had a role to play
14 to help make sure that we could smooth that out with our
15 legislative champions and with the Governor. And also, we
16 really benefited from a governor who, despite some
17 pushback very vocally, was committed to this. And so we
18 will -- a lot of our work moving forward is going to also
19 continue to be in the context of help support a strong
20 field who can help push an agenda forward, not just -- not
21 just advocate for our own priorities.

22 COMMISSIONER ABDO: But I also continue to be
23 concerned that, as we expand programs -- and most of those
24 dollars go to programming enhancements -- I don't think
25 there's the workforce available to do that work. And I

1 think there needs to be a lot more emphasis placed on --
2 on training people and helping them enter the workforce if
3 they're not in the workforce. Because right now, it's not
4 like there's all these people looking for work in these
5 fields.

6 MR. BARTH: And along with that, we completely
7 agree. We were pleased to see a significant investment in
8 workforce development on the early learning side. We are
9 concerned though as well that -- and this is where a whole
10 systemic approach is important to pay attention to
11 multiple inputs, that you can also train a workforce where
12 there is inadequate compensation and where that training
13 that we pay for then pushes someone into a different
14 field, becoming a teacher elsewhere, or in the true crisis
15 of child care and early learning in California -- and it's
16 an nationwide issue, but in California in particular where
17 someone who is trained, qualified, and passionate about
18 being an early educator goes to work an hourly minimum
19 wage job elsewhere because they're technically getting
20 higher pay. When it is easier and more economically
21 secure for you to become a fast-food worker than to be
22 educating our youngest residents. That a conversation
23 that we have to promote and push further. And we do need
24 -- and this is where our colleagues in the strategic
25 partnerships department are doing some important work as

1 well -- we need our business community to understand the
2 same thing.

3 So we have a lot of champions, fortunately, here,
4 but that reality is not well known to a lot of people and
5 is very concerning to us.

6 COMMISSIONER ABDO: As I looked at the numbers in
7 the budget, they're very large numbers until you start
8 breaking them down to look at, well, how much will
9 counties get, cities get, school districts get. And it's
10 not very much when you spread it all out. And that's is
11 going to have an effect on keeping salaries low and
12 benefits low. And I -- I totally agree that -- that the
13 -- the whole economic structure needs to be kind of turned
14 upside down.

15 MR. BARTH: We agree.

16 MS. BELSHE: Where's the opportunities, you would
17 be -- have you speak to the master plan for early
18 learning.

19 MR. BARTH: And so --

20 MS. BELSHE: And I think that also ties to Judy's
21 first observation about the timing of the quote/unquote
22 real money because concern about the master plan is, it
23 will necessitated time and resources for more planning,
24 which likely will not be at all ready for the next budget.
25 So speak to that.

1 MR. BARTH: So a few different components. The
2 Governor in January announced his vision for a master plan
3 for early education. On the one hand that's a really
4 incredible thing because we've had longstanding master
5 plans for education in other age ranges and never really
6 acknowledged the importance of learning at birth through
7 entering kindergarten.

8 On the other hand, it's also challenging for a
9 lot of folks who have been in the field for quite some
10 time because they feel like they've done a lot of planning
11 and that plan seems to reinforce some very similar common
12 themes. So we and others had lots of conversations with
13 the administration around, is the vision for this plan
14 that we're actually pausing any discussion around next
15 year's budget or even legislation. As a reminder, we're
16 still in the middle of the legislative session and there
17 are a number of policy bills moving forward that envision
18 significant and positive reforms that we're supportive of
19 that we would like to make sure, if approved by the
20 legislature, the Governor might sign into law. So we've
21 spent some times having conversations with the
22 administration and with the legislature to understand
23 where there's openness to that -- to that work.

24 And right now, for example, the Governor's
25 announcement has been around a planning horizon of next

1 fall. So fall of 2020 you'd have this master plan
2 completed. Well, that means that you've now missed the
3 2020-2021 budget horizon to a certain extent. But what
4 we've actually learned -- and this is really great news --
5 is the administration is actually taking an approach of,
6 as we learn and uncover great information, we can move
7 forward with plans and ideas. So it's not that it's a
8 stop all trains now and we don't want to have a
9 conversation with you until we're done planning; it's a,
10 we want to start a really thoughtful process of engagement
11 to learn from others to build upon the work that others
12 have already done; where there's agreement in the field
13 and with other partners, can we start to move some of
14 those policy items forward, whether they're existing bills
15 this year or budget proposals for next year.

16 One of the things I appreciate and I think our
17 team appreciates about what the Governor's thinking is, in
18 theory with a \$20 billion surplus in the current year, you
19 could spend all \$20 billion this year. You could put that
20 \$20 billion into expansion of universal access to
21 preschool and to early learning. But the Governor is
22 acknowledging that that surplus may not be there next
23 year, and we don't want to build a system only to have to
24 cut it down. And we have a lot of experience within the
25 timeframe of First 5 existing of that happening.

1 And so the Governor is, as a portion of the plan,
2 wanting to do something that a lot of previous plans
3 haven't done, which is actually identify real, stable
4 funding that could support this work, acknowledging that
5 relying on a volatile general fund is not going to help us
6 get to that universal goal.

7 So we do expect that there's going to be a lot
8 conversations around, what does that look like at a
9 statewide level, and also given the Governor's proposal
10 around housing and the relationship with cities, what
11 might the Governor be expecting local governments to be
12 supporting to help expand this as well. We know that San
13 Francisco, where he was formally mayor, has a long had
14 additional local revenue sources to support higher-quality
15 and more access to early learning program and other child
16 development services.

17 COMMISSIONER ABDO: Thank you. All right.

18 I think we're done with this item. And could you
19 just kind of walk us through what we're supposed to do
20 about these written only items?

21 MS. BELSHE: Actually, these -- we have in the
22 past and here again have brought to the PPC in written
23 only form -- or written only fashion proposals to extend
24 strategic partnerships. In these cases, this is work that
25 we already have underway. We want to bring -- so rather

1 than do a presentation on work that's hopefully already
2 somewhat familiar to board members, tee up through written
3 memo an extension the dollar amounts, and then we would
4 bring it back to the full board on the consent agenda for
5 approval.

6 But always if there are questions commissioners
7 have, we have colleagues here. Anna's ready to answer any
8 and all questions on either strategic partnership, along
9 with the partnership for early childhood investment, the
10 other was Southern California grant writers.

11 COMMISSIONER ABDO: Are there such questions?

12 Seeing none, I believe we've completed those two
13 items.

14 And do we have any request for public comments?

15 SECRETARY: No public comments.

16 COMMISSIONER ABDO: Okay. Unless there are last
17 words by anyone, I think we can adjourn.

18 (At 4:03 PM the meeting was adjourned.)
19
20
21
22
23
24
25

C E R T I F I C A T E

I, Heatherlynn Gonzalez, a Certified Shorthand Reporter for the State of California, License Number 13646, do hereby attest that:

The preceding is a true and accurate transcription of the meeting of the organization named herein;

The meeting was taken down in shorthand and transcribed into English under my supervision and authority;

I have no interest, financial or otherwise, in any of the parties, issues, or individuals who are involved in this organization.

Attested to on this 8th day of July 2019.

DocuSigned by:

Heatherlynn Gonzalez

AE10E8980664405...

CERTIFIED SHORTHAND REPORTER

FOR THE STATE OF CALIFORNIA

FIRST 5 LA

SUBJECT:

2018-2019 Annual Report to First 5 California (State Commission)

RECOMMENDATION:

This memo is provided as preliminary information for the Board's consideration at the September 26, 2019, Special Meeting of the Board of Commissioners/Program and Planning Committee. First 5 LA recommends that at the next Commission Meeting, the Board approve the final Annual Report for submission to the State Commission.

BACKGROUND:

Each year staff prepares a report to the State Commission that provides fiscal and programmatic information in the format of a State Commission-designated template. This request was also presented as an information item at the September 24, 2019, Executive Committee meeting (per the Bylaws) and will be brought for action on consent at the October 10, 2019, Meeting of the Board of Commissioners.

DISCUSSION:

Staff seeks approval of the First 5 LA Annual Report for Fiscal Year 2018-2019 (July 1, 2018 – June 30, 2019), which is due to First 5 California by October 31, 2019. First 5 LA staff will submit the entire report via the web-based forms provided by the State Commission. The current report reflects preliminary expenditure data pending approval of the audit.

As part of the data submission requirement, staff must map First 5 LA programmatic efforts to reporting categories defined by First 5 California. It is important to note that the First 5 California categories do not align with the four outcome areas and strategies outlined in our current strategic plan, and therefore limit our ability to use these data to tell a First 5 LA story. The report sections outlined below reflect the categories and format required by First 5 California:

- Section 1: Revenue and Expenditure Summary (preliminary pending audit)
- Section 2: Demographic Worksheet
- Section 3: Evaluation Summary/County Highlights



Annual Report AR-1

Los Angeles Revenue and Expenditure Summary

July 1, 2018 - June 30, 2019

Revenue Detail

Category	Amount
Tobacco Tax Funds	\$64,608,415
First 5 Impact Funds	\$12,484,604
Small Population County Augmentation Funds	\$0
DLL Pilot Funds	\$0
Other First 5 California Funds	\$0
Other First 5 California Funds Description	
Other Public Funds	\$0
Other Public Funds Description	
Donations	\$0
Revenue From Interest Earned	\$8,183,532
Grants	\$0
Grants Description	
Other Funds	\$6,201,157
Other Funds State Commission Program Funds: \$40,079; Medi-cal Administrative Activities: \$350,924; California Department of Education : \$675,251; Other Program Revenue: \$103,441; Net Increase in Fair Value of investment: \$4,898,141; Other general income (La Petite Rent): \$133,321	
Total Revenue	\$91,477,708

Improved Family Functioning

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
General Family Support	CBO/Non-Profit	• Not Applicable	72849	70571	28	\$1,515,566
General Family Support	Other Public	• Not Applicable	241	241	0	\$321,321
Total						\$1,836,887

Improved Child Development

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
Quality Early Learning Supports	CBO/Non-Profit	• Not Applicable	49182	7496	246	\$17,342,221
Quality Early Learning Supports	County Office of Education/School District	• Not Applicable	0	0	87	\$185,817
Quality Early Learning Supports	Resource and Referral Agency (COE or Non-Profit)	• Not Applicable	0	0	118	\$521,846
Quality Early Learning Supports	Hospital/Health Plan	• Not Applicable	742	631	0	\$797,523
Total						\$18,847,407

Improved Child Health

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
General Health Education and Promotion	CBO/Non-Profit	Nutrition/Breastfeeding	2824	4847	0	\$237,266
Early Intervention	CBO/Non-Profit	Not Applicable	14543	3608	443	\$753,966
Early Intervention	Hospital/Health Plan	Not Applicable	0	0	830	\$133,247
Perinatal and Early Childhood Home Visiting	CBO/Non-Profit	Not Applicable	7765	8654	0	\$17,475,073
Perinatal and Early Childhood Home Visiting	Hospital/Health Plan	Not Applicable	14817	22286	7	\$13,965,855
Perinatal and Early Childhood Home Visiting	Resource and Referral Agency (COE or Non-Profit)	Not Applicable	471	592	0	\$1,927,133
Total						\$34,492,540

Improved Systems Of Care

Service	Grantee	Program(s)	Amount
Policy and Public Advocacy	CBO/Non-Profit	• Not Applicable	\$16,003,766
Policy and Public Advocacy	Other Public	• Not Applicable	\$301,021
Policy and Public Advocacy	Research/Consulting Firm	• Not Applicable	\$3,412,116
Programs and Systems Improvement Efforts	CBO/Non-Profit	• Family Strengthening Systems	\$1,003,796
Programs and Systems Improvement Efforts	CBO/Non-Profit	• Not Applicable	\$168,809
Programs and Systems Improvement Efforts	CBO/Non-Profit	• Not Applicable	\$4,381,217
Programs and Systems Improvement Efforts	CBO/Non-Profit	• Place-Based	\$2,230,378
Programs and Systems Improvement Efforts	County Office of Education/School District	• Not Applicable	\$513,734
Programs and Systems Improvement Efforts	County Office of Education/School District	• Place-Based	\$406,667
Programs and Systems Improvement Efforts	Higher Education	• Place-Based	\$655,000
Programs and Systems Improvement Efforts	Other Public	• Place-Based	\$81,193
Programs and Systems Improvement Efforts	Resource and Referral Agency (COE or Non-Profit)	• Place-Based	\$48,756
Programs and Systems Improvement Efforts	Research/Consulting Firm	• Health Systems	\$1,005,822
Programs and Systems Improvement Efforts	Research/Consulting Firm	• Not Applicable	\$576,232
Programs and Systems Improvement Efforts	Other Public	• Not Applicable	\$44,998
Programs and Systems Improvement Efforts	Higher Education	• Not Applicable	\$1,530,871
Programs and Systems Improvement Efforts	County Office of Education/School District	• Family Strengthening Systems	\$70,000
106			
Total			\$32,578,350

Service	Grantee	Program(s)	Amount
Programs and Systems Improvement Efforts	Higher Education	• Early Identification and Intervention	\$74,900
Programs and Systems Improvement Efforts	Other Public	• Trauma-Informed Care/ACES	\$69,074
Total			\$32,578,350

Expenditure Details

Category	Amount
Program Expenditures	\$87,755,184
Administrative Expenditures	\$12,650,719
Evaluation Expenditures	\$3,105,982
Total Expenditures	\$103,511,885
Excess (Deficiency) Of Revenues Over (Under) Expenses	(\$12,034,177)

Other Financing Details

Category	Amount
Sale(s) of Capital Assets	\$0
Other	\$0
Total Other Financing Sources	\$0

Net Change in Fund Balance

Category	Amount
Fund Balance - Beginning	\$379,419,674
Fund Balance - Ending	\$367,385,497
Net Change In Fund Balance	(\$12,034,177)

Fiscal Year Fund Balance

Category	Amount
Nonspendable	\$50,000
Restricted	\$0
Committed	\$154,580,859
Assigned	\$141,221,211
Unassigned	\$56,257,698
Total Fund Balance	\$352,109,768

Expenditure Note

No data entered for this section as of 9/17/2019 6:16:59 PM.

Small Population County Funding Augmentation

Category	Amount	Comment
Administration	\$0	
Evidence Based Programs	\$0	
Evidence Informed Programs	\$0	
Funded Programs	\$0	
Professional Development, Training and Technical Assistance	\$0	
Evaluation	\$0	
Other (Please Explain)	\$0	
Total	\$0	
If unspent funds occurred during the FY, please list amount and provide explanation.	\$0	



Annual Report AR-2
Los Angeles Demographic Worksheet
July 1, 2018 - June 30, 2019

Population Served

Category	Number
Children – Ages Unknown (birth to 6th Birthday)	72,899
Children from 3rd to 6th Birthday	23,009
Children Less than 3 Years Old	67,713
Primary Caregivers	119,292
Providers	2,148
Total Population Served	285,061

Primary Languages Spoken in the Home

Category	Number of Children	Number of Adults
English	120,543	90,208
Spanish	41,593	27,983
Cantonese	28	48
Mandarin	38	37
Vietnamese	12	54
Other - Specify with text box	86	97
Other - Specify with text box	551	480
Unknown	770	385
Totals	163,621	119,292

Race/Ethnicity of Population Served

Category	Number of Children	Number of Adults
Alaska Native/American Indian	501	88
Asian	3,543	1,834
Black/African-American	6,501	4,346
Native Hawaiian or Other Pacific Islander	36	54
Other – Specify with text box	497	498
Two or more races	2,061	1,059
Unknown	74,466	71,090
White	6,435	2,781
Hispanic/Latino	69,581	37,542
Totals	163,621	119,292

Duplication Assessment

Category	Data
Degree of Duplication	10%
Confidence in Data	Moderately confident
Additional Details (Optional)	



Annual Report AR-3

Los Angeles County Evaluation Summary and Highlights

July 1, 2018 - June 30, 2019

County Evaluation Summary

Evaluation Activities Completed, Findings, and Policy Impact

In line with other First 5 County Commissions, First 5 LA is moving away from funding direct services and slowly transitioning its resources to promoting and fostering systems level efforts and impacts. As such, First 5 LA is evolving its approach to reflect this shift at the population level. There were three evaluations reflecting this transition in FY 2018/19.

Reducing Early Childhood Obesity (RECO) portfolio. Activities: The study team used a variety of data collection and analysis methods. The collection methods included focus groups with community members and interviews with key grantee staff. Analysis methods included qualitative coding and analysis of focus group and interview data, as well as mapping of RECO activities. **Findings:** The RECO investments targeted and reached a wide range of individuals, communities, and policies/systems across LA County. Participants reported primarily positive outcomes associated with their experiences with RECO activities. These included making healthful changes in habits such as cooking, eating, physical activity, and breastfeeding. Activities also increased the sense of social support for some participants, from connections they made engaging in RECO activities. **Policy Impact:** The implications of this study suggest that intentional targeting at the community level as well as engaging communities with a coordinated communications campaign are important factors in maximizing programmatic efforts.

Welcome Baby Implementation and Outcomes Evaluation. First 5 LA contracted with the RAND Corporation to perform an implementation and outcomes evaluation of its Welcome Baby universal home visitation program. RAND executed an evaluation program that examined fidelity across 12 sites in LA County. This included reviewing each site's referral and resource process, staff experience, program attrition, short-term outcomes, and the relationship between program fidelity and outcomes. **Activities:** (1) Develop Evaluation Plan (2) Pilot Data Collection Instruments (3) Recruit and Enroll Participants (4) Analyze Data from the Database (5) Collect and Analyze Primary Data (6) Disseminate Findings (7) Design a System that will Sustain Monitoring of Implementation and Outcomes Beyond the Contract Period. **Findings:** There was great variability in the degree to which the sites achieved fidelity to the Welcome Baby model. Both qualitative and quantitative data indicated that Welcome Baby participants generally had a positive perception of the program. **Policy Impact:** The findings inform the home visiting field as a whole, providing rigorous analysis of the factors contributing to home visiting program retention and assessment of referral networks.

Quality Start Los Angeles (QSLA) Developmental Evaluation. QSLA is a voluntary quality rating and improvement system designed to help parents choose the best early childhood education for their family. The goal of the developmental evaluation is to refine and improve the QSLA model. This evaluation will focus on three key topics: 1) Assessment Technical Assistance, 2) Quality Tier Rating Perceptions and 3) Program and Specialty Coaching. **Activities:** There are four main data collection and analysis activities: 1) administrative data analysis; 2) focus groups and interviews; 3) coaching observations; and 4) program survey. Multiple respondents will participate in the focus groups and interviews, including key stakeholders, coaches, assessment TAs, and program staff. **Findings:** The evaluation is currently underway and will continue through June 2020 however, there are proposed plans for dissemination of findings and information. To ensure the findings and recommendations from the developmental evaluation reach a wide audience, RAND will develop three different products intended for wide public distribution: a final report, research brief and public presentation slide deck. **Policy Impact:** Because this evaluation is ongoing, no current policy impacts have been identified.

County Highlights

County Highlight

First 5 LA had more than one-hundred service accomplishments during the 2018-19 Fiscal Year! First 5's funding of 211 at Children's Court helped ensure that a family was able to connect to resources that allowed them secure a safe and stable living environment. A mother and her 4-month-old son came into the Children's Court 211 office after just filing a restraining order against her husband due to domestic violence. She needed to get into a shelter as soon as possible to prevent her 4-month-old from being detained and removed from her custody. The CRA obtained permission to contact domestic violence shelters on her behalf and share information about her situation. They were able to locate placement for the mother and her 4-month-old. Navigating the court process can be overwhelming for families especially when they are at risk of having their children detained. Being able to act quickly to meet the court's requirements is of the essence so that families can remain together or ultimately reunite. Another success story comes from the Kindergarten Readiness Assessment Initiative Grant. There was a 99% Early Development Instrument (EDI) completion rate for teachers who opted-in to participate in the grant. This represents 81% of kindergarten teachers at EDI schools. The EDI helped teachers to recognize the need for the shift to provide instruction that addresses the needs of the whole child. Schools teams expressed eagerness to be part of a system that supports prevention at multiple levels (within the community, at the early centers, and in elementary). EDI completion was significant due to the climate within LA Unified in the spring semester of 2019. Teachers had just returned from a strike in LA Unified, and among concerns expressed by the union was the amount of time spent on assessments. Schools opted-in to participate in the kindergarten readiness data collection because they wanted to better support the needs of their youngest students and their families.

First 5 LA Annual Report to the State

2018-19

Holli Kyle

September 26, 2019



Background

Purpose:

- 1) Summarize the number of children, families, and providers reached through our investments
- 2) Elevate policy and systems change work
- 3) Highlight accomplishments/success stories

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The report consists of the following sections:

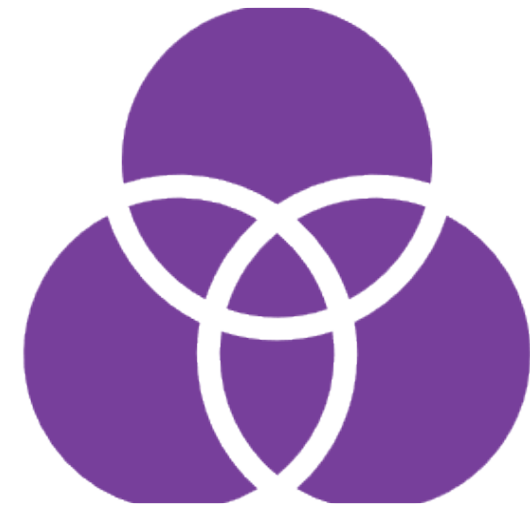
- Section 1: Revenue and Expenditure Summary*
- Section 2: Demographic Worksheet
- Section 3: Evaluation Summary

*Expenditure data is preliminary upon audit approval.

Investment Categories



Child Health



**Systems of
Care**



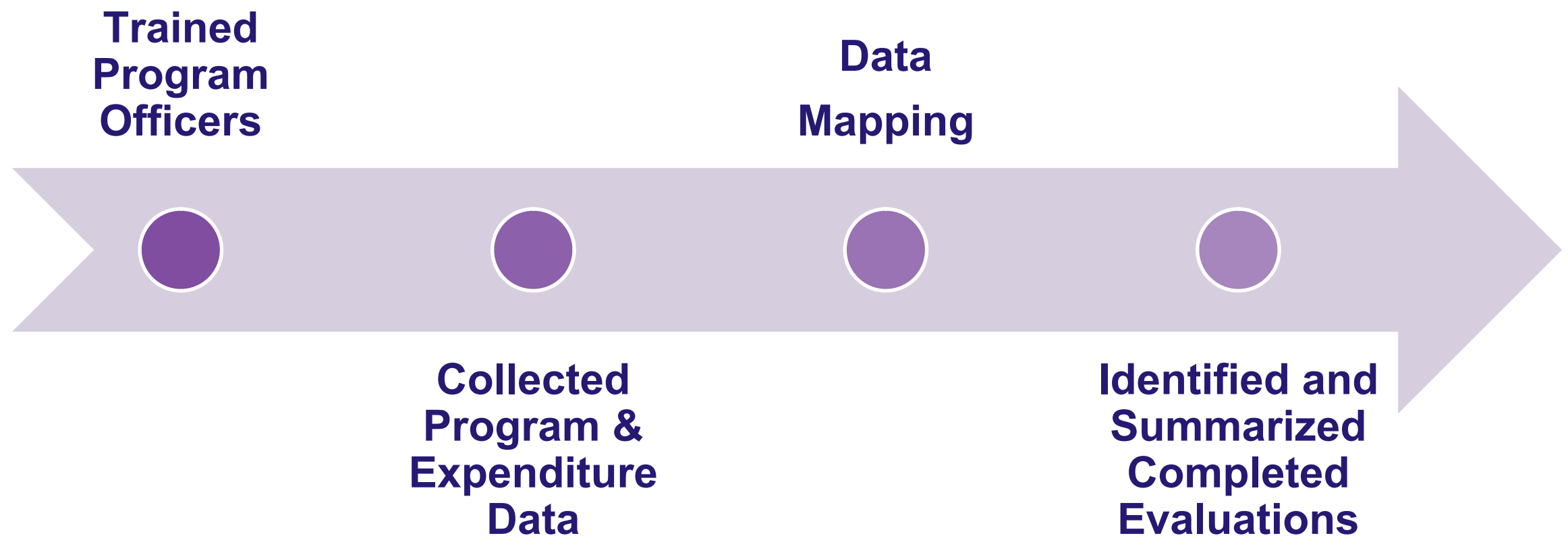
**Family
Functioning**



**Child
Development**

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State Annual Report Process



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The County Highlights section is new to the database and showcases 2-3 success stories.

Data Overview



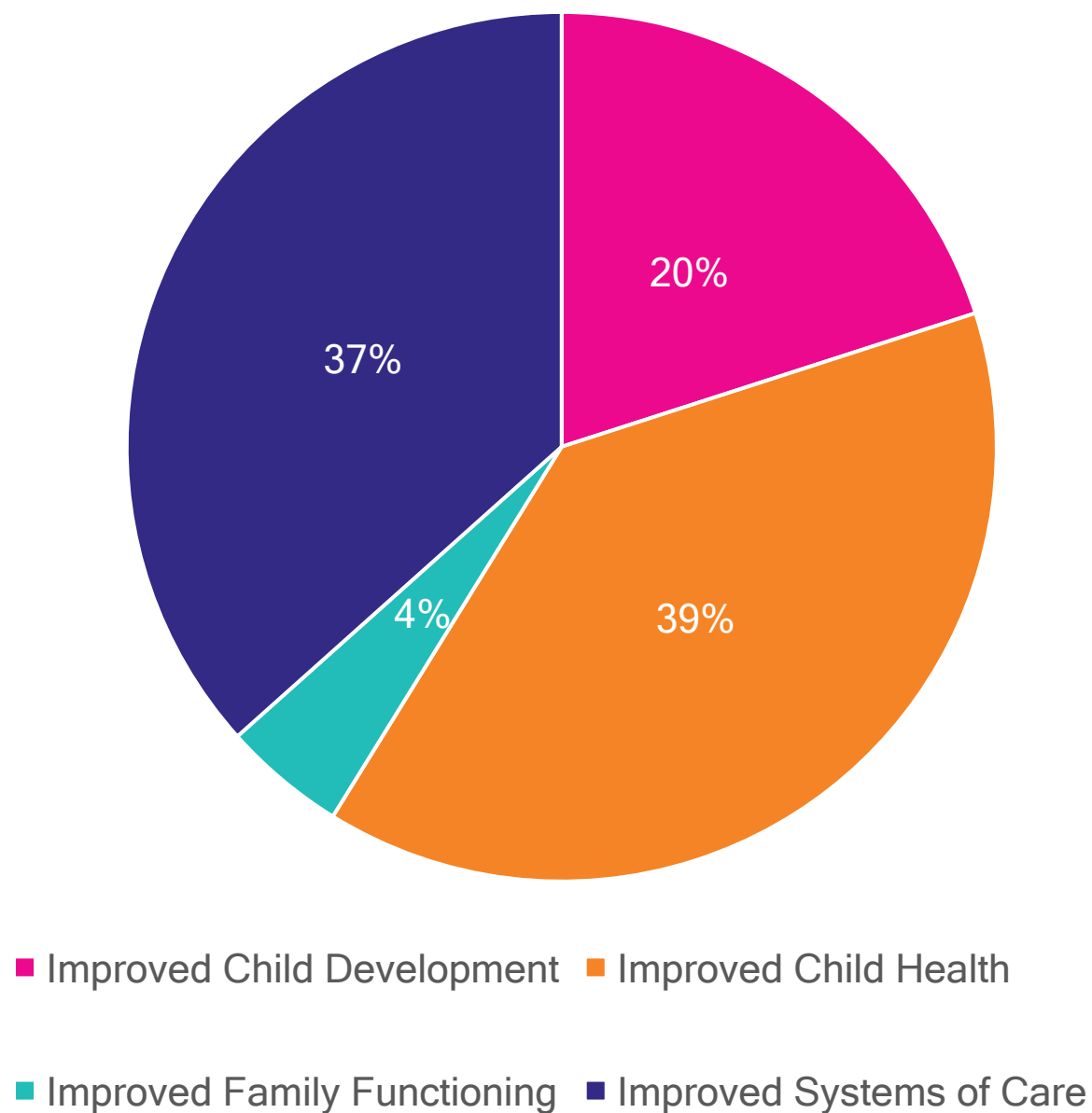
2018-19 Revenue and Expenditures

Revenue	Tobacco Tax Funds	\$64,608,415
	IMPACT	\$12,484,604
	Other Funds	\$6,201,157
	Revenue From Interest Earned	\$8,183,532
	TOTAL REVENUE:	\$91,477,708
Expenditures	Administrative Expenditures	\$12,650,719
	Evaluation Expenditures	\$3,105,982
	Program Expenditures	\$103,030,913
	TOTAL EXPENDITURES:	\$118,787,614
Net Change in Fund Balance		-\$27,309,906

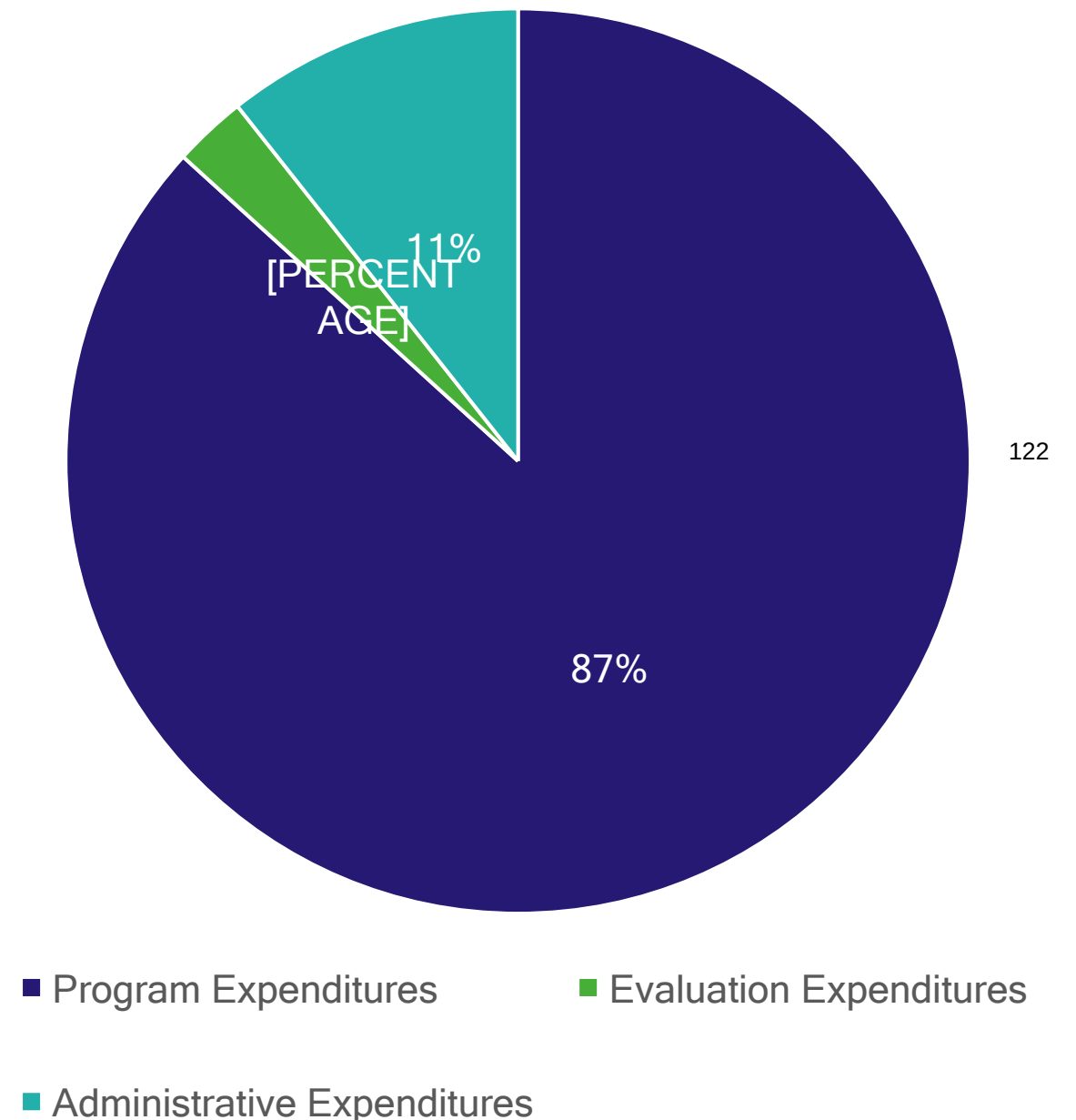
121

The majority of our expenditures are programmatic, specifically Systems of Care and Child Health.

2018-19 Expenditures, by Result Area

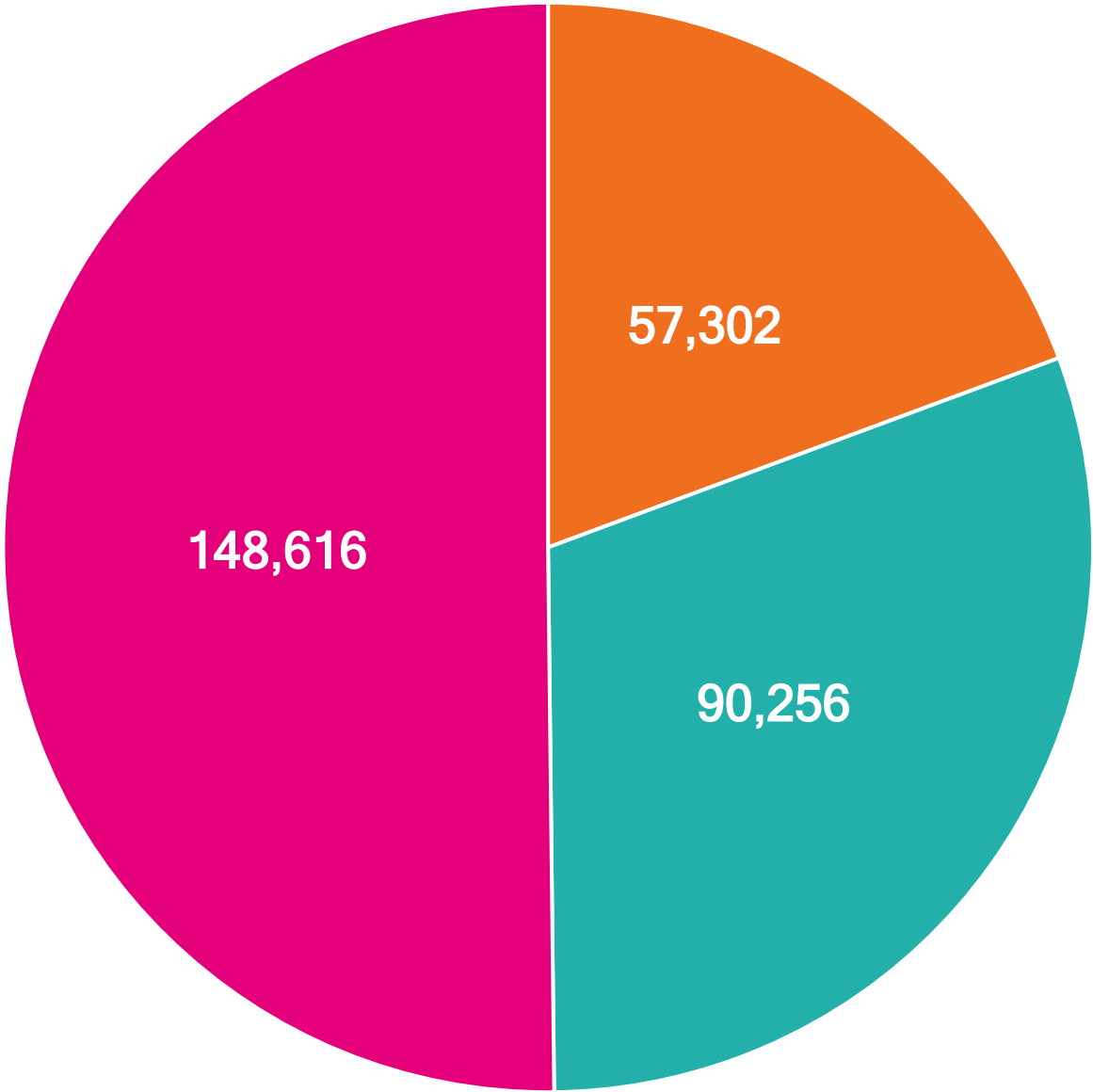


2018-19 Expenditures, by Type



We reached 296,174 children, families, and providers.

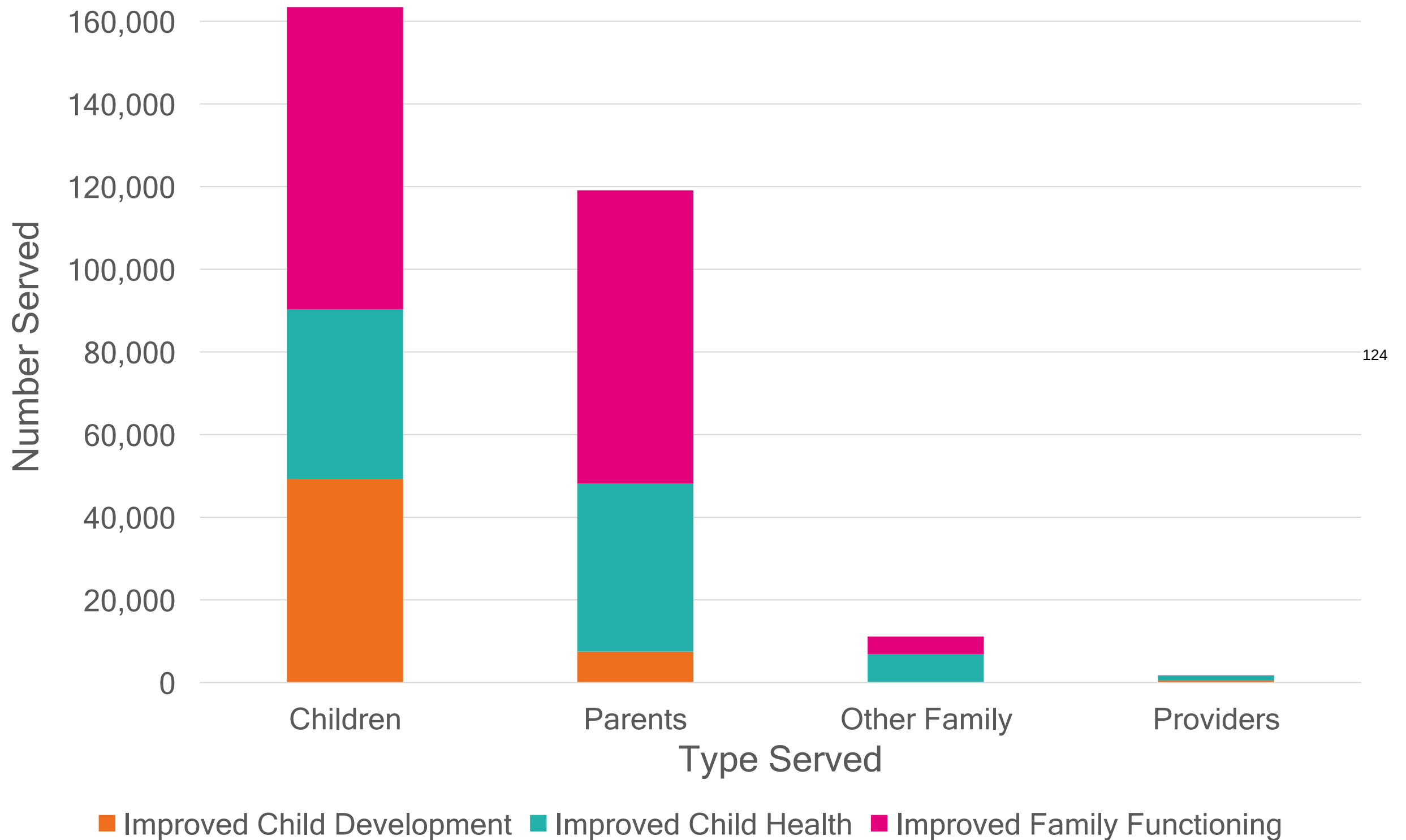
Number Reached, by Result Area
First 5 LA, FY 2018-19



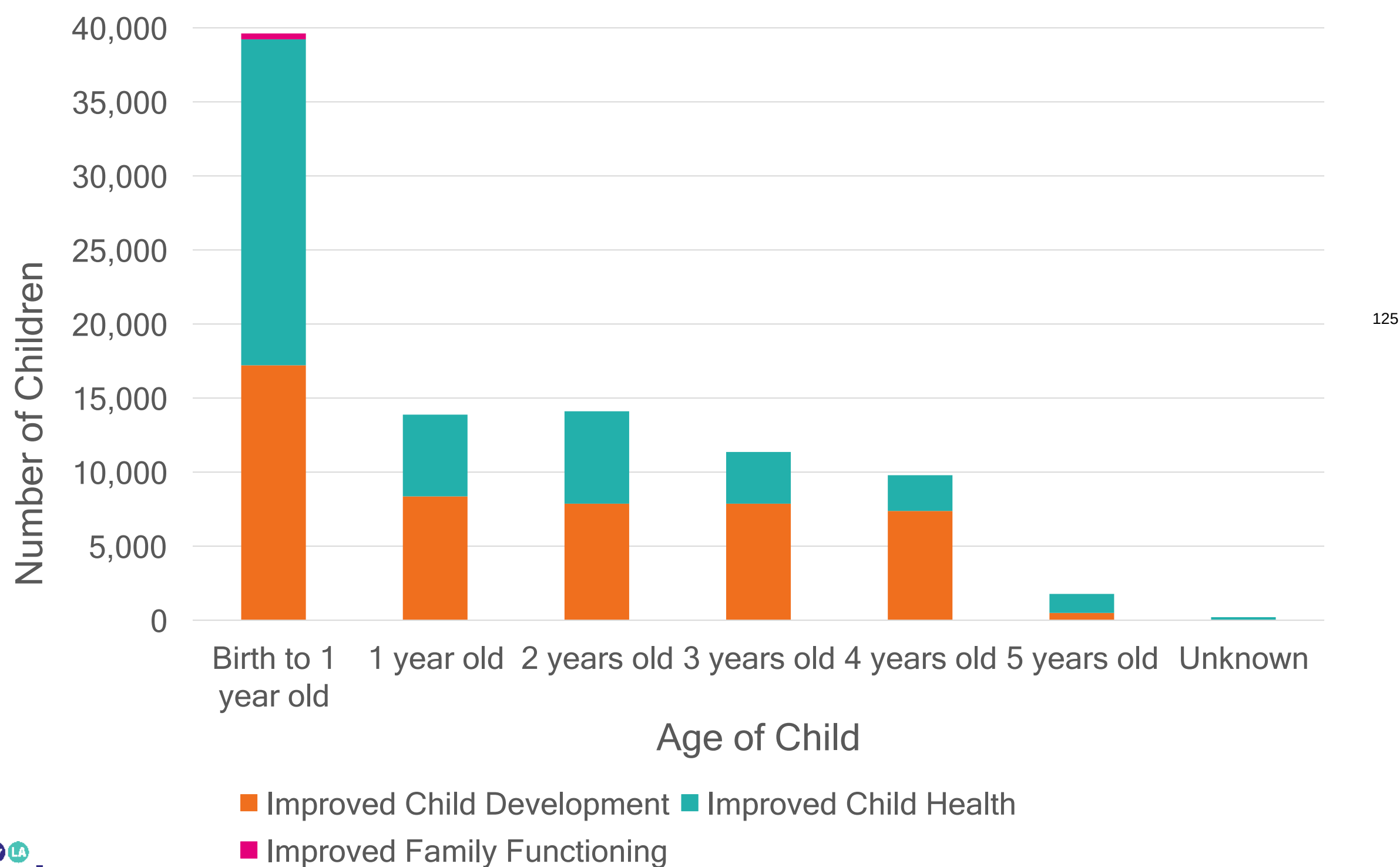
123

■ Improved Child Development ■ Improved Child Health ■ Improved Family Functioning

Children and Parents were the largest groups reached via our Family Functioning & Child Health investments...

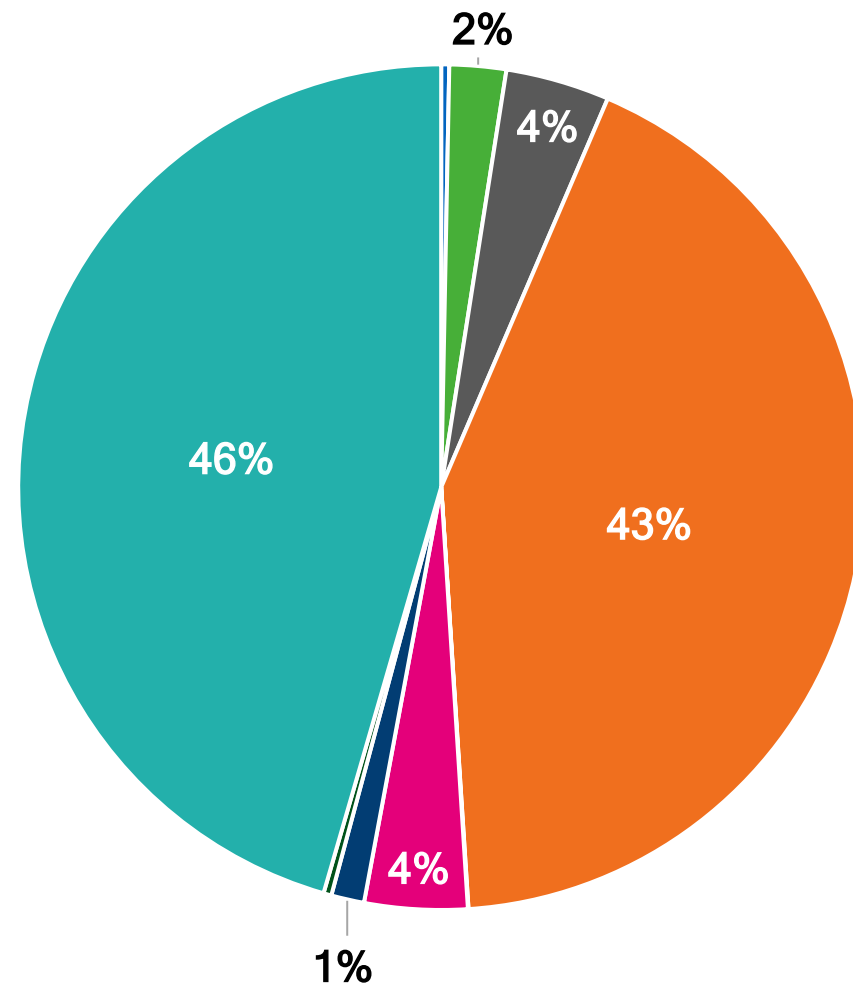


Of children 0-5 years, children birth to 1 year old were the majority reached through our Child Development and Health investments.



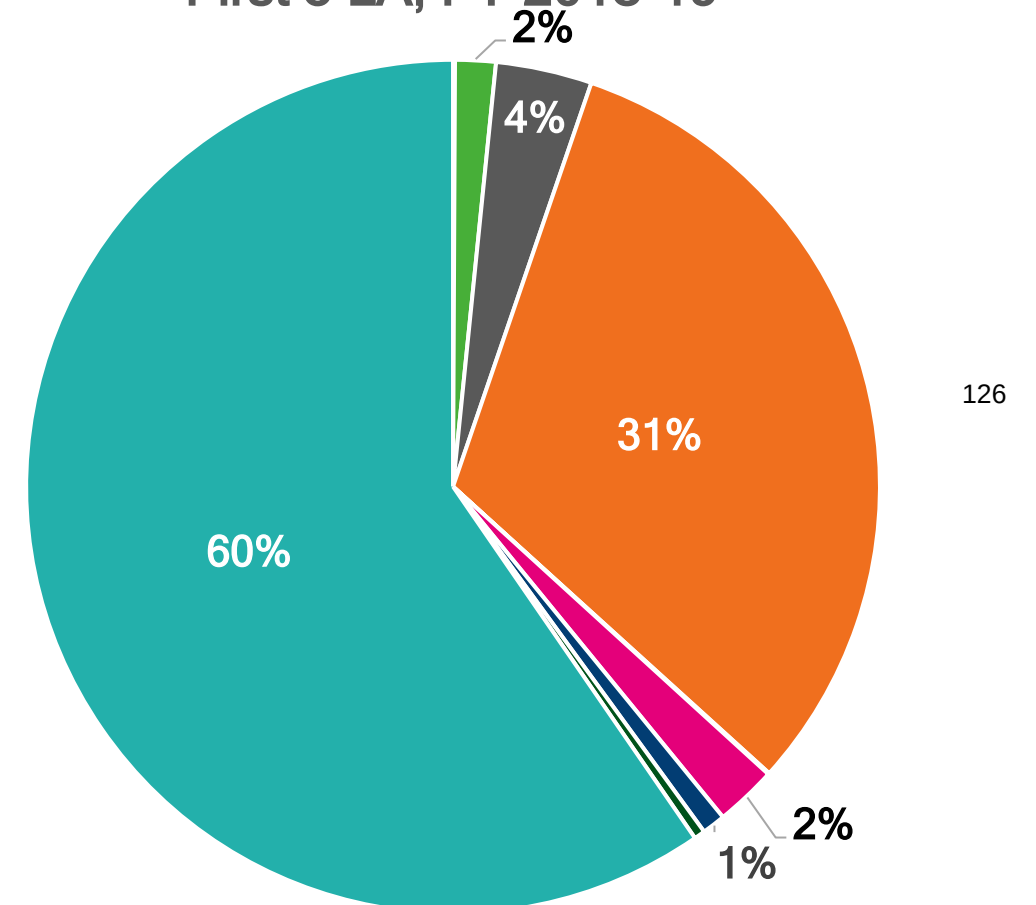
Other races/ethnicities struggled to be reflected in our numbers reached outside of Latino/Hispanic.

Percent of Children Served, by Race/Ethnicity
First 5 LA, FY 2018-19



- American Indian/ Alaskan Native
- Black/ African American
- Pacific Islander
- Multiracial
- Unknown
- Asian
- Latino/ Hispanic
- White
- Other

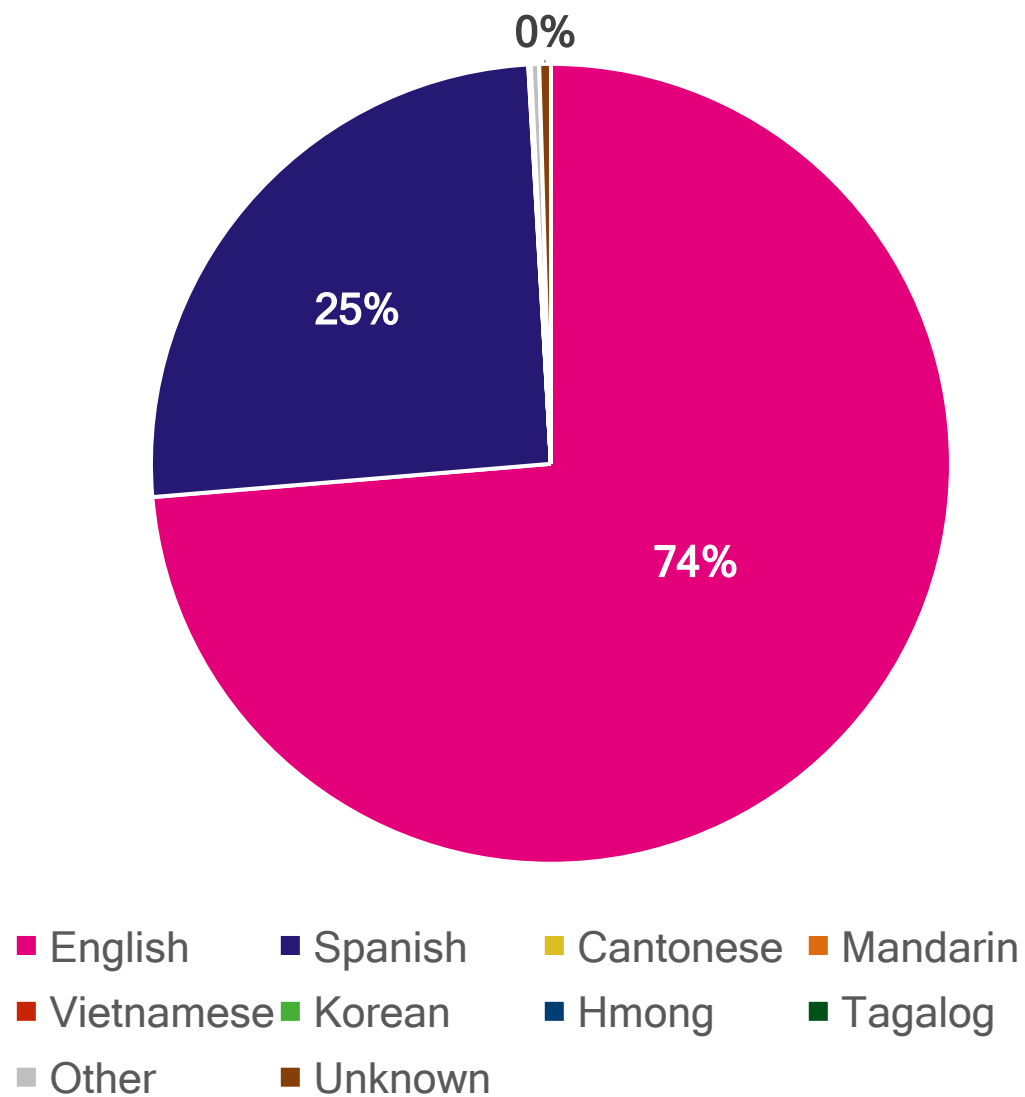
Number of Parents/Guardians/Pregnant Women Served, by Race/Ethnicity
First 5 LA, FY 2018-19



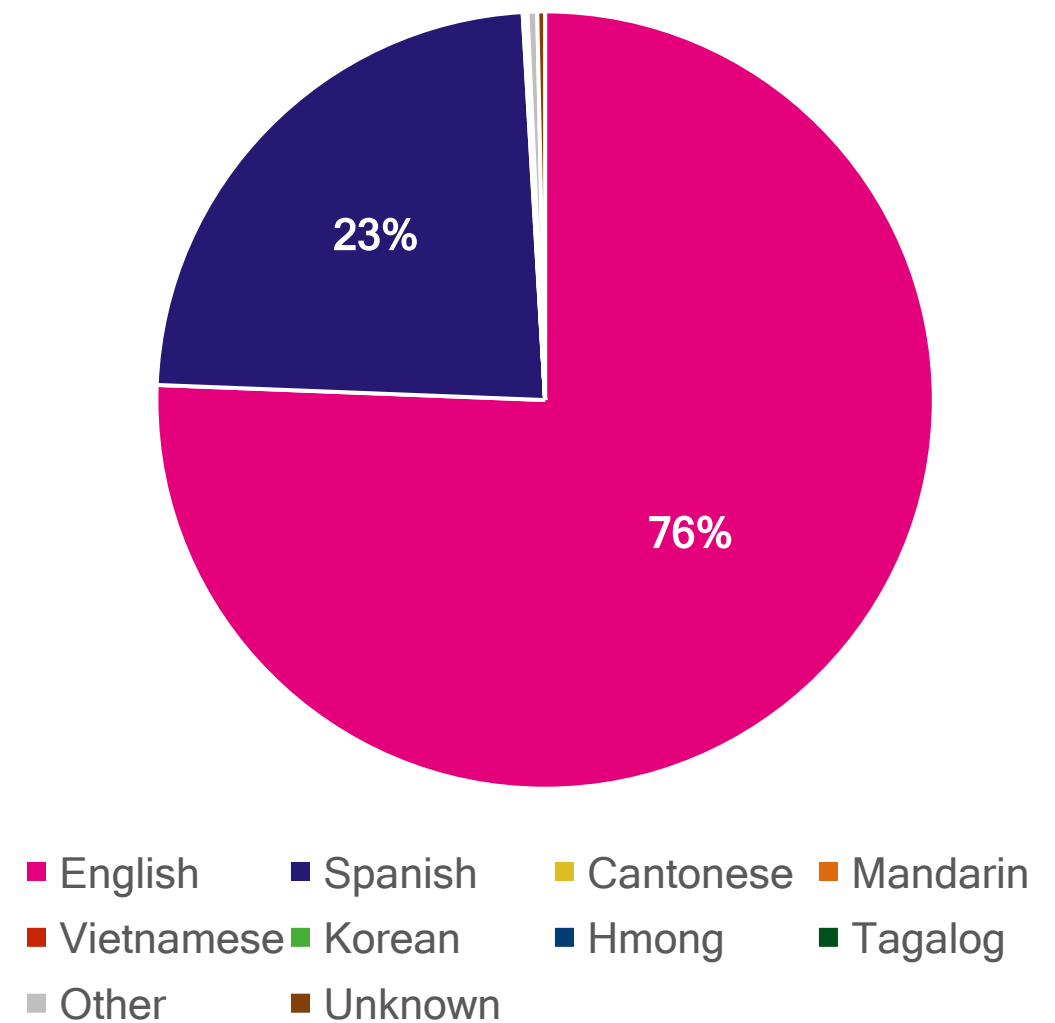
- American Indian/ Alaskan Native
- Black/ African American
- Pacific Islander
- Multiracial
- Unknown
- Asian
- Latino/ Hispanic
- White
- Other

English and Spanish overwhelmingly reflect the primary language of children, families, & providers reached.

Percent of Children Served, by Primary Language Spoken



Percent of Parents/Guardians/Pregnant Women Served, by Primary Language Spoken



Evaluation Summary

- Three evaluations took place in FY 18-19
 - Reducing Early Childhood Obesity (RECO)
 - Welcome Baby Implementation and Outcomes Evaluation
 - Quality Start Los Angeles (QSLA) Developmental Evaluation (ongoing)

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High-Level Trends & Observations

- First 5 LA continues to have a steady decline in revenue.
- Numbers reached are consistent with last year's annual report.
- Although we've shifted some of our investments to systems-change efforts, we are still reaching the same number, if not more children, families, and providers.

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Next Steps

- Finalize expenditure data based on completed audit
- Receive approval at October's First 5 LA Board of Commissioners Meeting
- Submit final data to First 5 CA by October 31, 2019

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STRATEGIC PLAN REFINEMENT (SPR4) PROCESS AND IMPACT FRAMEWORK UPDATES

John Wagner
Executive Vice President

Christina Altmayer
Vice President of Programs

Steven LaFrance
Founder and CEO, Learning for Action

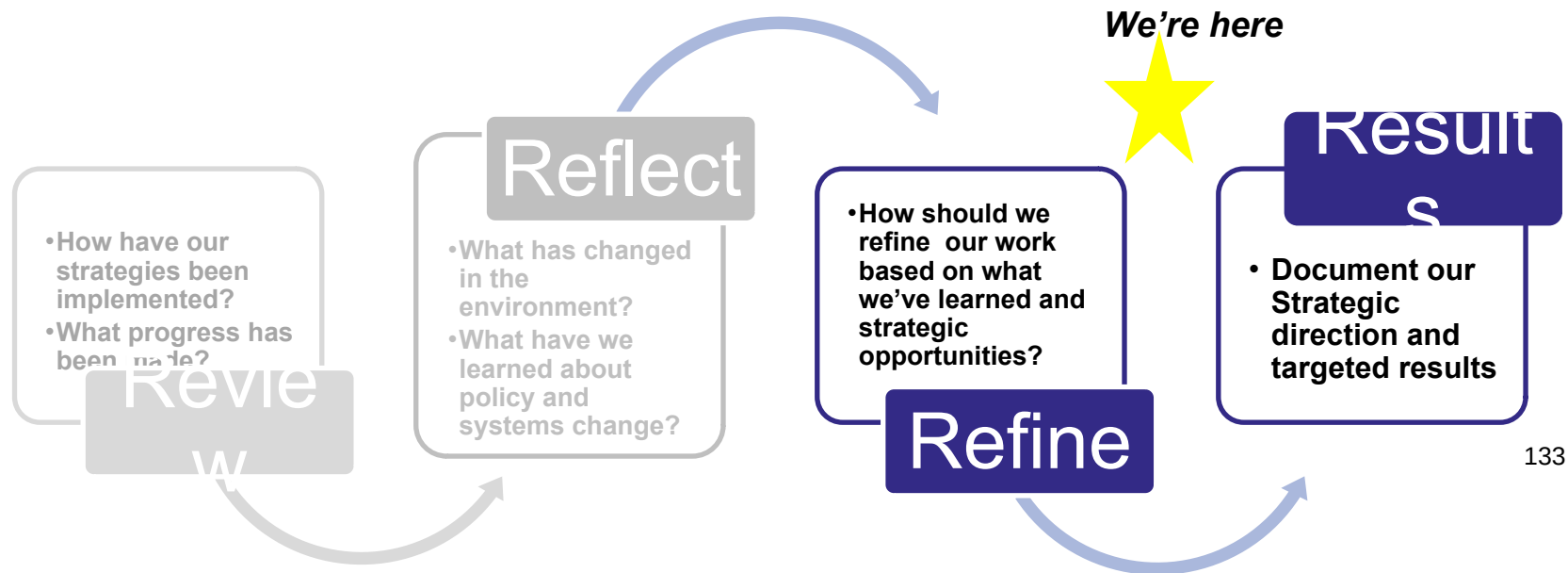
Kimberly Hall
Interim Director, Measurement, Learning & Evaluation



- Report back from 9/12 Board of Commissioners Strategic Planning Retreat
- Present draft Strategic Priorities and Objectives
- Provide an update on Impact Framework
 - Draft Strategic Plan Review Cycle (Review, Reflect, Refine, Results)
 - Revised Result Indicators and Available Data

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Planning process will focus on ***reviewing, reflecting, and refining*** the current Strategic Plan

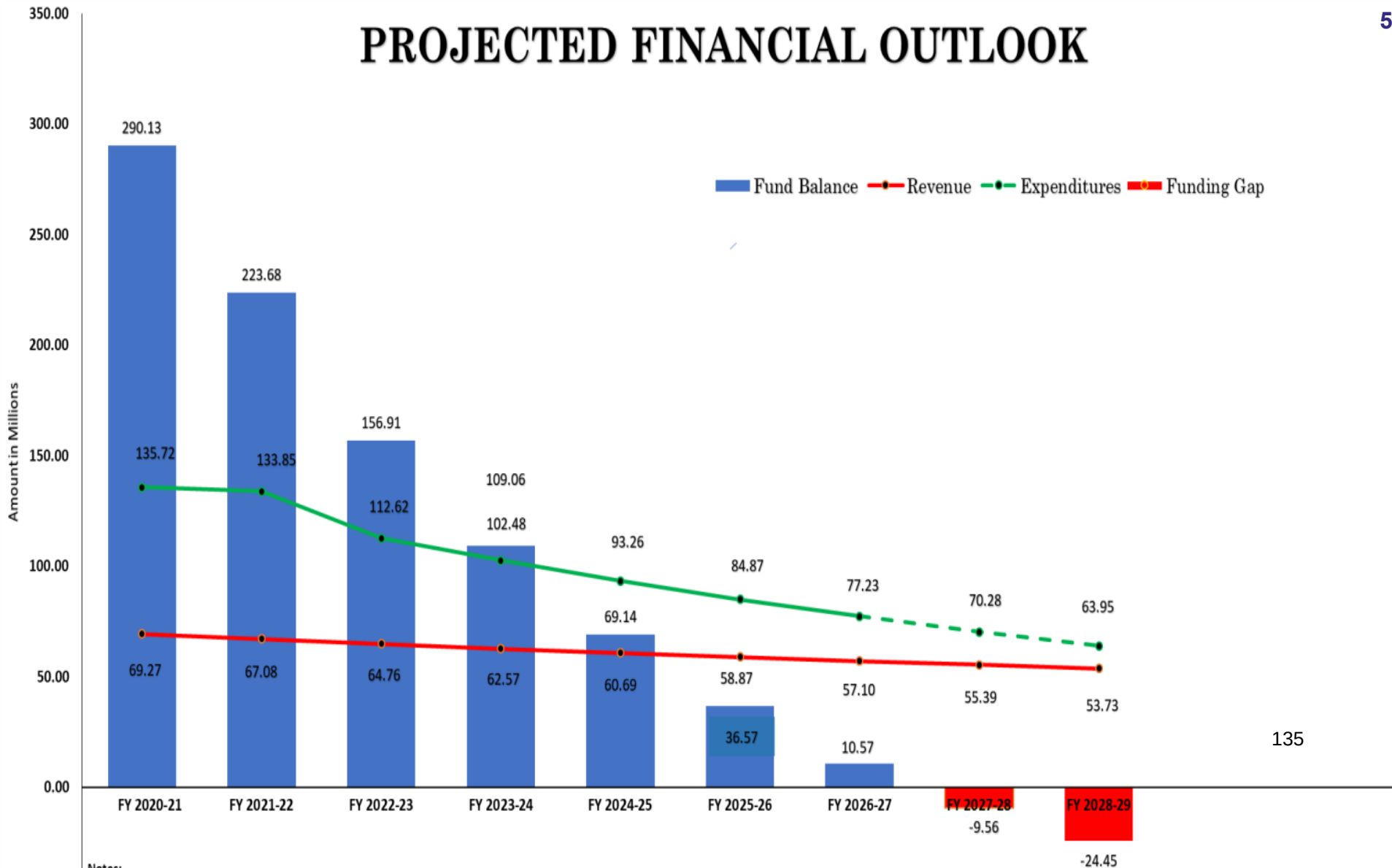


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Understanding Our Fiscal Context

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PROJECTED FINANCIAL OUTLOOK



Notes:

- Expenditures for FY 2020-21 through FY 2022-23 are figures from the current LTFP; Projected Expenditures from FY 2023-24 to FY 2030-31 have a 9% decline and do not include additional revenue from other known sources (FSCA Impact, La Petit, MAA, CSSP, Interest Earnings, etc....)
- Projected Expenditures from FY 2020-21 through FY 2030-31 includes expenditures that will be offset by other known sources of revenue (i.e. FSCA Impact, MAA, CSSP, Rental Income, Interest Earnings)
- FY 2020-21 through FY 2023-24 Revenues are based on the forecast from the May 2019 CDTFA Tobacco Tax projections and does not include additional revenue from other known revenue sources (i.e. FSCA Impact, MAA, CSSP, Rental Income, Interest Earnings)
- FY 2024-25 through FY 2030-31 is based the average decline of 3% from CDTFA Tobacco Tax projections and do not include additional revenue from other known revenue sources (i.e. FSCA Impact, MAA, CSSP, Rental Income, Interest Earnings)
- At this time staff believes that Prop 56 revenue is not included the latest CDTFA forecast and will know more in the following months

**Learnings
from
September
Board Retreat**

- Utilize plain speak that is clear for our diverse partners, staff, Board, public
- Amplify our unique role as connector, convener, and advocate to connect and integrate community and public systems
- Prioritize integration across early learning, home visiting, and early identification and intervention.
- Address subgroup disparities, not only rates of overall access to services – quality and equity matters
- Use data to inform advocacy efforts by families, communities, and other stakeholders
- Advocate and lift family voices to improve results for children and families

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Please see Attachment 1 for full summary



SPR4 Update: Strategic Priorities and Objectives

What We're Working to Achieve How We'll Get There

North Star

First 5 LA's
overarching
vision

Results

Changes in child and
family conditions
that reflect progress
towards the North
Star

Long-Term
System
Outcomes

Improvements in
systems so that
they work better for
families and
children

System Change
Approaches

Policy change,
practice change, and
will building

Strategic Priorities
(In Process)

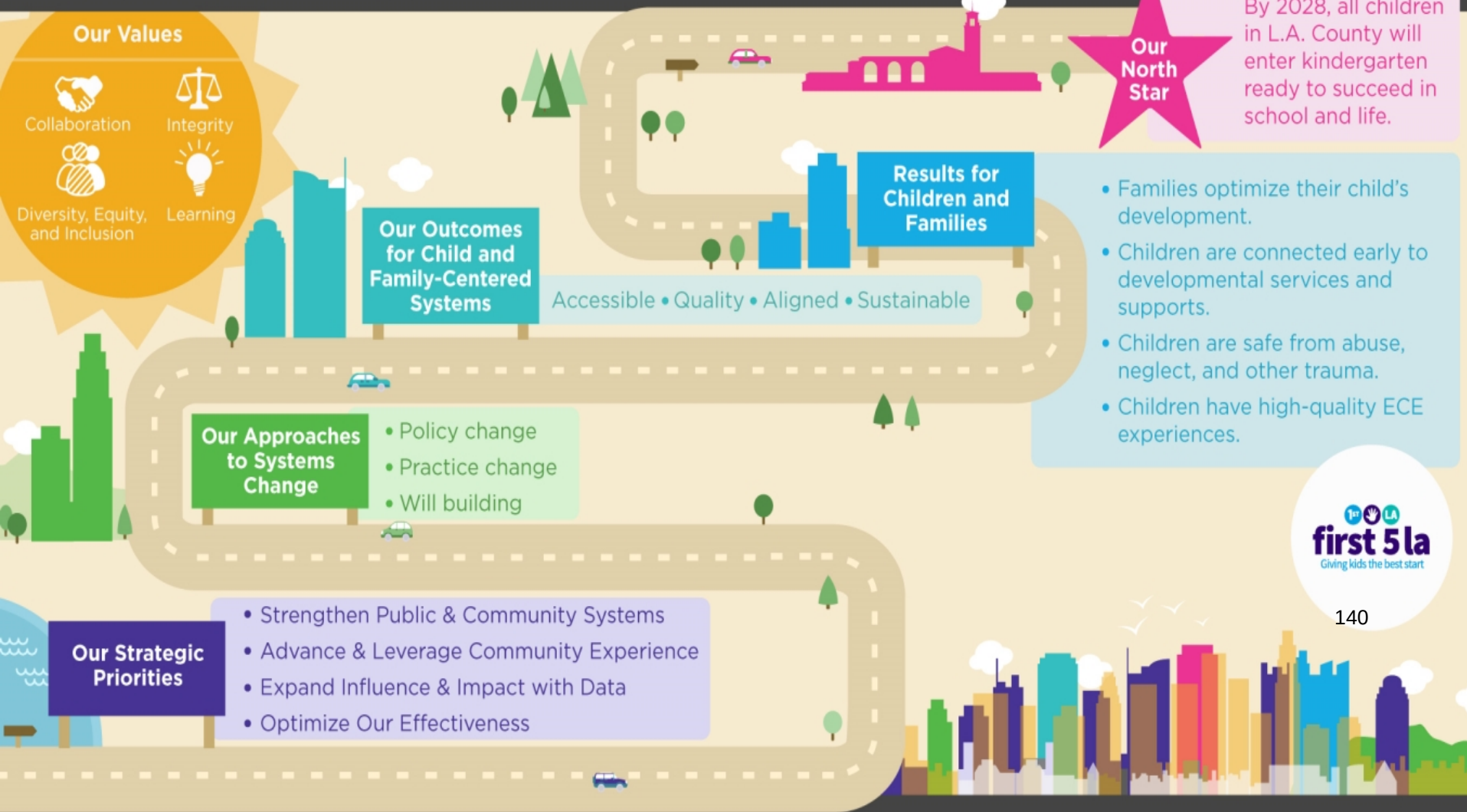
Our focused and
integrated work to
contribute to the
results

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Objectives
(In process)

The specific efforts
we will undertake to
achieve the strategic
priorities

Pathway for Systems Change



- Investment Guidelines
- Values
- Critical Success Factors

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- Prioritized areas of work First 5 LA will lead and support to contribute to the four Results
- Reflect Board strategic guidance
- Informed by the refinement process

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- Foundational for implementation planning
- Reflect how First 5 LA will implement the Strategic Priorities

STRATEGIC PRIORITY	OUR KEY OBJECTIVES	
Strengthen Public and Community Systems	1.1	Support the development and expansion of a universal system of voluntary home visiting through programmatic and policy leadership
	1.2	Promote maternal and early childhood health and family-strengthening care through advocating for policies and transformative practices
	1.3	Incentivize quality and strengthen the early childhood education workforce through advocacy and policy change in the early learning reimbursement rate structure
	1.4	Align and enhance the eligibility and programmatic quality requirements of publicly funded preschool
	1.5	Broaden state and local quality initiatives by working with system partners to encompass all early learning settings
	1.6	Deepen collaboration with public and community partners to help shape and embed family-centered and trauma-informed approaches into systems serving children and families
	1.7	Partner with Best Start networks of community leaders, organizations, and stakeholders to inform County and State efforts and advance local priorities

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STRATEGIC PRIORITY	OUR KEY OBJECTIVES	
Advance and Leverage Community Experience	2.1	Increase collaboration and demonstrate “proof of concept” for countywide early childhood system change efforts through connecting and coordinating First 5 LA’s programmatic investments and public/private investments
	2.2	Explore and test strategies to improve the infrastructure of supports of Family Child Care and Family, Friend, and Neighbor Care
	2.3	Facilitate increased use of a kindergarten readiness assessment to inform community conversations and action
	2.4	Maximize policy, partnership, and advocacy opportunities in the built environment priority areas and explore supportive roles to address childhood impacts of environmental health and other community priorities

STRATEGIC PRIORITY	OUR KEY OBJECTIVES	
Expand Influence and Impact with Data	3.1	Activate decision and policy makers to prioritize young children and families in budgetary, policy, and practice decisions
	3.2	Increase consumer demand for quality early childhood development supports, specifically home visiting, early identification and intervention and early learning
	3.3	Generate and share learning on effectively incorporating family and community engagement within the work of First 5 LA and our partners
	3.4	Partner on data and evaluation efforts to demonstrate effectiveness and promote continuous quality improvement in prevention and early intervention systems
	3.5	Expand the adoption, use, and integration of a population-based kindergarten readiness assessment ¹⁴⁶

STRATEGIC PRIORITY	OUR KEY OBJECTIVES	
Optimize Our Effectiveness	4.1	Adapt our structure and business processes as a public entity to promote efficiencies, foster integration, and recognize evolving fiscal environment
	4.2	Maximize revenue opportunities and pursue new dedicated revenue for early childhood, consistent with First 5 LA's strategic priorities
	4.3	Strengthen First 5 LA staff's knowledge, skills and capacities to successfully execute the Strategic Plan
	4.4	Foster a culture that embodies our values and embraces reflection, learning, innovation and adaptability

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- Explore the proposed strategic priorities and objectives
 - Do the Strategic Priorities and Objectives reflect our Critical Success Factors?
 - Is Board guidance and input reflected in the proposed Strategic Priorities?
 - Do the objectives provide clarity on the work to be done to support implementation planning?
- Staff are available to address clarifying questions

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Break

What questions or feedback do you have on the proposed Strategic Priorities and Objectives?

150

Strengthen Public & Community Systems: Improve, integrate, and expand systems of early prevention, intervention, and learning in partnership with public and community agencies, networks and leaders.

- **Why is this a Priority for First 5 LA now?** Given state and county priorities, First 5 LA, with its partners, has a transformative opportunity to improve and expand the capabilities of public and community systems to better meet the needs of young children and families and promote their wellbeing.¹⁵¹

Advance and Leverage Community Experience:

Connect, maximize and coordinate public resources and local assets within our prioritized fourteen Best Start geographies.

- **Why is this a Priority for First 5 LA now?** The 14 Best Start geographies provide an opportunity to demonstrate the impact and value of weaving together key resources and infrastructure to advance local solutions for early prevention, intervention, and learning.

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Expand Influence & Impact with Data: Expand the availability, use, and communication power of data to elevate disparities and drive policy change, practice change, and will building.

- **Why is this a Priority for First 5 LA now?** Data is an essential tool to build public will and advance learning on early childhood. First 5 LA is well-positioned to help gather, shape and disseminate data and be a critical voice and storyteller on improving results for children and families.

Optimize Our Effectiveness: Heighten organizational performance to enhance our impact.

- **Why is this a Priority for First 5 LA now?** To successfully lead this work, First 5 LA must align its structure, staffing, processes and culture with our strategic priorities to champion and promote systems change.

154

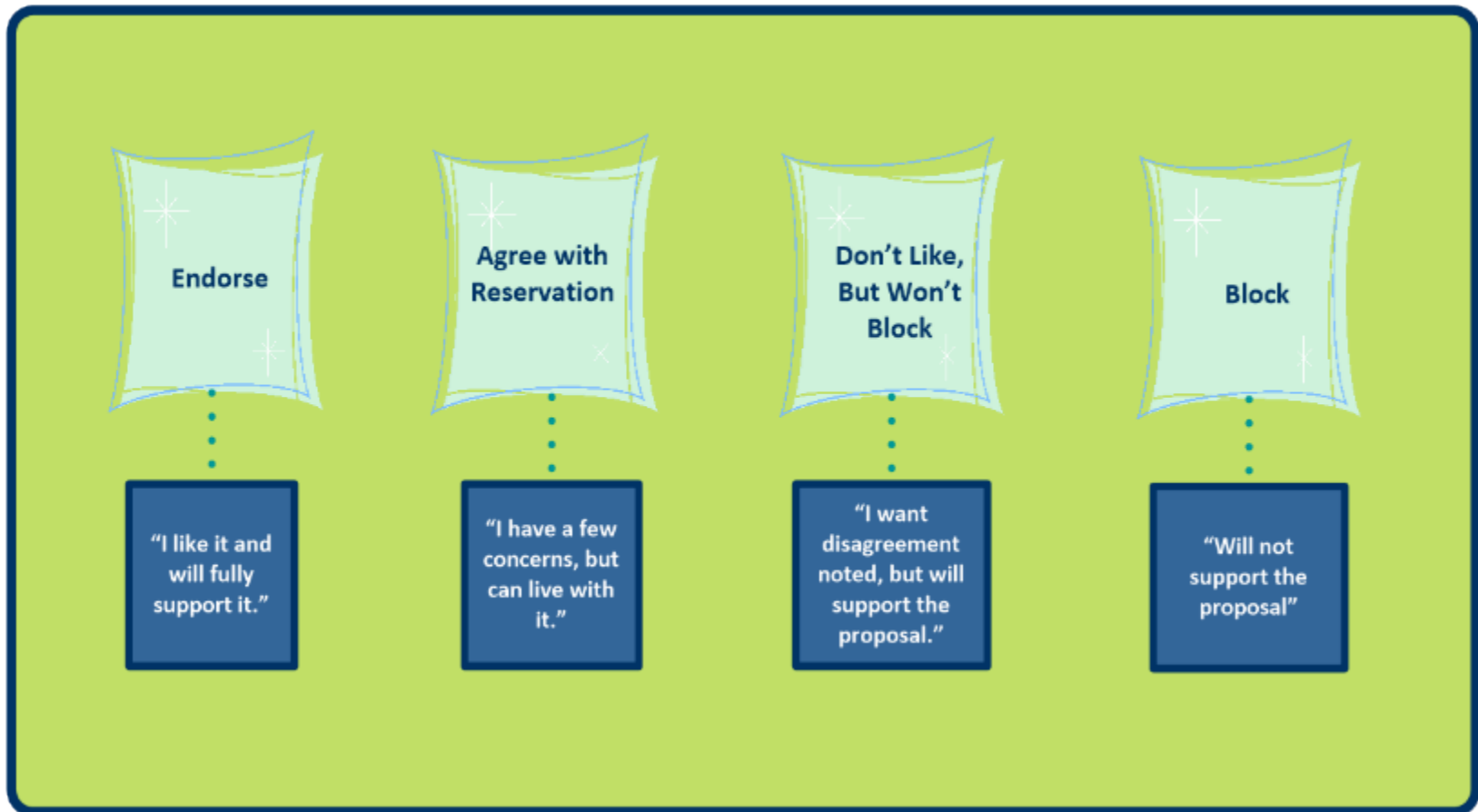
Strengthen Public and Community Systems

**Advance and Leverage
Community Experience**

**Expand Influence
and Impact with Data**

Optimize Our Effectiveness

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REFINE

RESULTS

Sep

Oct

Nov

- ☑ Sep 12: Board Strategic Planning Session
- ☑ Sep 24: Special Meeting of the Board of Commissioners (Combined Meeting of the Executive and Budget & Finance Committees) – Update on Financial Management Guidelines
- ☑ Sep 26: Special Board/Program and Planning Committee Meeting to report back from 9/12 BOC Retreat

- ☐ Oct 10: BOC Meeting to preview draft Strategic Plan
- ☐ Oct 24: Special Board/Program and Planning Committee Meeting

- ☐ Nov 14:
BOC Meeting to endorse refined Strategic Plan;
Implementation Planning preview

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IMPACT FRAMEWORK UPDATE

Steven LaFrance

Founder and CEO, Learning for Action

Kimberly Hall

Interim Director, Measurement, Learning, & Evaluation



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A photograph of a family in a park. A man and a woman are lying on their backs on the grass, smiling. The man is holding a baby up in the air with both hands. The baby is wearing a yellow shirt and dark pants. In the background, there are trees, a fence, and a building. A green circle is overlaid on the left side of the image, containing text.

**Draft
Strategic Plan
Review Cycle**
(Review, Reflect,
Refine, Results)

Periodic Review, Reflection, and Refinement

2020 2021 2022 2023 2024 2025 2026 2027 2028

Review

Yearly review, reflection, and planning cycle to define annual objectives

Reflect

Refine

Results*

3-Year Refinement

- Strategic Priorities
- Short-Term System Outcomes
- Impact Framework Indicators

3-Year Refinement

- Strategic Priorities
- Short-Term System Outcomes
- Impact Framework Indicators

3-Year Refinement

- Strategic Priorities
- Short-Term System Outcomes
- Impact Framework Indicators

T1
Report

T2
Report

T3
Report

T4
Report

Ongoing

- Compliance with Governance and Investment Guidelines

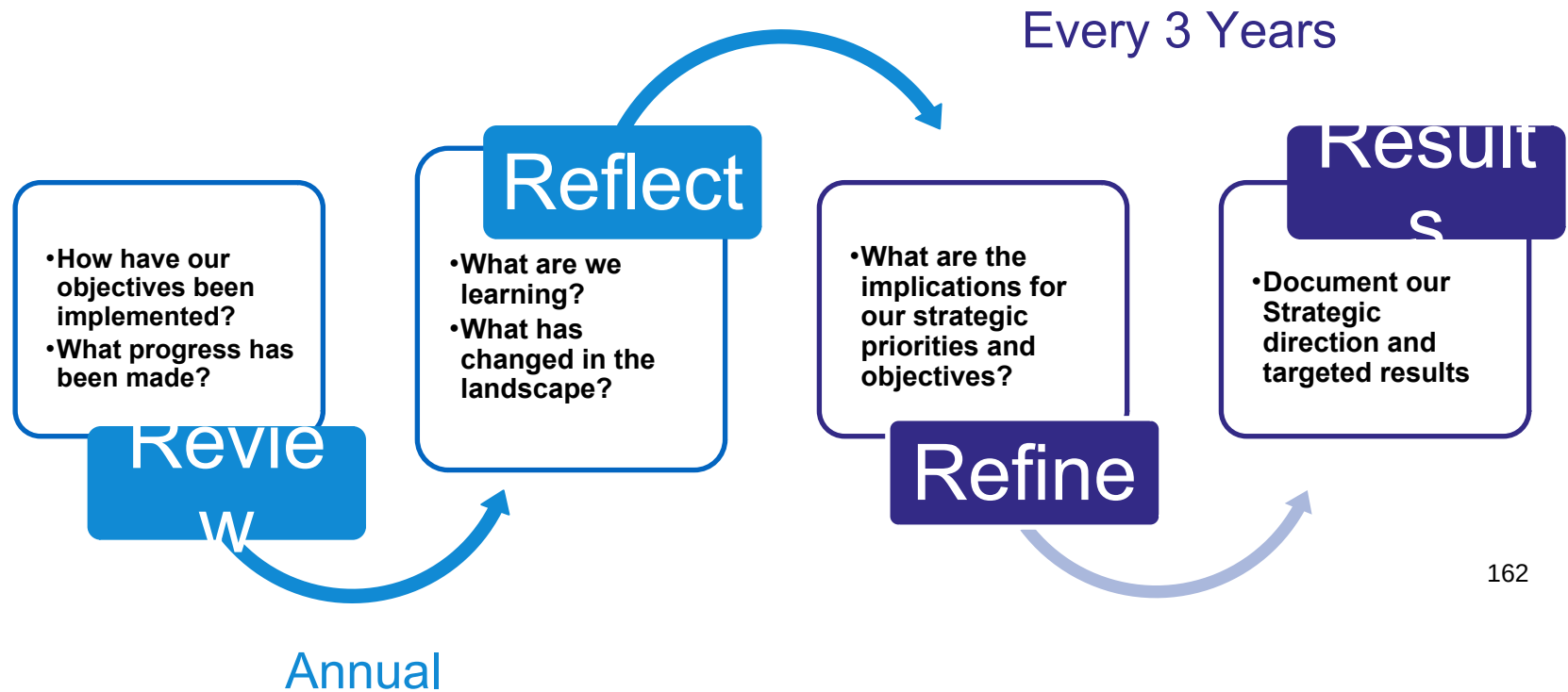
Annually

- Review of progress on objectives
- Assess changes in environment and context
- Resource allocation through budget process
- Review learning from other qualitative inputs (TBD)

Every 3 Years

- Review progress on Results as measured by Impact Framework Indicators
- Assess and Refine Strategic Priorities and Objectives

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To be finalized during implementation planning

IMPACT FRAMEWORK: INDICATORS FOR THE RESULTS FOR CHILDREN AND FAMILIES

Kimberly Hall

Interim Director, Measurement, Learning, & Evaluation



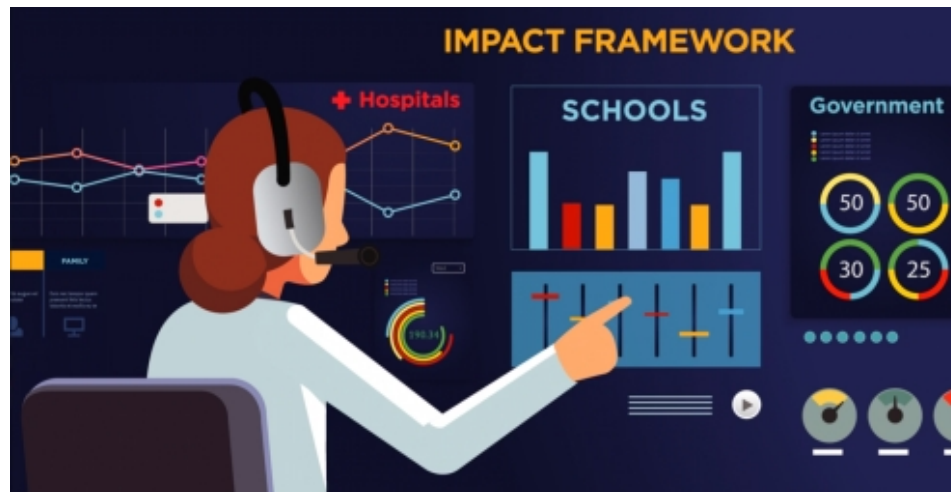
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1. Review how the Impact Framework will help First 5 LA track and measure progress towards our North Star
2. Review revised indicators for the Results for Children and Families and current data for select indicators
3. Preview next steps for the Impact Framework

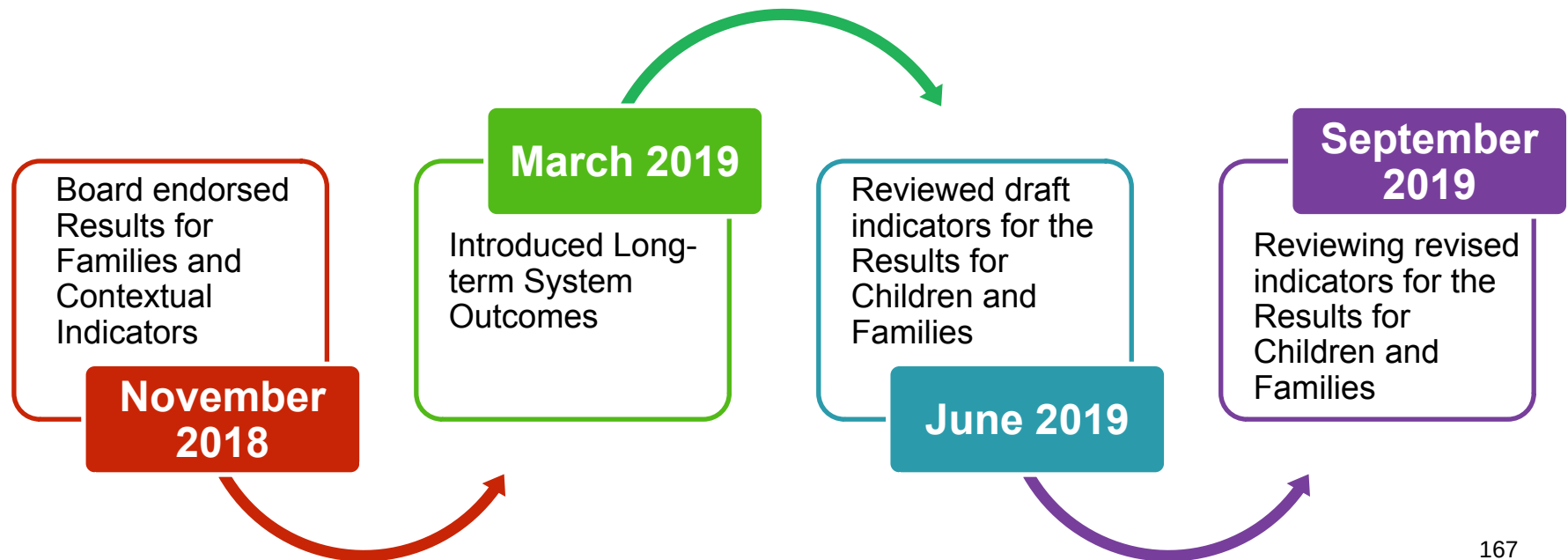
Impact Framework Review



Measuring Progress towards our North Star



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IMPACT FRAMEWORK INDICATORS



By 2028, all children in L.A. County
will enter kindergarten ready to
succeed in school and life

Results for
Children & Families

Long Term System Outcomes

Short Term System Outcomes

Context

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IMPACT FRAMEWORK INDICATORS



By 2028, all children in L.A. County
will enter kindergarten ready to
succeed in school and life

Results for Children & Families

Long Term System Outcomes

Short Term System Outcomes

Context

What They Are

The child and family
experiences that reflect
progress towards
the North Star

How We Will Use Them

To gauge how well
systems are working
for children and
families

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IMPACT FRAMEWORK INDICATORS



By 2028, all children in L.A. County
will enter kindergarten ready to
succeed in school and life

Results for
Children & Families

Long Term System Outcomes

Short Term System Outcomes

Context

What They Are

The improvements needed
in systems so that they
work for children
and families

How We Will Use Them

To measure the progress
of our systems change
strategies

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IMPACT FRAMEWORK INDICATORS



By 2028, all children in L.A. County
will enter kindergarten ready to
succeed in school and life

Results for
Children & Families

Long Term System Outcomes

Short Term System Outcomes

Context

What They Are

The early improvements in
systems expected from
our strategies

How We Will Use Them

To guide course-
correction as early
markers of progress

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IMPACT FRAMEWORK INDICATORS



By 2028, all children in L.A. County will enter kindergarten ready to succeed in school and life

Results for
Children & Families

Long Term System Outcomes

Short Term System Outcomes

Context

What They Are

Conditions within L.A. County which affect our work

How We Will Use Them

To understand our context and inform our strategies

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IMPACT FRAMEWORK INDICATORS



By 2028, all children in L.A. County
will enter kindergarten ready to
succeed in school and life

**Results for
Children & Families**

Long Term System Outcomes

Short Term System Outcomes

Context

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What's an indicator?

- Specific, observable and measurable characteristic

What's a proxy indicator?

- An indirect measure that represents the best available data when direct measures are not available

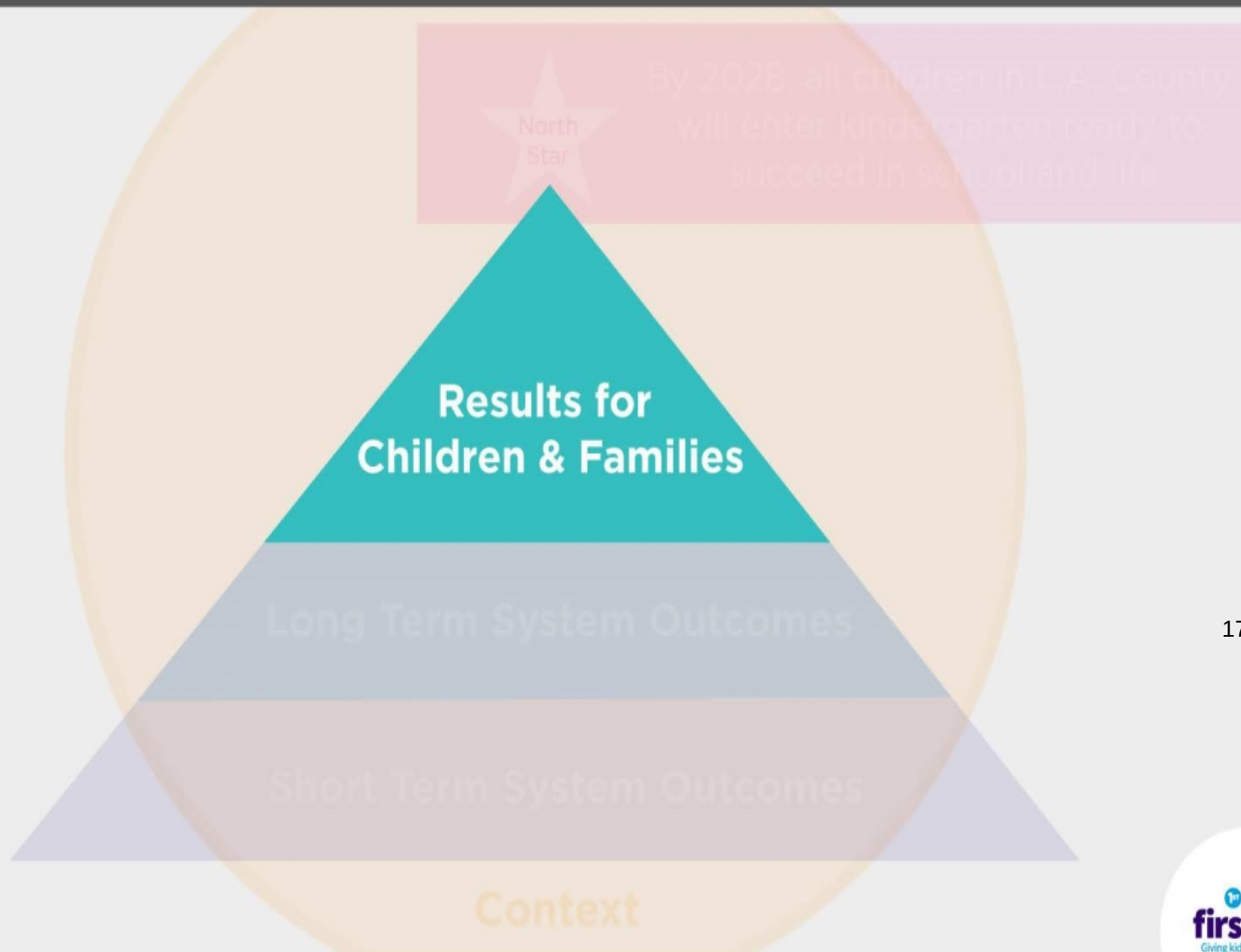
What they can tell First 5 LA?

- Along with other inputs, First 5 LA can use indicator data to gauge our progress and assess how well our strategic priorities are supporting this progress

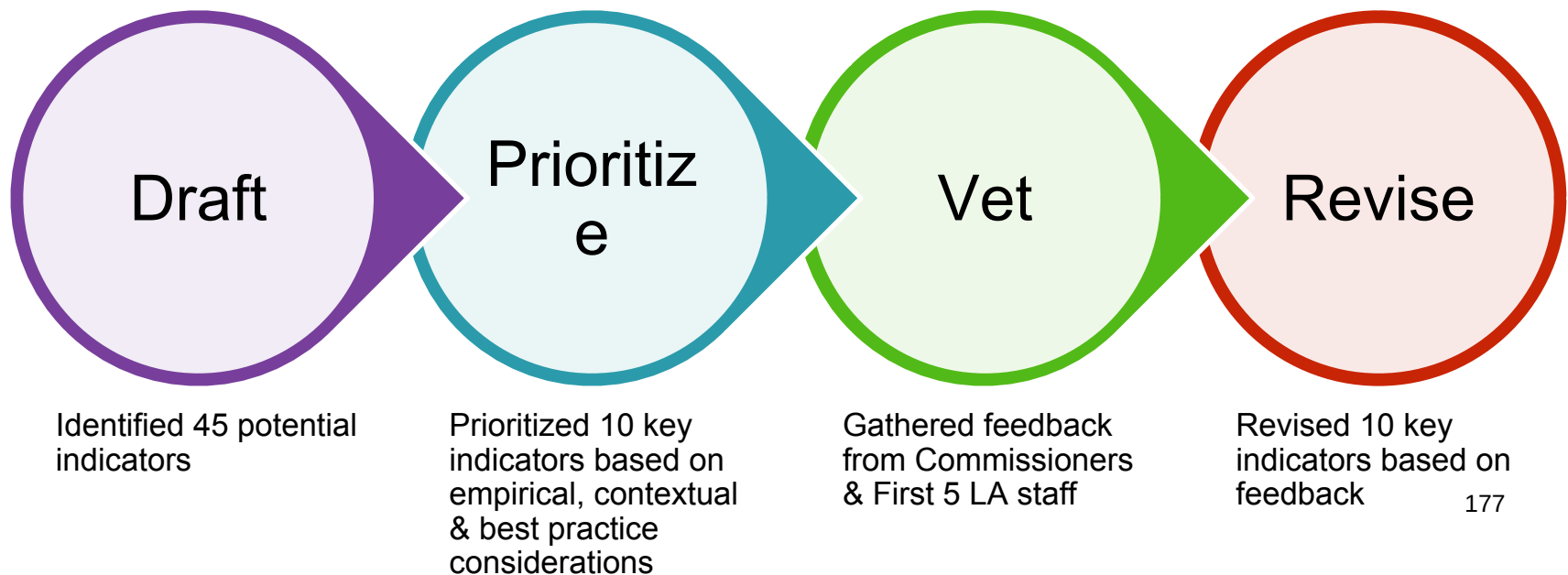
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**Revised
Indicators for
Results for
Children &
Families**

IMPACT FRAMEWORK INDICATORS



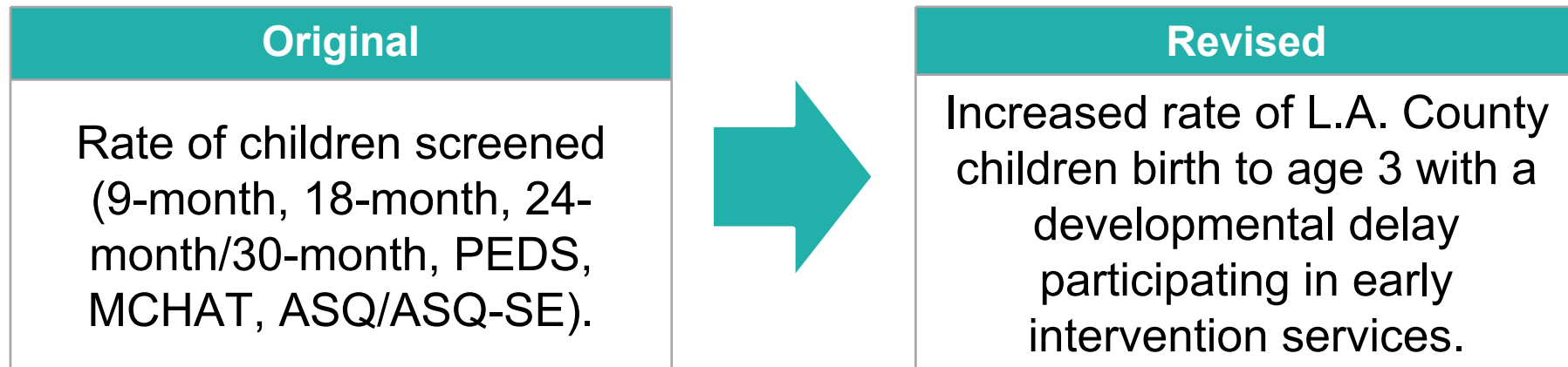
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What we heard	How we revised
Use plain speak	Revised for language clarity & created visual to aid communication
Be consistent across all indicators	Added L.A. County, age ranges, and directionality to all indicators
Be comprehensive	Expanded indicators to include additional behaviors and populations
Connect these indicators to First 5 LA's systems work	Created a visual to help communicate the relationship between different types of Impact Framework indicators
Consider additional indicators	Added contextual indicators and took ¹⁷⁸ notes for upcoming components

1. Increased rate of L.A. County children birth to age 5 enrolled in a high-quality early learning and care program.
2. Increased rate of income-eligible L.A. County children birth to age 5 enrolled in publicly-funded early learning and care programs.
3. Increased rate of L.A. County children birth to age 3 with a developmental delay participating in early intervention services.
4. Decreased average age of L.A. County children entering special education services.
5. Decreased rate of L.A. County children with Child Protective Services involvement at any point during the first 5 years of life.
6. Increased rate of L.A. County families with children birth to age 5 who read, tell stories, sing, play music, or teach letters, words, or numbers to their child daily.
7. Increased rate of L.A. County families who participate in home visiting programs at any point prenatally through age 5.
8. Increased rate of eligible L.A. County families with children prenatal to age 5 participating in safety net programs.

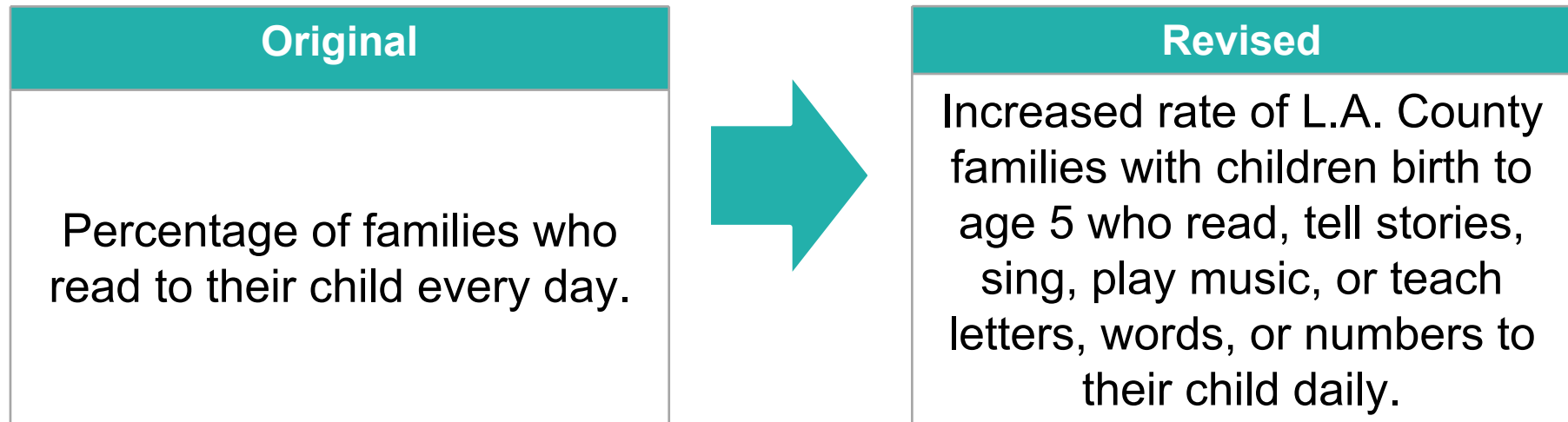
179



Key Revisions:

- ✓ Revised for clarity
- ✓ Revised to focus on connection to systems
- ✓ Defined indicator direction, age-range & geographic boundary
- ✓ Rate of children screened will be a Short-term System Outcome

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Key Revisions:

- ✓ Revised to include the many ways that families can support children's language development
- ✓ Defined indicator direction, age-range & geographic boundary

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Result Indicator 2

Increased rate of income-eligible L.A. County children birth to age 5 enrolled in publicly-funded early care and education programs.



Current Data

Nearly **16%** of income-eligible L.A. County children birth to age 5 are enrolled in a publicly-funded early care and education program as of April 2019.

$$\frac{70,516 \text{ enrolled children}}{455,581 \text{ eligible children}}$$

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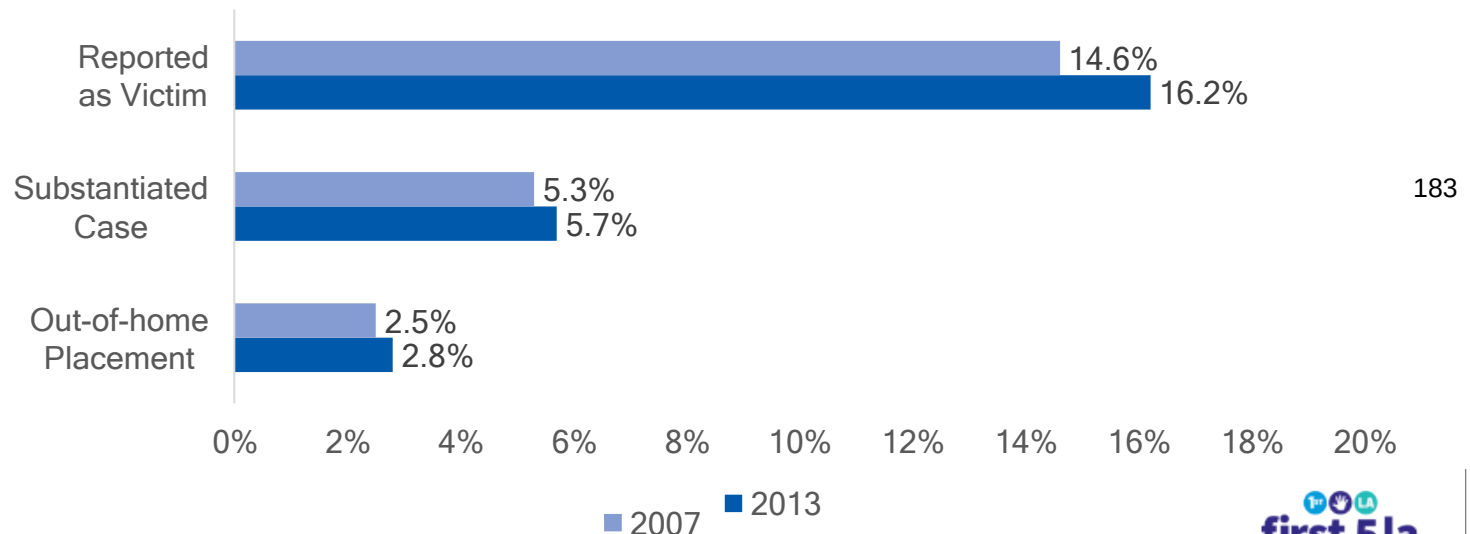
Result Indicator 5

Decreased rate of L.A. County children with Child Protective Services involvement at any point during the first 5 years of life.

Current Data

Over 16% of L.A. County children born in 2013 had some contact with Child Protective Services during their first 5 years of life. This rate is higher than for children born in 2007.

Rate of L.A. County children involved with Child Protective Services during the first 5 years of life



A photograph of a family in a park. A man and a woman are lying on their backs on a green lawn, smiling and looking up at a baby who is being held high above them by their hands. The baby is wearing a yellow shirt and dark pants. In the background, there are trees, a fence, and a multi-story apartment building. A green circle with white text is overlaid on the left side of the image.

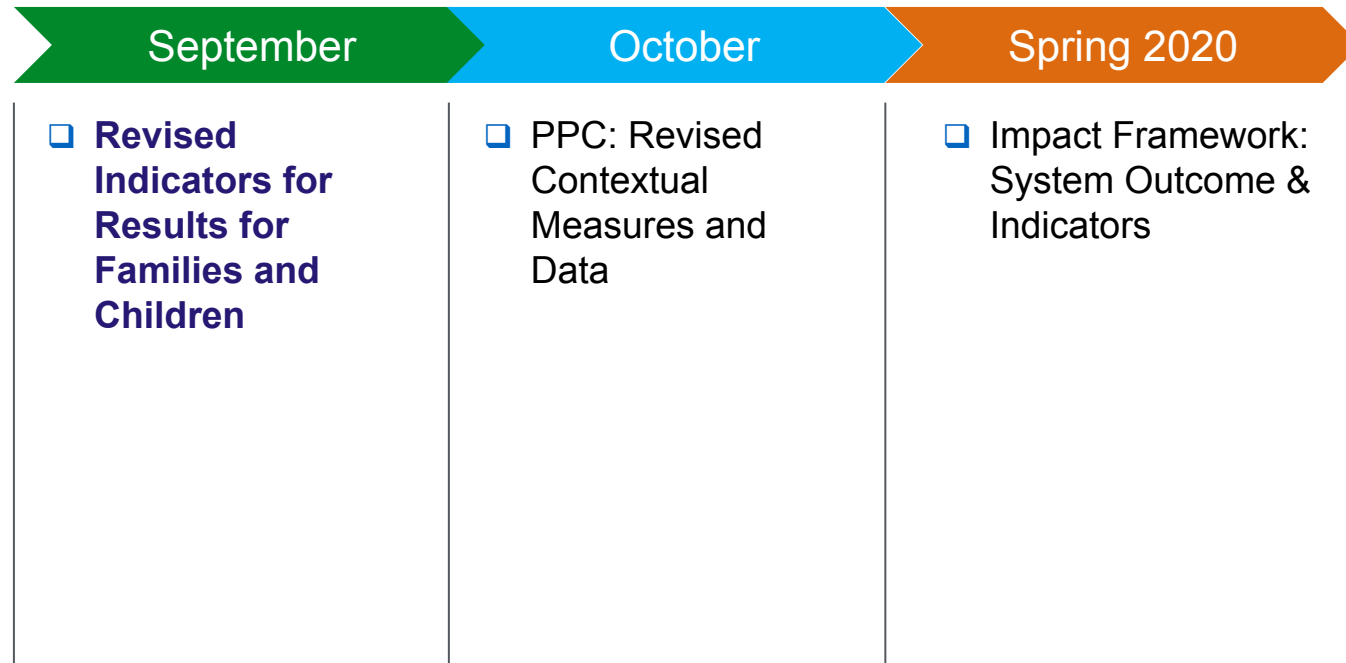
Impact Framework Next Steps

- Obtain the most comprehensive and current data available
- Disaggregate by race/ethnicity, income and geography
- Share data with Strategy Refinement Teams to support implementation planning
- Consider additions based on the Revised Strategic Plan

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Where we're going: Upcoming Board Engagements

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1. What questions do you have about the types of Impact Framework Indicators?
2. What about the Indicators for the Results for Children & Families resonates with you?
3. Are there other factors we should consider beyond indicator data to assess progress towards Results for Children & Families?

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Comments/ Questions?





SPR4 Appendix

Equity	Articulates how First 5 LA is working to ensure that all children are ready to succeed in school and life, with priority focus on those facing disparities along income, racial, ethnic and geographic lines
Impact	Clearly identifies our intended impact and means to measure our progress
Integration	Facilitates further integration of our work, highlighting cross-cutting, systems change approaches to achieving First 5 LA's "north star."
Fiscal Stewardship	Recognizes and reflects our fiscal constraints, projected revenue declines and fiscal stewardship to operate within expected resources
Plain Speak	Is clear in language and approach for our diverse partners, staff, Board, public
Priorities & Focus	Prioritizes and further focuses what we must do to advance our policy and systems change work programmatically, organizationally, and operationally
Capacity-Building	Leverages the process to enhance First 5 LA's ability, skill, and infrastructure for strategy development and implementation

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Investment Guidelines (Endorsed on 3/14/19)

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First 5 LA will make policy and programmatic decisions to optimize achievement of our targeted results based on the following:

2019 Investment Guidelines	What this Means for Our Work
New Guideline EQUITY : Prioritize children, families and communities in our target population that our work has the greatest potential to impact and advance our North Star	• Use data to elevate disparities and achieve equitable outcomes • Strengthen existing public systems to be family-focused and child-centered • Incorporate the voice of families and communities in policy and system change
New Guideline SUSTAINABILITY : Embed sustainability strategies within all of our work	• Plan and operate within our fiscal reality • Create new revenue and fund leveraging strategies • Co-invest with partners
UPSTREAM : Focus on prevention	• Invest in prevention and early intervention as the primary focus of our work • Link downstream investments to prevention
SYSTEM AND POLICY CHANGE : Focus on system/policy change and implementation to impact the most children and families	• Focus on strengthening existing systems; rather than creating new systems • Consider direct services only when there is significant potential to demonstrate models for scalability and sustainability
EVIDENCE AND INNOVATION : Prioritize scaling up evidence-based practices, balanced with investments in innovative and promising approaches to address community needs	• Pursue and test innovative and promising approaches, as necessary, to respond to community needs and achieve scale
PARTNERSHIP : Engage partners throughout planning, development, and execution of our work	• Demonstrate how committed partnerships are engaged and fundamental to our work

First 5 LA Values

These statements reflect our values that we aspire to showcase in our daily interactions with each other and in our work with external partners. We are committing to these values as they reflect who we are in our work. As a public entity we are responsible stewards of public funds and believe it is imperative that we use these values to guide our work.



Collaboration

We promote collaborative culture and strategies in all that we do.



Learning

We integrate learning into all aspects of our decision-making, commit to continuous improvement and share what we have learned.



Integrity

We act in ways that reflect our values and hold ourselves accountable for our behaviors and the outcomes of our work.



Diversity, Equity, and Inclusion

We embrace the diversity of L.A. County, advocate for fairness and promote systems that advance the full participation of young children and their families.

Impact Framework Appendix



Best Practice

- Select a small but meaningful set of indicators.
- Use best approximations in the absence of the perfect indicator.
- Identify indicators that encompass the collective set of Results and avoid indicators that only related one Result.
- Prioritize indicators that are connected to the systems change & policy work being implemented by First 5 LA.

Contextual Considerations

- Alignment with policy & advocacy efforts, or state-wide momentum around an issue.
- Alignment with other critical partners (e.g., work being done in L.A. County).
- Maximizing current windows of opportunity where there is momentum among critical decision makers.

Empirical Considerations

- Validity Considerations:
 - Relevance
 - Credibility
- Reliability Considerations:
 - Sound methodology
 - Data quality
- Utility Considerations:
 - Disaggregation
 - Communication power
- Feasibility Considerations:
 - Accessibility

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<i>Indicator</i>	Children have high-quality ECE experiences prior to kindergarten entry.	Children enter kindergarten without any previously unidentified developmental delays and are connected to developmentally appropriate services.	Children are safe from abuse, neglect & other trauma.	Families have the awareness, resources, opportunities, relationships, & environment to optimize their child's development.
1	✓	✓		✓
2	✓			✓
3		✓	✓	
4		✓	✓	
5			✓	
6				✓
7			✓	✓
8			✓	✓
9			✓	✓
10				✓

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FIRST 5 LA

SUBJECT:

Strategic Plan Refinement Process

SUMMARY:

First 5 LA launched the Strategic Plan Refinement Process in January with the targeted completion by November 2019. First 5 LA is completing the third phase of the four-phase process which focuses on refining the current Strategic Plan based on learnings to date, review of current plan progress and environment, and Board and community stakeholder input which was gathered in the first two phases of the process. The September 12 Board of Commissioners meeting engaged the Board in a discussion on the how staff is proposing to refine our strategies based on these learnings and to inform our priorities through 2028. During the September 26 Special Board/Program and Planning Committee meeting, staff will report back on how the input informed the updated strategic priorities and draft objectives. There will also be a preview of the proposed Strategic Plan Review Cycle for ongoing strategy review, reflection, and refinement through 2028, including connections to the Impact Framework.

BACKGROUND:

The Strategic Plan refinement process encompasses four major phases: Review, Reflect, Refine, and Results (SPR4). The Review, Reflect and Refine phases have been completed and captured the key learnings and reflections from implementation progress to-date of the current Strategic Plan, changes in the landscape that inform First 5 LA's work going forward, and First 5 LA's capacity to do system change work effectively.

The third phase of the SPR4 process, Refine, was launched in June and focused on refining our strategies based on learnings from our actual experience in policy and systems change work, inputs gathered from the Review and Reflect phases, and our assessment of strategic opportunities to achieve our targeted outcomes.

The Refine phase addressed the following questions:

- How should we refine and prioritize our strategies based on our review and reflections?
- How do we need to approach our work differently based on this review and reflection?
- How can we best communicate our refined Strategic Plan to inform our partners and stakeholders?

The strategy refinement process has been grounded in key guardrails, inputs, and guidance for prioritizing and focusing our strategies. This strategy refinement approach recognizes and builds upon the policy guidance previously articulated by the Commission through the following:

- Results for Children and Families (adopted by the Board in November 2018)
- Updated Investment Guidelines (adopted by the Board in March 2019)
- Review Phase Data Report Discussion
- Strategic Plan Refinement Critical Success Factors
- System Change Approaches.

The set of guardrails, inputs, and guidance for strategy refinement was presented to the Board during the May 23 Special Board/Program and Planning Committee meeting.

September 12 Board of Commissioners Retreat

The September 12 Board of Commissioners meeting was a facilitated retreat that included a preview of proposed draft strategic priorities that articulate a focused and integrated approach to First 5 LA's work through 2028. This was followed by a World Café™ session to discuss recommendations emerging from five strategic refinement topics and begin to test the proposed draft strategic priorities to those topics:

- Built Environment
- Communities and Systems Change
- Trauma Resiliency Informed Systems Change and Family Engagement
- Early Identification & Intervention
- Home Visiting within a System of Family Supports

Attachment 1 is a summary of the key themes from the meeting and how the input informed the strategic priorities and objectives.

Draft Strategic Priorities and Objectives

Staff proposes a draft set of four interdependent Strategic Priorities that are prioritized areas of work that First 5 LA will lead, support, and prioritize to contribute to the four Results for children and families. Below is a summary of the draft **Strategic Priorities** and the rationale for each.

Proposed Draft Strategic Priorities	Why this is a Priority for First 5 LA Now
Strengthening Public & Community Systems: Improve, integrate, and expand systems of early prevention, intervention, and learning in partnership with public and community agencies, networks and leaders	Given state and county priorities, First 5 LA, with its partners, has a transformative opportunity to improve and expand the capabilities of public and community systems to better meet the needs of young children and families and promote their wellbeing.
Advancing and Leveraging Community Experience: Connect, maximize and coordinate public resources and local assets within our prioritized fourteen Best Start geographies	The 14 Best Start geographies provide an opportunity to demonstrate the impact and value of weaving together key resources and infrastructure to advance local solutions for early prevention, intervention, and learning.
Expanding Influence & Impact with Data: Expand the availability, use, and communication power of data to elevate disparities and drive policy change, practice change, and will building.	Data is an essential tool to build public will and advance learning on early childhood. First 5 LA is well-positioned to help gather, shape and disseminate data and be a critical voice and storyteller on improving results for children and families.
Optimizing Our Effectiveness: Heighten organizational performance to enhance our impact.	To successfully lead this work, First 5 LA must align its structure, staffing, processes and culture with our strategic priorities to champion and promote systems change.

The **Objectives** reflect how First 5 LA will implement the Strategic Priority throughout the strategic plan lifecycle, providing clarity on what the work will look like for implementation. **Attachment 2** is a summary of the draft Strategic Priorities and its Objectives. The Objectives are foundational for implementation planning and will be further defined with time-bound activities during that phase.

The Strategic Priorities and Objectives reflect key themes in what we heard from the Board of Commissioners, staff and other stakeholders from the Review and Reflect phases of SPR4 and are grounded in the recommendations that emerged from the work of the Strategy Refinement Teams (SRTs). Specifically, the following themes from Board, staff and stakeholder input that the priorities reflect include:

- F5LA is well-positioned to assume an even greater leadership role at the county and statewide levels to advance early childhood development policy and systems change;

- F5LA’s community-based work in Best Start geographies grounds our policy and systems change efforts in the direct perspective of families and provides the opportunity for amplifying parent voice;
- F5LA is uniquely positioned to use data to increase awareness of early childhood development, activate key stakeholders, and drive action; and
- F5LA has built a strong organizational foundation and also has opportunities to further strengthen its staff, structure, processes, and culture to accelerate our impact.

Furthermore, the strategic priorities and objectives reflect the critical success factors for SPR4; most notably, they articulate a highly integrated approach to focusing our work to make a significant contribution to our results for children and families.

Draft Strategic Plan Review Cycle (Review, Reflect, Refine, Results)

During the September 26 Special Board/Program and Planning Committee meeting, Steven LaFrance from Learning for Action, will present the draft cycle for reviewing and updating the refined strategic plan through 2028. First 5 LA will adopt the SPR4 phases (Review, Reflect, Refine, Results) as part of continuous improvement and learning from implementation of the strategic priorities and its objectives. The review cycle will encompass the following activities on an ongoing, annual, and triennial basis:

- Ongoing
 - Compliance with Governance and Investment Guidelines
- Annually
 - Review of progress on objectives
 - Assess changes in environment and context
 - Resource allocation through budget process
- Every 3 Years
 - Review progress on Results as measured by Impact Framework Indicators
 - Assess and refine Strategic Priorities and Objectives

Further details and planning of the review cycle will be part of implementation planning that will occur from December through March 2020.

DISCUSSION:

During the September 26 Special Board/Program and Planning Committee meeting, staff will report back on how the input from the September 12 Board of Commissioners meeting informed the updated strategic priorities and draft objectives. There will be a gallery walk activity for the Board to review the proposed strategic priorities and objectives followed by discussion on reflection and feedback on the Strategic Priorities.

There will also be a preview of the proposed Strategic Plan Review Cycle for ongoing strategy review, reflection, and refinement through 2028, including connections to the Impact Framework.

NEXT STEPS:

Board input on draft strategic priorities and objectives during the September 26 Special Board/Program and Planning Committee meeting will inform further refinements of the draft Strategic Priorities and Objectives. These further refinements will be presented as part of the draft refined Strategic Plan during the October 10 Board of Commissioners and October 24 Special Board/Program and Planning Committee meetings.

September 12 Board of Commissioners Strategic Planning Retreat Summary Report

First 5 LA launched the Strategic Plan Refinement Process in January with the targeted completion by November 2019. First 5 LA is completing the third phase of the four-phase process which focuses on refining the current Strategic Plan based on learnings to date, review of current plan progress and environment, and Board and community stakeholder input which was gathered in the first two phases of the process.

The September Board meeting was a facilitated retreat that included an update on the refinement process and the review of proposed draft strategic priorities that articulate a focused and integrated approach to First 5 LA's work through 2028. During the meeting, Commissioners participated in small group breakout topics on the recommendations for five additional strategy refinement topics (see [Appendix 1](#)):

- Built Environment
- Communities and Systems Change
- Cross Cutting Strategies: Trauma Resiliency Informed Systems Change and Family Engagement
- Early Identification & Intervention
- Home Visiting within a System of Family Supports.

This report provides a summary of the discussions during the breakout sessions, capturing feedback we received from Commissioners, what it means for the draft strategic priorities and objectives, and implementation and other considerations for further planning.

Overarching Themes – What we Heard

- Utilize plain speak and terms for our diverse partners, staff, Board, public
- Amplify our unique role as connector, convener, and advocate to integrate community and public systems
- Prioritize integration across early learning, home visiting, and early identification and intervention
- Address subgroup disparities, not only rates of overall access to services – quality and equity matters
- Use data to inform advocacy efforts by families, communities, and other stakeholders
- Advocate and lift family voices to improve results for children and families

Built Environment	
What we Heard	What This Means for the Draft Strategic Priorities and Objectives
- First 5 LA should strive to elevate families as community leaders who advocate for built environment improvements in their communities. - Provide information on projects and opportunities happening in their neighborhoods, show best practices, connect them to leaders and organizations, and provide data to inform action. - First 5 LA should partner with the County to advance built environment opportunities. - In partnership, collect built environment data that can be curated and given to the community to help inform advocacy. - Consider working with the Department of Public Health to advance their work around lead contamination. - Consider working on the Community Schools Initiative and Measure W implementation. - First 5 LA should prioritize consideration of its role related to environmental health in its built environment work. - Lead paint in homes is a timely opportunity. First 5 LA can inform the community about the dangers of lead paint and work with the county on outreach. - First 5 LA should do more research to see what supportive roles we can play in housing.	- Use data to inform and activate community advocacy efforts - Deepen partnerships with the County and community to advance aligned built environment priorities

<i>Communities and Systems Change</i>	
<i>What we Heard</i>	<i>What This Means for the Draft Strategic Priorities and Objectives</i>
- Leveraging Communication and Messaging - Use clear and consistent communication and messaging to articulate the role of Regional Networks in elevating community voice and perspective. - Amplify First 5 LA's unique role as funder, convener, advocate and partner. - More clearly articulate the agency's shift to a more community-led agenda with First 5 LA taking on more of a support role. - Clearly articulate which systems need to be changed and the level of change First 5 LA is seeking. Acknowledge that it may be different across each community and First 5 LA may have a different role in each community. - More Intentional Mapping of Resources - Maximize impact and improve outcomes through mapping, leveraging, and interweaving county initiatives beyond traditional county partners (e.g. partnering with LACOE Community Schools Initiative). - Leverage shared data platforms to layer existing supports and resources to reduce duplication. Broaden efforts to connect with county initiatives that are not focused solely on 0-5 but are fundamental to the fabric of LA County and which undergird our work (e.g. DMH Health Neighborhoods). - Where appropriate, collaborate with outside county agencies, school districts, service providers, and jurisdictions to maximize impact - Utilize Data to Inform Policy & Advocacy - Leverage data to elevate and ground our work in community voice and perspective, including our local and state policy and advocacy agenda. - Amplify community voice and community power to influence local, county and/or state systems change. Define what community power means to First 5 LA and more intentionally connect community voice to our policy asks.	- Further clarify recommendations. - System change approaches are distinct and resonate. Should perhaps frame recommendations around will-building, practice change, and policy change.

Cross Cutting Strategies: Trauma Resiliency Informed Systems Change and Family Engagement	
<i>What we Heard</i>	<i>What This Means for the Draft Strategic Priorities and Objectives</i>
- Importance of plain speak and definitions - o Use plain speak for key concepts (i.e. “Cross-Cutting” doesn’t make any sense). - o Define trauma-resiliency and family engagement internally and externally; clarify how to operationalize across different disciplines and fields - o Consider removing the word “resiliency” – should focus on eliminating the sources of trauma and helping communities to heal; Consider alternate language (e.g., Trauma-informed; trauma-influenced) - o Common and simple language around trauma is needed - Capacity-building is needed in trauma-resiliency and FE for First 5 LA as well as grantees - o Need to be clear on what this looks like internally and externally; seek opportunities to partner with County agencies - there is rich experience in the field/in LA county. - o Training should be practical and designed to support the implementation of trauma-resiliency and family engagement - o Consider supporting agencies to be both trauma-resilient AND family-engaged (can’t effectively do one without the other) - o A “template” for trauma-resiliency or family engagement is not enough. - Being responsive to communities requires a deeper understanding of trauma and how it manifests in communities - o Systems need to be changed to be able to respond to trauma and need to be incentivized to do so - o Being ‘on alert’ when our communities may be reacting to current (and traumatic) events in LA/their communities (e.g. people may not answer the door to a Home Visitor because of fear of ICE) - o Explore the role of trauma in mental model and how this plays out in systems change. - o Consider how First 5 LA will engage the community in this work; each community is different/unique so need to explore how this will look in different communities	- Be clear on the outcomes we want to ultimately achieve from area of work and how they align with other efforts - First 5 LA has an opportunity to drive service integration through expansion of trauma resiliency and family engagement; important to be more holistic and comprehensive

Early Identification & Intervention	
What we Heard	What This Means for the Draft Strategic Priorities and Objectives
- The Maternal/Pediatric model of care must be inclusive of social needs, screening, and social services - First 5 LA must address subgroup disparities, not only rates of overall access - quality and equity matters - Reach populations who are not users of public systems, but who may receive care from publicly financed systems - First 5 LA's early identification and intervention lens is needed for a variety of populations; triage is needed to route high and low-risk populations to appropriate services - Continue to align maternal/pediatric early identification and intervention with the relevant health sector terms to help First 5 LA partner more effectively (e.g.: use the term care management) - Consider how home visitation can work with hospitals, medical groups, and insurance companies to have home visiting in their plan and to do home visiting referrals - Built trust with families to better engage and support their connections to service systems - Empower consumers to help shape a more family-centered/more efficient system of care - Align early identification and intervention to work to ECE and beyond - Explore how we can leverage a workforce outside of the health setting for screening and early intervention (e.g., childcare/home visiting) - Explore how we can work with childcare providers and how to connect children ages 2-4 to home visiting - Focus on prevention lens - need to focus on prevention to reduce the need for interventions - be clear on the difference between prevention vs. early identification, and early intervention and the triaging between all of these	- Include the terms quality and equity to ensure First 5 LA is clear about our end goal - Highlight the need to enable vs. just holding early identification and intervention systems accountable for timely access - Ensure that our definition of early identification and intervention goes beyond health care services delivered in the office environment- social needs are important - High-quality systems must be trusted and responsive to social needs - Timely access is not enough- we need disparity language

<i>Home Visiting within a System of Family Supports</i>	
<i>What we Heard</i>	<i>What This Means for the Draft Strategic Priorities and Objectives</i>
- Understanding of the Home Visiting Landscape and Importance of Data: - Develop a visual that provides a “map” of the home visiting system, including the landscape of home visiting (including HV workforce capacity) as well as its connection to/place within ECE and social services. - Utilize one platform or coordinated platforms - Need data collection to ensure families get all the services they need - Clarify data sharing modifications - Advocate and Educate - Advocacy should continue to be part of First 5 LA’s role (at state and federal level), especially with current state recognition of HV and funding - Educate the broader community on existing programs so community understands why home visiting and services are important. - Articulate the value of husband/men being involved in home visiting services. Men need to understand that they play an important role in the development of a child. - Advocacy efforts should include childcare providers as building the demand for home visiting - Involving health care in home visiting is critical - Explore how private insurance can serve as a funder - Consider home visiting as an entitlement program that is part of medical care, mental health care, etc. - o Advocate that home visiting is an entitlement built into every intake done at prenatal and birth, part of medical and mental health care. - Workforce Development and Sustainability - There is an opportunity to expand current apprenticeship programs to increase workforce for home visiting - Expand definition of home visiting to “home based support” to include meeting family’s needs and combining public and private funding sources - Strategies for sustaining home visiting services include health plans, 1115/1915(b) waiver. - Need further clarity on workforce recommendation.	- Need a better definition of “tiered” system, which will impact our ability to measure its effectiveness and to communicate about it

Implementation and Other Considerations for our Work

Built Environment

- Creating systems change in the built environment requires a large time commitment in order to understand the issue and develop connections. First 5 LA staff working on the built environment should have more clearly defined roles so they can put in the adequate amount of time to create systems change.

Communities and Systems Change

- Clearly articulate operational implications for staffing and agency as a whole for this work.
- Be more intentional in sharing data with community residents and stakeholders (e.g. Kindergarten Readiness Assessment/EDI data)

Cross Cutting Strategies: Trauma Resiliency Informed Systems Change and Family Engagement

- Cross-departmental workgroups within First 5 LA is needed to carry out the recommendations

Early Identification & Intervention

- Need to consider the additional funding needed to address disparities
- How can we identify children who may need support, who are the children of County patients? (e.g. DMH serves mom, but child may need support)
- Planned Parenthood is investing in preconception- how can First 5 LA leverage/emulate?
- How can First 5 LA leverage school-based clinics, which may be able to serve the entire family?
- Need to be clear on how stories and data will be used to inform policy and practice change
- First 5 LA should consider how to best support high risk populations (Foster Children, FASC, MH, DV) VS.
- First 5 LA should consider how to best support non-county involved populations
- What is the potential to harness EPSDT funding/financing to achieve these EII aims?

Home Visiting within a System of Family Supports

- What are we doing to get more people qualified to be home visitors?

Next Steps

Board input will inform further refinement of the strategic priorities and draft objectives that will be presented at September 26 Special Board/Program and Planning Committee meeting.

APPENDIX 1: STRATEGY REFINEMENT TOPICS AND OVERALL DRIVING QUESTION

Strategy Refinement Topic	Overall Driving Question
Cross Cutting Strategies: Trauma Resiliency Informed Systems Change and Family Engagement	Should family engagement and trauma resiliency informed systems change be embedded within all of First 5 LA's work?
Strategy Integration: Communities and System Change	How can we support the work of communities to advance local community systems change while connecting their insights, assets, and learnings to broader county and/or state systems change?
Built Environment	How do we leverage the work underway to improve the built environment in the 14 Best Start communities?
Home Visiting within a System of Family Supports	How can First 5 LA drive a sustainable system of home visiting within a broader system of family supports?
Early Identification and Intervention	How can First 5 LA operationalize implementation of our early identification and intervention strategy to advance an integrated system of prenatal, maternal and pediatric supports?
Financial Management Guidelines	How will First 5 LA manage its operating budget to address declining revenue projections?

Draft Strategic Priorities and Objectives

Strategic Priorities

Strengthen Public & Community Systems: Improve, integrate, and expand systems of early prevention, intervention, and learning in partnership with public and community agencies, networks and leaders. ○ Why is this a Priority for First 5 LA now? Given state and county priorities, First 5 LA, with its partners, has a transformative opportunity to improve and expand the capabilities of public and community systems to better meet the needs of young children and families and promote their wellbeing.	
Advance and Leverage Community Experience: Connect, maximize and coordinate public resources and local assets within our prioritized fourteen Best Start geographies. ○ Why is this a Priority for First 5 LA now? The 14 Best Start geographies provide an opportunity to demonstrate the impact and value of weaving together key resources and infrastructure to advance local solutions for early prevention, intervention, and learning.	Expand Influence & Impact with Data: Expand the availability, use, and communication power of data to elevate disparities and drive policy change, practice change, and will building. ○ Why is this a Priority for First 5 LA now? Data is an essential tool to build public will and advance learning on early childhood. First 5 LA is well-positioned to help gather, shape and disseminate data and be a critical voice and storyteller on improving results for children and families. 207
Optimize Our Effectiveness: Heighten organizational performance to enhance our impact. ○ Why is this a Priority for First 5 LA now? To successfully lead this work, First 5 LA must align its structure, staffing, processes and culture with our strategic priorities to champion and promote systems change.	

Draft Strategic Priorities and Objectives

Strategic Priorities		Objectives
Strengthen Public & Community Systems: Improve, integrate, and expand systems of early prevention, intervention, and learning in partnership with public and community agencies, networks and leaders.	1.1	Support the development and expansion of a universal system of voluntary home visiting through programmatic and policy leadership that matches supports to family needs, builds on the existing infrastructure, and prioritizes populations that have been historically underserved.
	1.2	Promote maternal and early childhood health and family-strengthening care through advocating for policies and transformative practices to ensure public systems are accountable for timely, equitable, and quality early identification and intervention services. .
	1.3	Incentivize quality and strengthen the early childhood education workforce through advocacy and policy change in the early learning reimbursement rate structure.
	1.4	Align and enhance the eligibility and programmatic quality requirements of publicly funded preschool through policy and advocacy change.
	1.5	Broaden state and local quality initiatives by working with system partners to encompass all early learning settings
	1.6	Deepen collaboration with public and community partners to help shape and embed family-centered and trauma-informed approaches into systems serving children and families.
	1.7	Partner with Best Start local and regional networks of community leaders, organizations, and stakeholders to inform County and State efforts and advance local priorities.
Advance and Leverage Community Experience: Connect, maximize and coordinate public resources and local assets within our prioritized fourteen Best Start geographies.	2.1	Increase collaboration between community networks and demonstrate “proof of concept” for countywide early childhood system change efforts through connecting and coordinating First 5 LA’s programmatic investments and public/private investments in early prevention, intervention, and learning.
	2.2	Explore and test strategies to improve the infrastructure of supports of Family Child Care and Family, Friend, and Neighbor Care.
	2.3	Facilitate increased use of a population-based kindergarten readiness assessment tool to inform community conversations and action.
	2.4	Maximize policy, partnership, and advocacy opportunities in the built environment priority areas (transportation, healthy food, and open space access) and explore the supportive roles First 5 LA can play to address the childhood impacts of environmental health and other community priorities.
Expand Influence & Impact with Data: Expand the availability, use, and communication power of data to elevate disparities and drive policy change, practice change, and will building.	3.1	Activate influential decision makers and policy makers to prioritize young children and families in budgetary, policy, and practice decisions.
	3.2	Increase consumer demand for quality early childhood supports, specifically home visiting, early identification and intervention and early learning.
	3.3	Generate and share learning on effectively incorporating family and community engagement within the work of First 5 LA and our partners. 208
	3.4	Partner on data and evaluation efforts to demonstrate effectiveness and promote continuous quality improvement in prevention and early intervention systems.
	3.5	Expand the adoption, use, and integration of a population-based kindergarten readiness assessment over time in order to capture an accurate snapshot of school readiness in LA County, drive early childhood systems change, and inform best practices of implementation in diverse communities.
Optimize Our Effectiveness: Heighten organizational performance to enhance our impact.	4.1	Adapt our structure and business processes as a public entity to promote efficiencies, foster integration, and recognize our evolving fiscal environment.
	4.2	Maximize revenue opportunities and pursue new dedicated revenue for early childhood, consistent with First 5 LA’s strategic priorities.
	4.3	Strengthen First 5 LA staff’s knowledge, skills and capacities to successfully execute the Strategic Plan.
	4.4	Foster a culture that embodies our values and embraces reflection, learning, innovation and adaptability.

FIRST 5 LA

SUBJECT:

Impact Framework: Indicators for the Results for Children and Families

BACKGROUND – WHERE WE’VE BEEN:

Over the past two years, First 5 LA has been developing the Impact Framework (IF), which reflects an innovative approach to monitoring our progress. Throughout this period, First 5 LA staff have engaged the board in various aspects of the development process. Specifically, staff have:

- 1) Outlined the purpose and intended use of the IF (November 2017)
- 2) Described the components of the IF (November 2017)
- 3) Presented the Results for Children & Families and Contextual Indicators (formerly known as Monitoring Measures) for approval (November 2018)
- 4) Outlined the approach to measurement and indicator selection (March 2019)
- 5) Presented the Long-Term Systems Outcomes (March 2019)
- 6) Presented the proposed Indicators for Results for Children & Families (June 2019)

In addition, staff have engaged with board members in individual briefings to gather insights and feedback related to the Indicators for the Results for Children & Families.

WHERE WE ARE:

As highlighted in previous board discussions, staff emphasized the importance of identifying measures of child and family experiences that reflect progress towards the North Star and can be used to gauge how well systems are working for children and families. To this end, staff developed a set of 10 indicators for the Results for Children and Families by undergoing a process of drafting, prioritizing, vetting, and revising. In order to inform revisions to the proposed indicators, staff gathered feedback from Commissioners and First 5 LA staff. Broadly speaking, the feedback received was:

- 1) Use plain speak
- 2) Be consistent across all indicators
- 3) Be comprehensive
- 4) Speak to relationship of these indicators to First 5 LA's systems work
- 5) Consider additional indicators

Based on this feedback, staff revised the indicators for language clarity and consistency in geographic boundaries, age ranges, and directionality; expanded the indicators to be inclusive of multiple relevant behaviors and populations; created a visual to better communicate the different types of Impact Framework indicators; and added contextual measures. A summary of these revisions can be found in Attachment 1, *Indicators for the Results for Children and Families*. Staff additionally documented input that will be utilized for components of the Impact Framework that have not yet been developed or finalized, including Systems Outcomes, Speaking to Our Contribution, and Real-Time Learnings.

In addition to revising the Indicators for the Results for Children and Families, staff have compiled currently available data on the Indicators for the Results for Children and Families. A summary of

this data can be found in Attachment 2, *Indicators Guide*. The expectation is that staff will use the indicator data during implementation planning for SPR4 and as an input in future Strategic Plan Reflect and Revise cycles.

DISCUSSION:

The purpose of today's discussion at the Special Meeting of the Board/Program and Planning Committee is to:

- 1) Review how the Impact Framework will help First 5 LA track and measure progress towards our North Star
- 2) Review revised indicators for Results for Children & Families and current data for select indicators
- 3) Preview next steps for the Impact Framework

NEXT STEPS – WHERE WE'RE GOING:

After the conversation at the Special Meeting of the Board of Commissioners/Program and Planning Committee, staff will utilize the insights gained to continue with the IF measurement and SPR4 work. At the October Program and Planning Committee meeting, staff will provide an update on revised Contextual Measures (formerly known as Monitoring Measures) and associated data.

Indicators for Results for Children and Families

Original Indicator	Revised Indicator	Reasoning
1. Rate of children birth through age 5 in L.A. County enrolled in an ECE program that has any of the following: A QSLA rating of Tier 3, 4, or 5; a NAEYC accreditation; a NAFCC accreditation; or adherence to a Head Start Program Performance Standards Quality Component.	1. Increased rate of L.A. County children birth to age 5 enrolled in a high-quality early care and education program.	Revised for clarity and to focus on the concept we are trying to measure. The quality ratings and accreditations will be “behind-the-scenes” of how we identify high-quality ECE programs. Finally, the revised indicator demonstrates the direction of change we seek.
2. Rate of income-eligible children birth through age five in LA County enrolled in publicly-funded early learning and care programs.	2. Increased rate of income-eligible L.A. County children birth to age 5 enrolled in publicly-funded early care and education programs.	The revised indicator demonstrates the direction of change we seek.
3. Rate of children screened (9-month, 18-month, 24-month/30-month, PEDS, MCHAT, ASQ/ASQ-SE).	3. Increased rate of L.A. County children birth to age 3 with a developmental delay participating in early intervention services.	Recognizing that screening on its own is not enough to connect children to services, this revision de-emphasizes screening and focuses on receipt of services. Increased screening rates will be a Short-term Systems Outcome (STSO) as this is a critical first step towards connecting children to services. Finally, the revised indicator demonstrates the direction of change we seek.
4. Average age of entry in special education services.	4. Decreased average age of L.A. County children entering into special education services.	Revised for clarity. Additionally, the revised indicator demonstrates the direction of change we seek.
5. Cumulative risk of involvement in Child Protective Services from birth to age five.	5. Decreased rate of L.A. County children with Child Protective Services involvement at any point during the first 5 years of life.	Revised for clarity. Additionally, the revised indicator demonstrates the direction of change we seek. Finally, out-of-home placement will be added as a contextual measure.
6. Percentage of families who read to their child every day.	6. Increased rate of L.A. County families with children birth to age 5 who read, tell stories, sing, play music, or teach letters, words, or numbers to their child daily.	This indicator was expanded to be inclusive of the many ways families support children’s language development. Additionally, the revised indicator demonstrates the direction of change we seek.
7. Rate of families with age-eligible children participating in home visiting programs.	7. Increased rate of L.A. County families who participated in home visiting programs at any point prenatally through age 5.	The revised indicator demonstrates the direction of change we seek.
8. Participation by eligible families in: CalWORKS, CalFresh, WIC, & Medi-Cal.	8. Increased rate of eligible L.A. County families with children prenatal to age 5 participating in safety net programs.	Revised for clarity. Additionally, broadly stating “safety net programs” allows us greater flexibility to add programs in the future. Finally, the revised indicator demonstrates the direction of

		change we seek.
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Original Indicator	Revised Indicator	Reasoning
9. Rate of parents/caregivers who report having one or more people to talk to in times of need.	9. Increased rate of L.A. County families with children birth to age 5 who report having one or more people to talk to in times of need.	The revised indicator demonstrates the direction of change we seek.
10. Rate of families with children prenatal to 5 that have access to parks and open spaces.	10. Increased rate of L.A. County families with children birth to age 5 that have access to parks and open spaces.	The revised indicator demonstrates the direction of change we seek.

Indicators Guide

The indicators for the Results for Children and Families are a component of the Impact Framework which represent child and family conditions that reflect progress towards the North Star. Monitoring this data will help First 5 LA gauge how well systems are working for children and families. This document highlights the value of each indicator and provides a high-level summary of currently available data and trends. At this time, we are reporting data and trends from publicly available data sources; data on result indicators will be updated once additional data is secured.

Result Indicator	Value of the Indicator	Current Data Source ¹	Most recent data	Historical data trends
1. Increased rate of L.A. County children birth to age 5 enrolled in a high-quality early care and education program.	There is a large body of evidence that suggests having high-quality early care and education (ECE) experiences prior to kindergarten entry leads to later school success. Beyond the experiences that improve specific cognitive domains, such as reading, language development and numeracy skills, participating in high-quality ECE promotes socio-emotional development through structured play, physical and motor development and the building of positive relationships with providers and peers. This indicator provides insights into the proportion of children in L.A. County connected to such services.	Proxy Measure: Quality Counts California (QCC) Common Data File for L.A. County	In 2017-18, just under 6% of the 631,911 children under five years old in L.A. County were attending a Quality Start Los Angeles (QSLA)-rated high quality early care and education program. Among the 43,660 children served in QSLA-rated programs during 2017-18, a total of 37,111 children were enrolled in programs that were rated Tier 3 or higher. ²	<i>Pending access to historical data</i>
2. Increased rate of income-eligible L.A. County children birth to age 5 enrolled in publicly-funded early care and education programs.	Participation in subsidized early care and education programs not only offers access to high-quality programs for low-income families, it also enhances the overall economic well-being of families in L.A. County. The research related to the relationship between family economic well-being and school readiness and later success is well established. This indicator provides insights into the proportion of children in L.A. County connected to such a resource.	Direct Measure: Enrollment data from Los Angeles County Office of Education (LACOE) and the Office for the Advancement of Early Care and Education (OAECE) Annual Survey of Early Care and Education Providers; Child Care Alliance of Los Angeles (CCALA)	70,516 children in L.A. County are enrolled in early care and education settings subsidized by state and federal funding sources as of April 2019. This represents 15.5% of the 455,581 children who were eligible for subsidized care in 2016. ³	213 <i>Pending access to historical data</i>

¹ Please note there are three current measures of the indicators: (1) Direct measures of the indicator, (2) Proxy measures which are indirect measures that provide an estimation of the indicator, and (3) Related Data which is provided when no measure of the indicator currently exists and a close alternative provides some insights into the current state of affairs.

² Please note additional data will be added in the future to include enrollments in programs with NAEYC accreditation, NAFCC accreditation, or those in compliance with Head Start Program Performance standards.

³ American Institutes for Research (2016). Early Learning Needs Assessment Tool.

Result Indicator	Value of the Indicator	Current Data Source	Most recent data	Historical data trends
3. Increased rate of L.A. County children birth to age 3 with a developmental delay participating in early intervention services.	Research has shown that the earlier children’s developmental needs are identified, the more effective the intervention can be in supporting healthy child development, reducing stress in the home, increasing parental capacity and increasing success in school. This indicator provides insights into the proportion of children in L.A. County connected to such services.	Proxy Measure: CA Office of Special Education Programs (OSEP) Early Start Part C Annual Performance Report, Percent of children and toddlers birth to 3 with Individual Family Service Plans (IFSP)	Fiscal Year 2017 Early Start data indicates that 47,025 California children birth through age 3 are receiving early intervention services through the Regional Centers. This represents 3.18% of the 1,476,631 infants and toddlers in California. ⁴ However, literature on early identification suggests 12–16% of children in the United States have at least one developmental delay. ⁵	The proportion of California children who receive early intervention services through Early Start has increased slightly over the ten-year period between 2005 and 2017 (from 1.99% to 3.18%).
4. Decreased average age of L.A. County children entering into special education services.	Research has shown that the earlier children’s developmental needs are identified, the more effective the intervention can be supporting healthy child development, reducing stress in the home, increasing parental capacity and increasing success in school. Indicator 4 adds value by capturing services received beyond IDEA Part C (Early Start) by tracking the average age of children entering special education services with the goal of reducing this age over time, signaling that children are receiving services earlier.	Proxy Measure: California Department of Education Special Education Division, Average age of children receiving special education services for speech or language impairment ⁶	As of December 2017, the average age of children receiving special education services for speech or language impairment among children in L.A. County was 6.25 years old.	Over the last ten years, the average age of those receiving special education services has gradually decreased by 0.6 years.

⁴ Data is currently available only as a state-wide indicator and not specific to L.A. County.
⁵ Mackrides, P. S., & Ryherd, S. J. (2011). Screening for developmental delay. *American Academy of Family Physicians*, 84 (5), 544 – 549.
⁶ Speech and language impairments are the most prevalent developmental delay among young children, and frequently accompanies other delays.

Result Indicator	Value of the Indicator	Current Data Source	Most recent data	Historical data trends
5. Decreased rate of L.A. County children with Child Protective Services involvement at any point during the first 5 years of life.	Children involved in the child welfare system are less likely to participate in high-quality early care and education programs, to be ready for kindergarten, or to graduate from high school. They are also more likely to be involved in other systems. This indicator provides insights into the proportion of children who have involvement with the child welfare system during their early childhood.	Direct Measure: Children’s Data Network, Cumulative Risk of Child Protective Services Involvement	Of children born in 2013, 16.2% were reported to Child Protective Services (CPS) as a victim at least once during their first 5 years of life, 5.7% were substantiated as a victim, and 2.8% were placed in out-of-home care.	There has been a slight increase in the rate of children reported to CPS as a victim at least once during their first 5 years of life, from 14.6% of children born in 2007. No significant changes occurred in the rate of children with substantiated cases or out-of-home placement.
6. Increased percentage of L.A. County families with children birth to age 5 who read, tell stories, sing, play music, or teach letters, words, or numbers to their child daily.	Research has shown that families play a key role in supporting their child’s language development. This indicator serves as a proxy for both awareness of child development and active parental engagement.	Proxy Measure: Public Health Foundation Enterprises (PHFE) WIC Research and Evaluation Department, Los Angeles County WIC Survey ⁷	In 2017, of 6,000 surveyed WIC parents: • 45% reported reading to their child every day. • 35% reported telling stories to their child every day. • 67% reported playing music to their child every day. • 60% reported teaching letters, words, or numbers to their child every day.	Since 2008, there have been slight increases in the percentage of WIC parents reading to their child everyday (from 37% to 45%) and in telling stories to their child every day (from 27% to 35%).

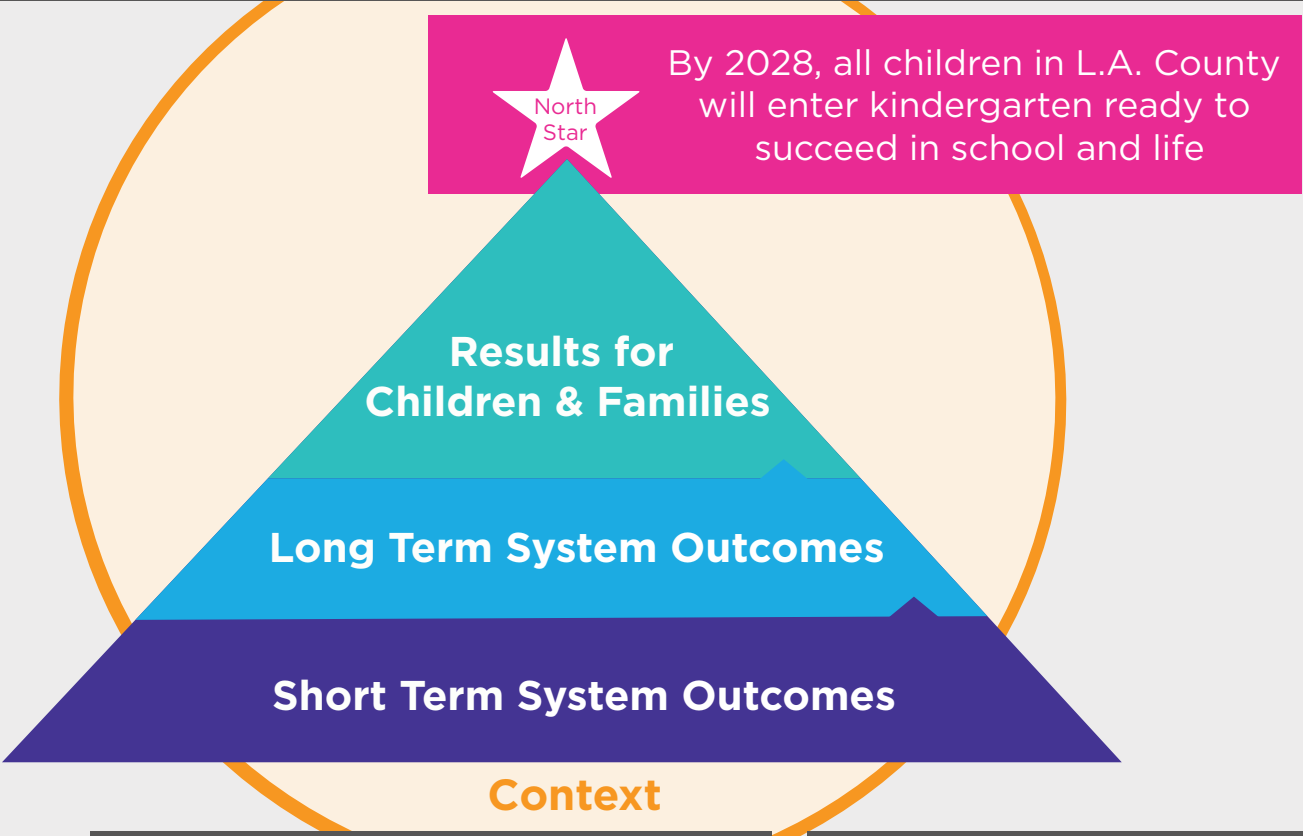
⁷ 48% of L.A. County families with children under the age of 5 participated in WIC in 2017. While the L.A. County WIC Survey is representative of the population of low-income WIC participants, it is not a population-wide measure for L.A. County broadly.

Result Indicator	Value of the Indicator	Current Data Source	Most recent data	Historical data trends
7. Increased rate of L.A. County families who participated in home visiting programs at any point during prenatal through age 5.	Home visiting is a powerful tool to support and strengthen families by providing family-centered coaching and mentoring, education, support on an individual basis, and connecting families to additional critical services and supports. Home visitors meet families where they are and foster the critical parent-child bond by reinforcing parents' own efforts and abilities to optimize their child's development. This indicator provides insights into the proportion of children in L.A. County connected to such services.	Direct Data: Los Angeles Best Babies Network (LABBN), Enrollments in First 5 LA funded Home Visiting Programs (Welcome Baby, Healthy Families America and Parents as Teachers)	A total of 18,678 families enrolled in First 5 LA-funded home visiting programs during Fiscal Year (FY) 2018-19. In 2017, 128,919 children were born in L.A. County. ⁸	Enrollment in Welcome Baby has seen a steady increase from 12,777 in FY 2016-17 to 16,851 in FY 2018-19, while enrollments in First 5 LA-funded Healthy Families America and Parents as Teachers have remained relatively stable.
8. Increased rate of eligible L.A. County families with children prenatal to age 5 participating in safety net programs.	Public service system programs, such as CalWORKS, CalFresh, WIC and Medi-Cal, represent the availability of critical economic support resources for children and families. They allow families to meet important health care and basic needs. This measurement is a proxy for systems being accessible and available to meet families' needs.	• Related Data: CA Department of Social Services, California Work Opportunity and Responsibility to Kids (CalWORKS) • Direct Measure: CA Department of Social Services, CalFresh Program Reach Index. • Related Data: U.S. Department of Agriculture, CA WIC Program MIS System. • Related Data: Department of Health Care Services, Medi-Cal Penetration Brief.	• In 2019, 18% of children under 18 years old in L.A. County receive CalWORKS⁹. • In 2017, CalFresh reached over two-thirds (69%) of all eligible families. • In 2017, WIC served roughly half of all L.A. County children under the age of 5 years old.⁹ • In 2015, 57.7% of all children birth to age five years old in L.A. County had Medi-Cal as their primary insurer.⁹	• Within the past seven years (2012-19), there has been a slight decrease in children under 18 years old receiving CalWORKS with 24% of children receiving cash assistance in 2012.²¹⁶ • Over a ten-year span (2007-2017), the percent of L.A. County children under age 5 years old participating in WIC slightly decreased.

⁸ Enrollment data for home visiting programs that do not receive First 5 LA funding is not currently available.

⁹Please note that data estimates for the number of families eligible for CalWORKS, WIC, and Medi-Cal is pending access. Currently accessible data looks at participation compared to the total population of children in L.A. County and does not account for eligibility criteria.

Result Indicator	Value of the Indicator	Current Data Source	Most recent data	Historical data trends
9. Increased rate of L.A. County parents/caregivers with children birth to age 5 who report having one or more people to talk to in times of need.	Research suggests that having stable social connections has been shown to be a critical support for families that enables them to deal with economic, social and parental stress. This indicator measures how well families have access to informal supports to assist in promoting their child's development.	Proxy Measure: PHFE WIC Research and Evaluation Department, L.A. County WIC Survey ⁷	Across L.A. County during 2017, more than 80% of parents/caregivers report having someone to turn to if they needed someone to comfort or listen to them.	<i>Pending access to historical data</i>
10. Increased rate of L.A. County families with children prenatal to age 5 that have access to parks and open spaces.	Families having access to parks and open spaces is representative of a community environment that offers the type of resources that enable families to be active and connect with others. This indicator can be viewed as a demonstration of communities' commitment to young children and building social connections.	Direct Measure: Los Angeles County Department of Parks and Recreation, Needs Assessment, Percentage of L.A. County residents who reside within one half-mile of a park, beach, or other open space greater than one acre.	In 2016, 49% of people residing in L.A. County lived within one-half mile of a park, beach, or other open space greater than one acre while 51% lived beyond one-half mile. Overall, 80% of parks in L.A. County experience high park pressure (amount of available land versus density of population in area) making play and connection difficult.	<i>Pending access to historical data</i>



Types of Indicators	What They Are	How We Will Use Them
Results for Children and Families	The child and family experiences that reflect progress towards the North Star	To gauge how well systems are working for children and families
Long Term System Outcomes	The improvements needed in systems so that they work for children and families	To measure the progress of our systems change strategies
Short Term System Outcomes	The early improvements in systems expected from our strategies	To guide course-correction as early markers of progress
Context	Conditions within L.A. County which affect our work	To understand our context and inform our strategies

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES
FIRST – PROPOSITION 10 COMMISSION**
(a Component Unit of the
County of Los Angeles, California)

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019



**LOS ANGELES COUNTY
CHILDREN AND FAMILIES
FIRST – PROPOSITION 10 COMMISSION**
(a Component Unit of the
County of Los Angeles, California)

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2019

Raoul Ortega

Director of Finance

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
FOR THE YEAR ENDED JUNE 30, 2019**

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October 10, 2019

Board of Commissioners
 First 5 LA
 750 North Alameda Street, Suite 300
 Los Angeles, CA 90012

Dear Commissioners:

The Comprehensive Annual Financial Report (CAFR) of the Los Angeles County Children and Families First – Proposition 10 Commission (First 5 LA) for the year ending June 30, 2019, is hereby submitted, as mandated by applicable statutes. These statutes require First 5 LA to annually issue a report of its financial position and activity.

A complete audit of the report by an independent firm of certified public accountants is also required. Responsibility for both accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Commission's management team. The information in this report is intended to present the reader with a comprehensive view of the Commission's financial position and the results of its operations for the fiscal year, along with additional disclosures and financial information designed to provide an understanding of First 5 LA's financial activities.

Eide Bailly LLP, Certified Public Accountants, have issued an unmodified ("clean") opinion on First 5 LA's financial statements for the year ending June 30, 2019. The independent auditors' report is located at the beginning of the financial section of this report. Management also provides a narrative introduction, overview and analysis of the basic financial statements in the form of the Management's Discussion and Analysis (MD&A).

PROFILE OF THE COMMISSION

First 5 LA was created by the Los Angeles County Board of Supervisors in December 1998 following the passage of Proposition 10, through which California voters made an unprecedented investment in early childhood development.

Over the last twenty years, First 5 LA has made a lasting positive impact in Los Angeles County through its allocation of over \$2.4 billion to support diverse partnerships, innovative programs, leading policy and systems change efforts and operations that improve the well-being of young children and families.

ECONOMIC OVERVIEW

Los Angeles County is home to more than 10.1 million residents with a workforce of more than 5.1 million today. Entertainment, global trade and other supporters continue to thrive in the booming metropolis while industries such as health care and advanced transportation are becoming new key drivers of regional prosperity. The unemployment rate in Los Angeles County decreased to 4.5% in June 2019 compared to 4.8% in June 2018. This decrease is due to the county's labor force shortened by about 11,000 to 5.1 million. That has run counter to national trends that have seen

COMMISSIONERS

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Judy Abdo <i>Vice Chair</i>	Jonathan E. Sherin, M.D., Ph.D.	

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M.P.H., M.Ed.
Wendy Garen
Karla Pleitez Howell
Deanne Tilton

EXECUTIVE DIRECTOR

Kim Belshé

EXECUTIVE VICE PRESIDENT

John A. Wagner

A PUBLIC ENTITY

more people entering the labor force in search of higher paying jobs. The county's 4.5% unemployment rate remained higher than the statewide average of 4.2% and the national average of 3.6%.

Los Angeles County is one of the most substantial economic engines within the United States with a diverse economy in a broad range of professional and cultural fields. The county will continue its shift from production industry like manufacturing to service industry with major growth in professional business services, health care and social assistance such as child day care and in-home supportive services. Over the next 5 years the county is expected to grow in health care and social assistance sectors by 2.6% per year and add over 90,000 jobs.

ORGANIZATION ALIGNMENT

Highlights to call out here include:

- Staffing – First 5 LA's evolving approach to impact – one that places less emphasis on direct services and more emphasis on partnership, policy and systems – has implications for First 5 LA's staffing. Our more collaborative, partners-focused approach to advancing shared policy and systems goals is more staff-intensive, relative to staff's more traditional contract solicitation and management roles.
- Equity - With Board approval of a new Investment Guideline focused on equity, First 5 LA is considering how to most effectively center equity in our work, including our strategies, values and organizational processes. First 5 LA's equity journey will take time and will incorporate opportunities to listen to and learn from the Board, staff and partners alike.
- Staff development/support – First 5 LA recognizes the importance of supporting staff to learn and grow in their jobs and strengthen the skills and capabilities they need to succeed. Training priorities have been identified that are grounded in our commitment to effectively execute the Strategic Plan, invest in our employees, and secure First 5 LA's continued success as a high-performing, high-impact organization.
- Infrastructure/systems – We continue to invest in infrastructure and some of the foundational systems supporting staff and the work we do. As an example, given the Capital Improvement Plan, and in an effort to enhance efficiencies, improve information sharing and security, we have been migrating many of our Information and Technology (IT) systems to the cloud, refining the process for upgrading and enhancing these systems from a variety of locations, preparing for the building renovations mentioned below. We have also upgraded aspects of our accounting, contracting, and document management systems, moving towards a vision of enhancing the integration of these systems.
- Capital improvements – As the owner and operator of its building, into which First 5 LA moved in 2005, we are reaching the point in the life of our facility which will require certain capital expenditures to maintain this critical asset. Following the Board's direction in establishing a Capital Improvement Fund (CIF) as part of the FY 2017-18 Budget process as well as the Board-approved Capital Improvement Plan (CIP), we are moving this critical project forward in a way to provide needed upgrades to the building as well as to enhance the way in which we work. Solicitations for different aspects of this project have begun and we anticipate construction occurring in the upcoming calendar year.

A SHIFT IN APPROACH

First 5 LA just completed its fourth year of implementation for the 2015-2020 Strategic Plan which marked a shift in approach from mainly funding programs toward a focus on policy and systems change and finding ways to effectively partner with others to advance aligned goals to strengthen families and improved child outcomes. This new strategic approach is based on First 5 LA's desire to direct its resources to have the greatest impact on families and children prenatal to age five in Los Angeles County.

This new approach is an important distinction from previous years and signals a transition that will allow Commission resources to have a broader impact for children and families across the County. Consistent with the Commission-approved strategic direction, First 5 LA will place greater emphasis on efforts to contribute to sustainable public financing, public policy and systems-level change, and less emphasis on funding direct services.

To ensure all children in L.A. County enter kindergarten ready to succeed in school and life, the Strategic Plan directs that the Commission's work focus on the following four priority outcome areas, as defined below:

Families: Increased family protective factors

- Work with parents and caregivers so that they have the skills, knowledge and access to resources they need to support their child's development.

Communities: Increased community capacity to support and promote the safety, healthy development, and well-being of children prenatal to age 5 and their families

- Support a community's ability to foster safe, healthy, engaged neighborhoods that help children and their families thrive.

Early Care and Education Systems: Increased access to high-quality early care and education

- Increase access to affordable, quality child care and preschool.

Health-Related Systems: Improved capacity of health, mental health, and substance abuse services systems to meet the needs of children prenatal to age 5 and their families

- Improve how health-related systems coordinate and deliver care to young children and their families in L.A. County.

The Commission continues to conduct all decision-making processes in accordance with the governance guidelines, approved in March 2014 with the intention of advancing important First 5 LA goals, including:

- Transparency and consistency in First 5 LA's decision-making;
- Coordination, coherence and integration of First 5 LA investments; and
- Accountability, acknowledging First 5 LA's declining revenues.

These guidelines continue to ensure that decisions made by the Commission are guided by the principles of financial responsibility, accountability, and adherence to the Commission's Strategic Plan.

LOOKING AHEAD

First 5 LA enters the fifth year of the 2015-2020 Strategic Plan mindful of the fiscal reality of declining resources, as well as the need to continue both refining the strategies and activities outlined in the 2015-2020 Strategic Plan and assessing the alignment of current work to the new outcomes. We will continue to achieve our goals for young children by working to advance Commission priorities with a renewed focus on sustainability and leveraging, and with consideration paid to the fiscal outlook presented in the most recent Long-Term Financial Projection.

As legacy investments come to the end of their contracts, First 5 LA's resources will be more fully dedicated to the outcomes and strategies detailed in the Strategic Plan. The FY 2019-20 budget continues to reflect costs for ongoing legacy initiatives that will soon be either ending or ramping down but represents a 64% decrease in anticipated spending from FY 2018-19, while simultaneously accounting for commitments made by the Commission. The Commission will continue to prioritize investments in the current Strategic Plan.

As we enter the final year of our current 5-year strategic plan period, the implementation began at different starting points. In the year ahead, we will continue to strengthen First 5 LA's longer-term signature investments, such as Welcome Baby and Best Start, through our partnerships with providers and parents; we will solidify new systems change efforts that are gaining support and traction, such as kindergarten readiness assessment efforts, and we will transition from planning to implementation of new work, such as early identification and intervention (Help Me Grow) and the built environment. Advancing meaningful change in policies and systems and achieving progress towards population-level improvements for all children in LA County is a long-term proposition; it's exciting to see First 5 LA gaining some real momentum in this work.

The varying stages of development and implementation are reflective of First 5 LA's evolving strategic direction and approach. This continued evolution is being further developed through the SPR4 (Strategic Plan Review, Reflect, Refine, Results) process which will allow us to build on the foundational work of the 2015-2020 Strategic Plan, as well as our experience in policy and systems change work, to refine our existing strategies in pursuit of our North Star that *"By 2028, all children enter kindergarten ready to success in school and life."* A draft of the refined Strategic Plan is anticipated to go before the Board of Commissioners in the fall of 2019.

OTHER FINANCIAL INFORMATION

Internal Controls

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. The internal control structure is designed to protect the Commission's assets from loss, theft or misuse and to ensure that adequate accounting data is compiled for the preparation of the financial statements in conformity with Generally Accepted Accounting Principles. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

Budgetary and Accounting System

The Commission is not required to adopt a budget for the following year before the end of each fiscal year. However, the Commission has historically adopted a budget to ensure controlled spending. Any increase to previously adopted appropriations during the fiscal year requires Commission approval. The Executive Director has the authority to make adjustments to the operating budget in an amount not to exceed \$25,000, and any adjustments to the adopted fiscal year budget for programs must be approved by the Commission. Monthly financial updates are also provided to the

Board of Commissioners. The Commission has not adopted or revised any financial policies that may have a significant impact on the current period's financial statements.

Long Term Financial Projection

Each year, First 5 LA updates its Long Term Financial Projection (LTFP), a five-year forecast that includes revenue, fund balance, program commitments, expenditure projections and operating expenses. The goal of the LTFP is to aid in the Commission's financial stewardship role by showing the long-term implications of funding decisions. Changes to the LTFP may be driven by updates to actual financial data or action taken by the Commission. The most recent LTFP approved by the Commission in February 2019 demonstrates that while resources are adequate to cover existing obligations in the short-term, the current rate of spending is unsustainable in the long-term.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to First 5 LA for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the eleventh consecutive year that First 5 LA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, First 5 LA must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ACKNOWLEDGEMENTS

The Commission's Comprehensive Annual Financial Report was prepared through the combined efforts of all First 5 LA staff. Special recognition is due to the Finance Department staff for their effort to ensure timely and accurate reporting. I would also like to thank the Board of Commissioners for your responsible and thoughtful fiscal stewardship of First 5 LA's financial operations.

Sincerely,



Kim Belshé
Executive Director

KB: ro

FIRST 5 LA

Commissioners

Sheila James Kuehl, Los Angeles County Supervisor, Chair
Judy Abdo, Vice Chair
Bobby D. Cagle, MSW
Astrid Heger, M.D.
Yvette Martinez
Jonathan E. Sherin, M.D., Ph.D.
Romalis J. Taylor
Keesha Woods
Marlene Zepeda, Ph.D.

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Barbara Ferrer, Ph.D., M.P.H., M.Ed.
Wendy Garen
Karla Pleitéz Howell, J.D.
Deanne Tilton

Alternate Commissioners

Linda Aragon
Victor Manalo, Ph.D.
Terry Ogawa
Sylvia S. Swilley, M.D.
Christopher Thompson, M.D.
Arturo Valdez
Michelle Vega

Executive Director

Kim Belshé

Executive Vice President

John A. Wagner

Vice Presidents

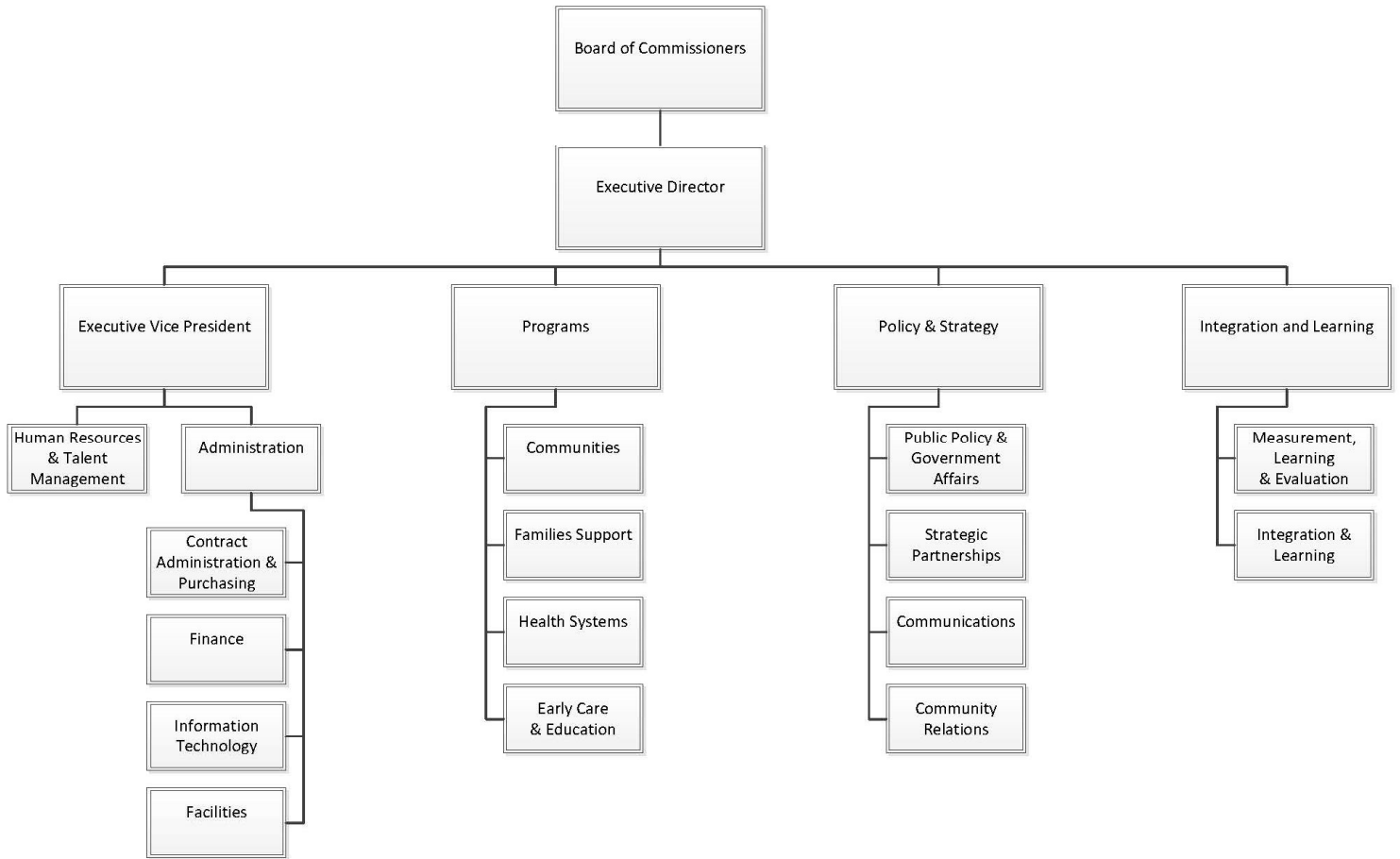
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Kim Pattillo-Brownson, Policy & Strategy Division
Daniela Pineda, Integration & Learning Division

Senior Director of Administration

Carl Gayden

Department Heads

Antoinette Andrews-Bush, Communities
Jasmine Frost, Information Technology
Peter Barth, Public Policy & Government Affairs
Gala Collins, Human Resources & Talent Management
Barbara DuBransky, Family Supports
Jennifer L. Eckhart, Contract Administration & Purchasing
Tara Ficek, Health Systems
Manuel Fierro, Integration & Learning
Rafael González, Community Relations
Armando Jimenez, Measurement, Learning & Evaluation
Raoul Ortega, Finance
Jennifer L. Pippard, Strategic Partnerships
Gabriel Sanchez, Communications





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California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morrell

Executive Director/CEO

INDEPENDENT AUDITORS' REPORT

Board of Commissioners
Los Angeles County Children and Families
First – Proposition 10 Commission
Los Angeles, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Los Angeles County Children and Families First – Proposition 10 Commission (Commission), a component unit of the County of Los Angeles, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Commission, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Commission's basic financial statements. The introductory section, schedule of First 5 California funding, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of First 5 California funding is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of First 5 California funding is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated _____, on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Commission's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

Rancho Cucamonga, California

_____, 2019

**Los Angeles County Children and Families First – Proposition 10 Commission
Management’s Discussion and Analysis
(Unaudited)**

This section of the Los Angeles County Children and Families First – Proposition 10 Commission (the “Commission”) comprehensive annual financial report presents management’s discussion and analysis of the Commission’s financial performance during the year ending June 30, 2019. This discussion and analysis is intended to be read in conjunction with the Commission’s basic financial statements and accompanying notes.

Financial Highlights

- The Commission recognized a total of \$90.0 million in revenues from First 5 California (the State), reflecting a 23.0% increase of \$16.8 million from \$73.2 million in FY 2017-18. Total program revenues for FY 2018-19 in the amount of \$90.9 million include tobacco taxes, IMPACT Hubs funds, Department of Education for Child Care and Development fund and pass-through fund for Medi-Cal Administrative Activities.
- Commission expenses totaled \$119 million in FY 2018-19, representing a 2.6% decrease of \$3.2 million from \$122.2 million in FY 2017-18.
- The Commission’s liabilities decreased from \$20.7 million in FY 2017-18 to \$20.6 million in FY 2018-19, reflecting a total decrease of approximately \$0.1 million, or 0.4%.
- The Commission’s total net position decreased from \$390.1 million in FY 2017-18 to \$375.2 million in FY 2018-19, a decline of approximately \$14.9 million, or 4%.

Overview of the Financial Statements

The comprehensive annual financial report consists of two parts, this management’s discussion and analysis and the basic financial statements, including: government-wide financial statements, fund financial statements, and notes to the basic financial statements. The Commission’s financial statements offer key, high-level financial information about its activities.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Commission’s finances, in a manner similar to a private-sector business. These statements provide both long-term and short-term information about the Commission’s overall financial status.

The Statement of Net Position includes information on all of the Commission’s assets and liabilities, with the difference between assets and liabilities reported as net position. Changes in net position may serve as a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Activities presents information showing how the Commission’s net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows.

Los Angeles County Children and Families First – Proposition 10 Commission
Management’s Discussion and Analysis
(Unaudited)

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. All of the Commission’s activities are accounted for in the general fund.

Governmental fund financial statements focus on near-term inflows and outflows of spendable resources and balances of spendable resources available at the end of the year.

While a nine-member Board of Commissioners governs the Commission, the Commission was created by, and ultimately is, under the authority of the Los Angeles County Board of Supervisors, in accordance with California State Law, through its appointment of the Board of Commissioners and its ability to remove the Commissioners at will. Consequently, the County of Los Angeles Auditor-Controller’s Office has designated the Commission as a “discretely presented component unit” of the County of Los Angeles and includes a summary of the Commission’s basic financial statements in the County’s basic financial statements.

Government-wide Financial Statements Analysis

The following is a summary of the Commission’s assets; liabilities and net position comparing FY 2018-19 with FY 2017-18:

	FY 2018-19	FY 2017-18	Percent Increase (Decrease)	Increase (Decrease)
Assets:				
Current and other assets	\$384,943,434	\$399,700,657	-3.69%	(\$14,757,223)
Capital assets	10,841,379	11,046,294	-1.86%	(204,915)
Total assets	<u>\$395,784,813</u>	<u>\$410,746,951</u>	<u>-3.64%</u>	<u>(\$14,962,138)</u>
Liabilities:				
Long-term liabilities	\$691,066	\$683,056	1.17%	\$8,010
Other liabilities	19,914,054	19,998,763	-0.42%	(84,709)
Total liabilities	<u>\$20,605,120</u>	<u>\$20,681,819</u>	<u>-0.37%</u>	<u>(\$76,699)</u>
Net Position:				
Unrestricted	\$364,338,314	\$379,018,838	-3.87%	(\$14,680,524)
Net investment in capital assets	10,841,379	11,046,294	-1.86%	(204,915)
Total net position	<u>\$375,179,693</u>	<u>\$390,065,132</u>	<u>-3.82%</u>	<u>(\$14,885,439)</u>
Total liabilities and net position	<u>\$395,784,813</u>	<u>\$410,746,951</u>	<u>-3.64%</u>	<u>(\$14,962,138)</u>

Los Angeles County Children and Families First – Proposition 10 Commission
Management's Discussion and Analysis
(Unaudited)

The Commission's total assets of \$395.8 million represent a decrease of \$15 million, or a 3.6% decline, compared with the prior year. Of this total, the decrease in current and other assets is approximately \$14.8 million. The key factor contributing to this reduction in total assets is that total expenses, including program expenses (such as provider grants and contractors), were higher than the total revenue by \$14.9 million.

The \$204,915 decrease in capital assets resulted from continued depreciation of the Commission's capital assets. The depreciation expense for FY 2018-19 was \$302,300. Additional information on capital assets can be found in Note 3 of this report.

The following is a summary of the Commission's revenues; expenses and change in net position comparing FY 2018-19 with FY 2017-18:

	FY 2018-19	FY 2017-18	Percent Increase (Decrease)	Increase (Decrease)
Revenues:				
Program revenues				
Tobacco taxes	\$68,580,443	\$72,330,836	-5.19%	(\$3,750,393)
Prop 56	7,482,310	-	100.00%	7,482,310
State Commission program funds	13,986,085	896,040	1460.88%	13,090,045
Medi-Cal Administrative Activities	350,924	181,859	92.96%	169,065
California department of Education	376,551	298,700	26.06%	77,851
Other Program Revenue	123,793	1,016,683	-87.82%	(892,890)
Total program revenues	<u>\$90,900,106</u>	<u>\$74,724,118</u>	<u>21.65%</u>	<u>\$16,175,988</u>
General revenues				
Investment income	\$8,183,532	\$6,830,856	19.80%	\$1,352,676
Net Increase (decrease) in fair value of Investments	4,898,141	(2,742,856)	-278.58%	7,640,997
Other General income	133,321	148,135	-10.00%	(14,814)
Total general revenues	<u>13,214,994</u>	<u>4,236,135</u>	<u>211.96%</u>	<u>8,978,859</u>
Total revenues	<u>\$104,115,100</u>	<u>\$78,960,253</u>	<u>31.86%</u>	<u>\$25,154,847</u>
Expenses:				
Provider grants and other allocations	\$97,979,838	\$101,364,209	-3.34%	(\$3,384,371)
Pass-through grants	273,294	136,877	99.66%	136,417
Salaries and benefits	17,532,230	17,382,747	0.86%	149,483
Operating services	1,122,911	1,232,687	-8.91%	(109,776)
Consultant services	881,090	850,154	3.64%	30,936
Professional services	382,450	500,050	-23.52%	(117,600)
Professional development	186,902	166,975	11.93%	19,927
Other expenses	339,524	273,951	23.94%	65,573
Depreciation	302,300	312,988	-3.41%	(10,688)
Total expenses	<u>\$119,000,539</u>	<u>\$122,220,638</u>	<u>-2.63%</u>	<u>(\$3,220,099)</u>
Change in net assets:	<u>(14,885,439)</u>	<u>(43,260,385)</u>	<u>-65.59%</u>	<u>28,374,946</u>
Net position – beginning	<u>390,065,132</u>	<u>433,325,517</u>	<u>-9.98%</u>	<u>(43,260,385)</u>
Net position – ending	<u>\$375,179,693</u>	<u>\$390,065,132</u>	<u>-3.82%</u>	<u>(\$14,885,439)</u>

**Los Angeles County Children and Families First – Proposition 10 Commission
Management’s Discussion and Analysis
(Unaudited)**

Revenues

The Commission received a total of roughly \$104.1 million in revenues for FY 2018-19, reflecting an increase of \$25.1 million, or 32.0% compared with the prior year’s total revenues of \$79 million. The overall changes in revenue are due to the following.

Tobacco Tax

Tobacco tax revenue decreased from \$72.3 million in FY 2017-18 to \$68.6 million in FY 2018-19, a decrease of \$3.8 million, or 5.19%. The decrease in revenue was due to declining sales of tobacco products and the decline in birth in Los Angeles County.

Prop 56

Proposition 56 backfill (or “hold harmless”) amounts are calculated in arrears, which considered in FY 2016-17 actual revenue loss attributable to Proposition 56. The backfill amount increases revenue in FY 2018–19 by \$7.5 million.

State Commission Program Funds

Other State Commission program funds increased from \$896,040 in FY 2017-18 to \$14.0 million in FY 2018-19, an increase of \$13.1 million. This increase was due to drawing more funds for Child360 program that supports QRIS rating at non-CSPP sites. This fund has always been allowable under the IMPACT grant, but only last year the Commission started drawing down in significant amounts, hence the dramatic increase in expenditure between FY 2017-18 and FY 2018-19. The funds that have drawn down from F5CA will be re-invested in Quality Improvement work moving forward under the current and forthcoming Strategic Plan.

Medi-Cal Administrative Activities

The Medi-Cal Administrative Activities (MAA) program increased from \$181,859 in FY 2017-18 to \$350,924 in FY 2018-19. The program, contracted through the County of Los Angeles, assists in the administration of the Medi-Cal program by improving the availability and accessibility of Medi-Cal services to eligible participants. This increase is a result of more activity reported. It is important to note that MAA reimbursements are based on activities that are reimbursed from 18 months prior to billing.

California Department of Education

The California Department of Education fund increased from \$298,700 in FY 2017-18 to \$376,551 in FY 2018-19, an increase of \$77,851, or 26.06%. The increase was due to CDE’s timing of distribution in which 90% of grant was distributed up front and 10% was distributed at the end of the grant period which crosses fiscal years.

Other Program Revenue

Other Program revenue decreased from \$1.02 million in FY 2017-18 to \$123,793 in FY 2018-19, the decrease of \$892,890, or 87.82%. FY 2017-18 revenue was higher due to the California Community Foundation for the bridge fund closeout.

Investment Income

The Commission earned \$8.2 million of investment income in FY 2018-19, which was an increase of roughly \$1.4 million, or approximately 19.8%, compared with the \$6.8 million earned in the prior year. This increase is due to the overall rate of return which increased from the prior year with an average earning of 2.09%

**Los Angeles County Children and Families First – Proposition 10 Commission
Management’s Discussion and Analysis
(Unaudited)**

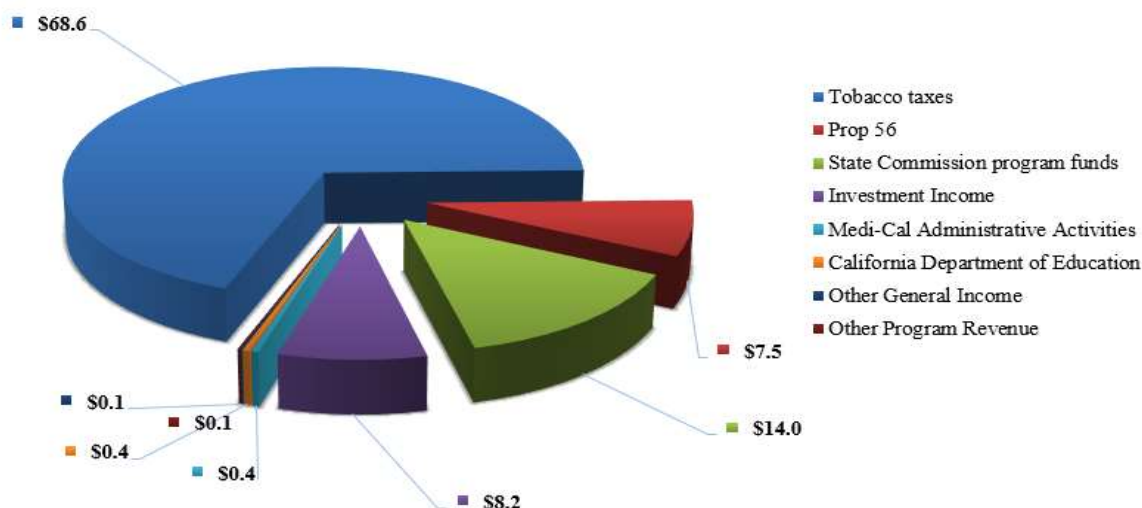
Fair Value Adjustment

First 5 LA separates the fair value adjustment under investment income from the Statement of Activities to more accurately reflect true interest earned. In FY 2018-19, the fair value of First 5 LA investment portfolio adjustment was up \$4.9 million, compared to \$2.7 million loss in FY 2017-18.

Other General Income

The Commission generated other revenue primarily through a lease agreement it has with La Petite Academy. This revenue was \$133,321 in FY 2018-19.

**Revenues
June 30, 2019
(In Millions)**



Expenses

The Commission recognized expenses of \$119 million in FY 2018-19 compared with \$122.2 million in FY 2017-18, a decrease of \$3.2 million, or 2.6%. The \$3.2 million net decrease in overall expenditures encompasses the following from FY 2018-19.

Provider Grants and Other Allocations

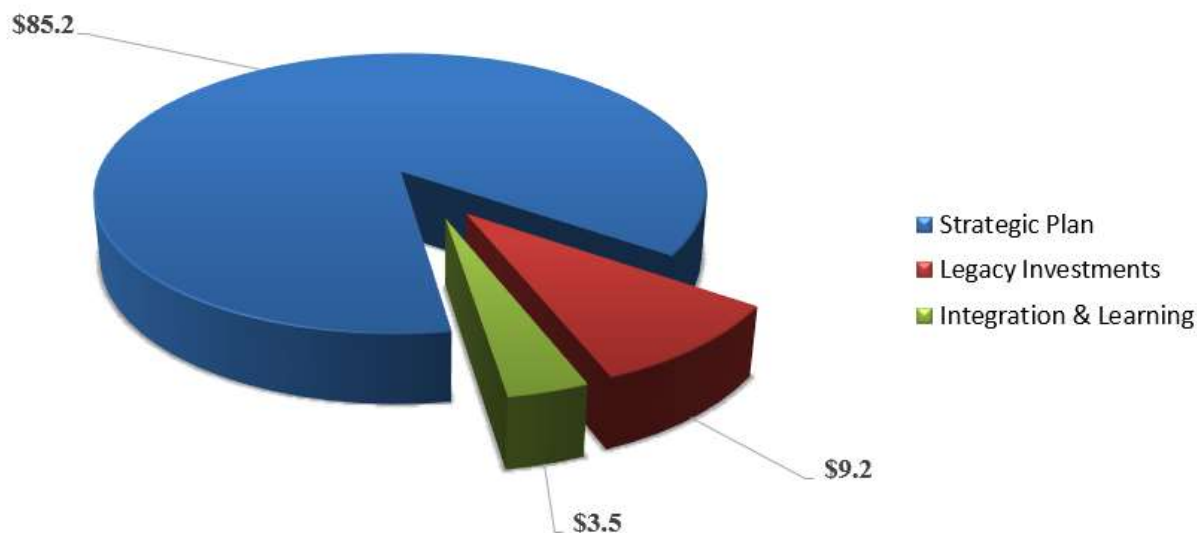
The Commission experienced a decrease of \$3.4 million, or 3.3%, expending approximately \$98 million in FY 2018-19 compared to \$101.4 million in FY 2017-18 for “Provider grants and other allocations”. The net decrease is a result of a number of Legacy initiatives ramping down or ending, as well as a delay in program costs during FY 2017-18, with a number of activities commencing later in the fiscal year and continuing into FY 2018-19.

**Los Angeles County Children and Families First – Proposition 10 Commission
Management’s Discussion and Analysis
(Unaudited)**

The following details activity based on the Commission’s investment categories, reorganized per the new Strategic Plan, during the fiscal year:

- **2015-2020 Strategic Plan: Focusing for the Future:** FY 2018-19 marks the fourth year to align with the current five-year Strategic Plan, represented in two primary areas of implementation activity - Strategic Plan Priority Outcome Areas and Strategic Plan Investment Areas & Support Costs. Roughly \$85.2 million was expended in FY 2018-19, an increase of approximately \$11.6 million as compared to FY 2017-18. The primary drivers for the increase were costs in support of the priority outcome areas where Families experienced an increase of \$11.1 million, Health Related Systems increased by about \$1.8 million and ECE grew by approximately \$2.7 million from FY 2017-18. Communities experienced a reduction of \$4.7 million due to a collaboration with Health Systems to integrate the Trauma and Resiliency Informed Systems Change Framework into the design and implementation approaches of the First 5 LA Best Start Regional and Local Networks and County Partners projects, which helped offset some of the costs.
- **Legacy Investments:** This category includes existing multi-year programs scheduled to conclude or be realigned with the 2015-2020 Strategic Plan. Approximately \$9.2 million was expended in FY 2018-19 which reflected a \$15.5 million reduction in programs that expired or were reclassified in alignment to the current strategic plan. There were significant decreases in funding for several other programs identified within Legacy Investments as they continue to ramp down. The continued decline of resources in support of the Legacy Investments is as expected and will continue to decrease in the coming years.
- **Integration & Learning:** This includes current investments that align and contribute to the 2015-2020 Strategic Plan, as well as ongoing projects aligned to our legacy investments and the organization’s ongoing commitment to learning. The slight increase of \$320,719 in FY 2018-19 is due to support of additional cost to Communities of Practice and learning plan development to promote learning sessions and secure a consultant to assist in the development and facilitation of external partner learning sessions.

**First 5 LA Funded Provider Grants and Other Allocations Expenses
June 30, 2019
(In Millions)**



**Los Angeles County Children and Families First – Proposition 10 Commission
Management’s Discussion and Analysis
(Unaudited)**

Pass-through Grants

For FY 2018-19, \$350,924 was recorded as “pass through grants” which related to Medi-Cal Administrative Activities program during the fiscal year. These expenses represent reimbursement for the FY 2016-17.

Salaries and Benefits

Salaries and Benefits increased from FY 2017-18 by \$149,483 or 0.86%. This is due to increase to the health benefits and an ongoing increase in salary costs attributed to the implementation of the compensation philosophy by the Commission in November 2014.

Operating Services

Operating Services decreased by \$109,776 or 8.91% from prior year because of decreases in general operating costs throughout the organization such as outside printing and publishing, equipment rents and leases, mileage, parking, printing and utilities.

Consultant Services

Commission recorded \$881,089 expenses for the Consultant services in FY 2018-19. Consultant services include Consultant Fees, Other Professional Fees and External Reviewer.

Professional Services

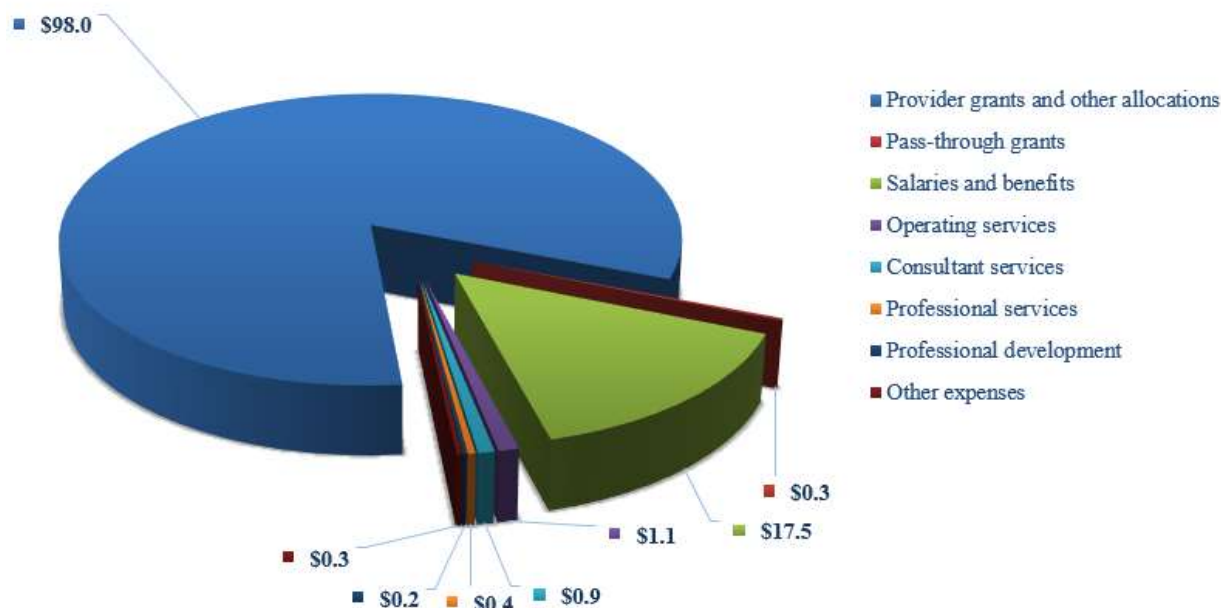
Professional services decreased from FY 2017-18 by \$117,600 or 23.52%. The decrease is primarily due to a decrease in Legal Fees in FY 2018-19 as a result of costs related to the public record acts requests in FY 2017-18.

Professional development

Professional development increased in FY 2018-19 by \$19,927 or 11.93% from FY 2017-18. The increase is primarily due to more internal training in the fiscal year.

**Los Angeles County Children and Families First – Proposition 10 Commission
Management’s Discussion and Analysis
(Unaudited)**

**Program and Operating Expenses
June 30, 2019
(In Millions)**



Analysis of the Governmental Fund

The activities are contained in the general fund of the Commission. The focus of the Commission’s governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the Commission’s financing requirements. In particular, fund balance may serve as a useful measure of the Commission’s net resources, both committed and available for future operation needs.

As of the end of FY 2018-19, the Commission’s general fund reported a total ending fund balance of \$352.1 million, a decrease of \$27.3 million (7.2%) in comparison with the prior fiscal year balance of \$379.4 million.

Total fund balance decreased due to an ongoing disparity between annual incoming revenue and the expenditures that are required to advance the activities and strategies outlined in the 2015-2020 Strategic Plan, including the ongoing responsibility to multi-year commitments for specific initiatives.

Budgetary Highlights

Based on the information provided in the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, the following analysis is presented.

**Los Angeles County Children and Families First – Proposition 10 Commission
Management’s Discussion and Analysis
(Unaudited)**

Final Revenue Budget vs. Actual Revenue

The information below provides a summary of the primary factors that caused the variance between revenue estimates and actual revenue.

Tobacco Taxes and Prop 56

Tobacco tax revenue recorded for FY 2018-19 was \$57.1 million of tobacco tax revenue and \$7.5 million of Prop. 56 backfill. The \$57.1 million was approximately \$15.6 million, or 21.5% lower than the anticipated amount of \$72.7 million. The original estimate of \$72.7 million was based on data from the State Board of Equalization updated May 20, 2019.

California Department of Education

Actual California Department of Education in the amount of \$675,251 was from \$376,551 recorded for Quality rating Improvement System (QRIS) and deferred revenue in the amount of \$298,700 which was reported in the statement of activities in the prior year.

Investment Income

Investment income of \$8.2 million was earned in FY 2018-19. The monthly average return of 2.09% is higher than the 1.20% anticipated and included in the Long-Term Financial Projection approved by the Commission in February 2019.

Original Expenditure Budget vs. Final Expenditure Budget

In April 2019, the Commission approved an overall addition of \$2.25 million or 1.6% to the original approved \$139.99 million FY 2018-19 Budget. The following provides a brief summary of the primary factors that contributed to the increase in the final budgeted expenditures compared with the original budgeted expenditures.

Provider Grants and Other Allocations

The overall Program Budget (Provider Grants and Other Allocations) was adjusted upward during the year by \$2.25 million, or 1.9%. In April 2019 the Commission approved a mid-year budget revision adjusting the Early Care & Education (ECE) Systems upward by roughly \$2.5 million and Family Supports by \$526,000. The downward adjustments include Strategic Plan Investment Areas & Support Costs by \$255,000, Communities by \$494,000 and Legacy Investments by \$62,000. The biggest driver in the adjustment to the overall budget was the request for additional program funds in support of the Early Care and Education Kindergarten Readiness Assessment (KRA) contract adjustment with the Los Angeles Unified School District (LAUSD) in FY 2018-19.

General Operating Expenditures

Adjustments to the Operating Budget represented movements of funds between cost categories at the departmental level based on updated assessments of need, which aggregated into the agency-wide adjustments. The net result of the various adjustments was cost neutral, with no net change to the Operating Budget.

Operating Services

Funds were adjusted upward at mid-year, resulting in a net increase of \$26,400 to reflect revised projections based on expenditures through January 2019. This increase is primarily due additional funds needed for Capital Outlay for new laptops, desktops.

Consultant Services

Funds were adjusted upward at mid-year by \$200,000. This increase is due to additional funds needed for Consultant Fees in program division for Strategic Plan Refinement process (SPR4).

**Los Angeles County Children and Families First – Proposition 10 Commission
Management’s Discussion and Analysis
(Unaudited)**

Professional Services

Funds were adjusted upward at mid-year by \$20,000. The adjustment reflects the bank charges for FY 2017-18 that were applied against FY 2018-19 budget.

Final Expenditure Budget vs. Actual Expenditure Amounts

The following provides a summary of the primary factors causing the significant variances in the actual expenditures compared with the final budgeted expenditures.

Provider Grants and Other Allocations

The total Provider Grants and Other Allocations variance for FY 2018-19 was approximately \$21.4 million. The FY 2018-19 budget to actual variance was mainly due to

- Underspending in Communities was a result of a shift to the timeline of activities in Strategies 2, and 3 and Cross Cutting Investments. Additionally, activities in Strategy 1, Community Leadership and Collaboration, needed operational set up and relationship building time in the Regional Networks, therefore they were not being able to implement the Community Identified projects as planned. Region 3, San Fernando Valley, was in a process of restarting services and there were less meetings and activities than anticipated.
- Underspending in ECE was due to the teacher’s strike in January of 2019 – LAUSD fell behind in rollout and implementation of KRA. LAUSD delayed hiring additional staff to support the project since the labor strike was imminent and they had to completely delay data collection for the duration of the strike.
- Ending or ramping down of Legacy Investments.

Pass-through Grants

The total expenditures related to pass-through grants were \$273,294 for FY 2018-19. This amount is a result of Medi-Cal Administrative Activities program. The Commission’s annual fiscal year budget is developed to include planned expenditures of Commission funds only; programs that are funded via pass-through grants in which the Commission acts as an intermediary are not included in the annual budget to accurately represent expenditures of Commission funded provider grants and other allocations.

Salaries and Benefits

Salary and benefit costs were lower than budgeted, with a variance of \$240,986. This is due to a combination of regular employee turnover during this fiscal year and vacant positions that were budgeted but not filled immediately.

Workers Compensation Insurance

Costs related to Workers Compensation Insurance were lower than budgeted with the variance of \$1,861 because of the conservative budgeting approach.

Telephones & Modems

FY 2018-19 expenditures exceeded the budget by \$9,728. The overage is primarily due to increase in long-distance telephone charges related to conference calls.

Equipment-Rents and Leases

Equipment-rent and leases were lower than budgeted, with a variance of \$69,951 or 41.2%. This is due to fewer needs than originally anticipated for FY 2018-19.

**Los Angeles County Children and Families First – Proposition 10 Commission
Management’s Discussion and Analysis
(Unaudited)**

Outside Printing

Outside printing costs were lower than budgeted, with a variance of \$9,885. This was due to slightly lower costs than originally anticipated.

Staff Recruitment

Staff Recruitment costs were lower than budgeted, with a variance of \$17,223. This is primarily due to fewer open positions than anticipated for FY 2018-19.

Legal Fees

Costs for legal fees were lower than budgeted, with a variance of \$85,097, or 51.4%. This is due to lesser request for public records.

Consultant Fees

Consultant Fees were lower than budgeted, with a variance of \$812,129. This is primarily due to delay in the Strategic Plan Refinement process (SPR4).

The final budget for Operations remained the same at \$22.8 million for FY 2018-19, while the Program Budget was increased by \$2.25 million due to additional program funds needed to support the Early Care and Kindergarten Readiness Assessment (KRA) contract adjustment with the Los Angeles Unified School District (LAUSD) in FY 2018-19.

Other Potentially Significant Matters

The State projections assume a roughly 3% rate of revenue decline on an annual basis starting in FY 2019-20 through FY 2023-24. The projected annual revenue decrease is estimated to be 1.37% through FY 2019-20 based on the Department of Finance projections updated May 20, 2019.

With the passage and implementation of SBx2 and Prop 56, the one-time payment based on the backfill clause that was built into the Prop 56 language which is essentially a “hold harmless” to keep Proposition 10 revenue whole for participating counties moving forward is expected to be released sometime in November 2019. Based on the FY 2017-18 backfill of roughly \$7.5 million, staff is currently projecting the same amount for FY 2018-19.

Contacting the Commission’s Financial Management

This financial report is designed to provide the public with an overview of the Commission’s financial operations and condition. If you have questions about this report or need additional information, please contact the Commission’s Director of Finance at (213) 482-7545 or 750 N. Alameda Street Suite 300, Los Angeles, California 90012.

LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2019

	<u>General Fund</u>	<u>Adjustments (Note 1)</u>	<u>Statement of Net Position</u>
Assets			
Cash	\$ 1,428,392	\$ -	\$ 1,428,392
Investments	364,302,197	-	364,302,197
State receivable	18,555,211	-	18,555,211
Investment income receivable	607,634	-	607,634
Advances to grantees	50,000	-	50,000
Capital assets:			
Not depreciated	-	2,039,000	2,039,000
Depreciable capital assets (net)	-	8,802,379	8,802,379
Total assets	<u>\$ 384,943,434</u>	<u>\$ 10,841,379</u>	<u>\$ 395,784,813</u>
Liabilities			
Accounts payable and accrued liabilities	\$ 19,897,574	\$ -	\$ 19,897,574
Other liabilities	-	16,480	16,480
Compensated absences:			
Due within one year	-	98,724	98,724
Due in more than one year	-	592,342	592,342
Total liabilities	<u>19,897,574</u>	<u>707,546</u>	<u>20,605,120</u>
Deferred Inflows of Resources			
Unavailable revenue - State Commission Program Funds	1,461,402	(1,461,402)	-
Unavailable revenue - Tobacco Taxes	11,454,338	(11,454,338)	-
Unavailable revenue - Other	20,352	(20,352)	-
Total deferred inflows of resources	<u>12,936,092</u>	<u>(12,936,092)</u>	<u>-</u>
Fund balance/net position			
Fund balance:			
Nonspendable	50,000	(50,000)	-
Committed	154,580,859	(154,580,859)	-
Assigned	141,221,211	(141,221,211)	-
Unassigned	56,257,698	(56,257,698)	-
Total fund balance	<u>352,109,768</u>	<u>(352,109,768)</u>	<u>-</u>
Net position:			
Net investment in capital assets	-	10,841,379	10,841,379
Unrestricted	-	364,338,314	364,338,314
Total net position	<u>-</u>	<u>375,179,693</u>	<u>375,179,693</u>
Total liabilities, deferred inflows of resources and fund balances/net position	<u>\$ 384,943,434</u>	<u>\$ 10,841,379</u>	<u>\$ 395,784,813</u>

See accompanying notes to the basic financial statements.

LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2019

	<u>General Fund</u>	<u>Adjustments (Note 1)</u>	<u>Statement of Activities</u>
Revenues			
Program revenues			
Operating grants and contributions:			
Tobacco taxes	\$ 57,126,105	\$ 11,454,338	\$ 68,580,443
Prop 56	7,482,310	-	7,482,310
State Commission Program Funds	12,524,683	1,461,402	13,986,085
Medi-Cal Administrative Activities	350,924	-	350,924
California Department of Education	675,251	(298,700)	376,551
Other program revenue	103,441	20,352	123,793
Total program revenues	<u>78,262,714</u>	<u>12,637,392</u>	<u>90,900,106</u>
General revenues			
Investment income	8,183,532	-	8,183,532
Net increase in fair value of investments	4,898,141	-	4,898,141
Other general income	133,321	-	133,321
Total general revenues	<u>13,214,994</u>	<u>-</u>	<u>13,214,994</u>
Total revenues	<u>91,477,708</u>	<u>12,637,392</u>	<u>104,115,100</u>
Expenditures/expenses			
Provider grants and other allocations	97,979,838	-	97,979,838
Pass-through grants	273,294	-	273,294
Salaries and benefits	17,524,220	8,010	17,532,230
Operating services	1,122,911	-	1,122,911
Consultant services	881,090	-	881,090
Professional services	382,450	-	382,450
Professional development	186,902	-	186,902
Other expenses	339,524	-	339,524
Capital outlay	97,385	(97,385)	-
Depreciation	-	302,300	302,300
Total expenditures/expenses	<u>118,787,614</u>	<u>212,925</u>	<u>119,000,539</u>
Excess/(deficiency) of revenues over/(under) expenditures	(27,309,906)	-	-
Net Change in Fund Balance	(27,309,906)	27,309,906	-
Change in Net Position	-	(14,885,439)	(14,885,439)
Fund balance/net position			
Beginning of year	379,419,674	10,645,458	390,065,132
End of year	<u>\$ 352,109,768</u>	<u>\$ 23,069,925</u>	<u>\$ 375,179,693</u>

See accompanying notes to the basic financial statements.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

With the passage of a ballot initiative in November 1998, California (the “State”) voters approved the establishment of the Los Angeles County Children and Families First – Proposition 10 Commission (the “Commission”), a component unit of Los Angeles County. A thirteen-member Board of Commissioners governs the Commission. The Commission was created by and ultimately is under the authority of the Los Angeles County Board of Supervisors, in accordance with California State Law, through its appointment of the Board of Commissioners and its ability to remove the Commissioners at will. The Commission is a public entity legally separate and apart from the County. The initiative, Proposition 10, mandated an additional 50-cent-per-pack tax on cigarettes and a comparable increase in the tax of other tobacco products and required that the new funds be used on programs focused exclusively on early childhood development for children prenatal up to five years of age.

Following the directive of Proposition 10 to fund programs at the community level, each of the State’s 58 counties created a Proposition 10 Commission as well as a trust fund to receive Proposition 10 revenues. In Los Angeles County, the Board of Supervisors passed an ordinance in December 1998 to establish the Los Angeles County Children and Families First – Proposition 10 Commission, and in May 1999, the Commission held its first meeting, elected officers and established a number of ad hoc committees to address organizational and planning issues. The Commissioners and others who were involved in the effort regarded Proposition 10 as an extraordinary and unprecedented opportunity to begin making a difference in the lives of pregnant women, young children and their families, and to do so at a point in their lives when it can make the most difference. In August 2002, the Commission introduced a new branding identity, First 5 LA, to signify the importance of the first five years of life.

The Commission’s vision statement is that all children throughout Los Angeles’ diverse communities, “are born healthy and raised in a safe, loving and nurturing environment so that they grow up healthy in mind, body, and spirit, are eager to learn with opportunities to reach their full potential.” The Commission’s mission, in partnership with others, is to “strengthen families, communities, and systems of services and support so all children in LA County enter kindergarten ready to succeed in school and life”.

Upon termination of the Commission, all assets of the Commission shall be returned to the State of California. The liabilities of the Commission shall not become liabilities of the County upon either termination of the Commission or the liquidation or disposition of the Commission’s remaining assets.

Basis of Accounting and Measurement Focus

Government-wide Financial Statements

Government-wide financial statements consist of the statement of net position and the statement of activities. These statements are presented on an economic resources measurement focus. All economic resources and obligations of the reporting government are reported in the financial statements.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-wide Financial Statements (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with operation of the Commission's fund are included on the statement of net position. The statement of activities presents a comparison of the direct expenses and program revenues for the Commission's governmental activities. Program revenues include grants and contributions restricted for the operational requirements of a particular program. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Program revenues include tobacco taxes and grants and contributions that are restricted to meeting the operational requirements of a particular program. General revenues are all revenues that do not qualify as program revenues and include investment income and other income. Net position represent the resources that the Commission has available for use in providing services. Net position is composed of net investment in capital assets and unrestricted funds. At June 30, 2019, the Commission reported unrestricted net position of \$364,338,314.

Fund Financial Statements

The fund financial statements consist of the balance sheet and the statement of revenues, expenditures and changes in fund balance of the Commission's general fund. These statements are presented on a current-financial resources measurement focus. The fund financial statements focus on near-term inflows and outflows of spendable resources and on balances of spendable resources available at the end of the fiscal year. The statement of revenues, expenditures and changes in fund balance for the governmental fund generally presents increases (revenues) and decreases (expenditures) in net current resources. All operations of the Commission are accounted for in the general fund.

The fund financial statements have been prepared on the modified accrual basis of accounting. Revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are considered available if they are received within 60 days after year-end. Revenues susceptible to accrual include tax revenues, grants, and investment income. Expenditures are recognized in the accounting period in which the fund liability is incurred except for compensated absences which are recorded only when payment is due.

Adjustments Between Fund Financial Statements and Government-Wide Financial Statements

Capital Assets

Capital assets are not considered to be financial resources and therefore, are not reported as an asset in the fund financial statements. Capital assets in the amount of \$10,841,379 are capitalized and reported at cost, net of accumulated depreciation, in the government-wide financial statements. Capital assets purchased during the year in the amount of \$97,385 are reported as expenditures on the fund financial statements and capitalized on the government-wide financial statements. Depreciation expense for the year ended June 30, 2019 amounted to \$302,300 and is included in the government-wide financial statements.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Term Liabilities

As of June 30, 2019, the Commission estimated its liability for vested compensated absences to be \$691,066. Compensated absence obligations are considered long-term in nature and are reported in the fund financial statements as expenditures in the period paid or when due and payable at year-end under the modified accrual basis of accounting. The compensated absences have been accrued in the government-wide financial statements and are included in long-term liabilities. The change in compensated absences during the year of \$8,010 is reported in the statement of activities and does not require the use of current financial resources.

For the year ended June 30, 2019, the Commission maintained a security deposit in the amount of \$16,480 related to a facility use agreement with La Petite Academy for use of the first floor of the Commission's building for the period of July 1, 2012 through June 30, 2020.

Unavailable Revenue

Under the modified accrual basis of accounting, revenue is recognized in the fund financial statements if it has been collected after year-end within the Commission's established availability period of 60 days. All other accrued revenues due to the Commission are recognized as unavailable revenue at year-end in the fund financial statements. Governmental funds recognized unavailable revenue where receivables are not available to liquidate liabilities of the current period. As of June 30, 2019, the Commission has unavailable revenue of \$12,936,092. The change in unavailable revenue during the year of \$12,637,392 is reported in the statement of activities.

Net Position

In the government-wide financial statements, net position represents the difference between assets less liabilities and is classified into two components:

- Net investment in capital assets – This balance reflects the net position of the Commission that are invested in capital assets. This amount is generally not accessible for other purposes.
- Unrestricted net position – This balance represents the net amount of the assets and liabilities that are available for general use.

Fund Balance

Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Commission established the following classifications and definitions of fund balance for the year ended June 30, 2019:

a. Nonspendable

Portion of net resources that cannot be spent because they are not in an expendable form (e.g. Advances to Grantees) or the portion of net resources that cannot be spent because they must be maintained intact (e.g. revolving fund or the principal of an endowment).

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)

- b. Restricted (externally enforceable limitations on use)
Amounts constrained to specific purposes by their providers (such as creditors, grantors, contributors, or laws and regulations of other governments: e.g. funds advanced by First 5 CA under specific agreements for services such as matching funds for specific initiatives). Amounts constrained by limitations imposed by law through constitutional provisions or enabling legislation (e.g. funds legally restricted by County, state, or federal legislature, or a government's charter or constitution; or amounts collected from non-spendable items such as long term portion of loan outstanding if those amounts are subject to legal constraint).
- c. Committed (self-imposed limitations in place prior to end of the period)
Amounts constrained by limitations imposed at the highest level of decision making authority that requires the same formal action at the same level to remove or modify. The formal action required by the Board of Commissioners for funds to be committed is action by way of resolution allocating funding for a specific program or initiative.
- d. Assigned (limitation resulting from intended use)
Amounts or limitations that are constrained by the Commission's intent to be used for a specific purpose (the purpose of the assignment must be narrower than the general fund itself) and are not either restricted or committed. Adoption of a Strategic Plan or Long Term Financial Plan with general spending parameters would be examples of the Commission's intent and would constitute an assignment. Accordingly, modification to the Commission's intent would not require formal action. Further, the Commission may designate a body/committee or an official who can specify such purposes. However, as of June 30, 2019, the Commission had not made such a designation.
- e. Unassigned (residual net resources)
Resources in the fund balance that cannot be reported in any other classification including a minimum fund balance reserve based on 25% of the operating and programmatic budget. It also includes the negative residual fund balance that cannot be eliminated by offsetting assigned fund balance amounts.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first and then unrestricted resources as needed. The spending priority of fund balance is restricted, committed, assigned, and then unassigned.

Effect of New Governmental Accounting Standards Board (GASB) Pronouncements

Effective in Future Fiscal Years

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. The Commission has not determined the effect of this Statement.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Effect of New Governmental Accounting Standards Board (GASB) Pronouncements (Continued)

Effective in Future Fiscal Years (Continued)

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The Statement is effective for the reporting periods beginning after December 15, 2019. The Commission has not determined the effect of the Statement.

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. The Statement is effective for the reporting periods beginning after December 15, 2019. The Commission has not determined the effect of the Statement.

GASB Statement No. 90 – In August 2018, GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The Statement is effective for the reporting periods beginning after December 15, 2018. The Commission has not determined the effect of the Statement.

GASB Statement No. 91 – In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2020. The Commission has not determined the effect on the financial Statement.

Investments

The Commission participates in the common investment pool of Los Angeles County. Investments are reported at fair value which is the amount at which financial instruments could be exchanged in a current transaction between willing parties. The Commission categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Los Angeles County Treasurer is responsible for establishing and consistently applying a policy for identifying those events that might affect fair value measurements.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advances to Grantees

The Commission may provide advances to grantees/contractors that are repayable by the end of the fiscal year unless otherwise stipulated by contract or agreement. During fiscal year 2018-19, the Commission entered into agreements with various grantees to support the Commission's 2015-2020 Strategic Plan "Focusing for the Future". The Commission has two outstanding advances to grantees as of June 30, 2019.

Advances to Grantees:

Southern California Grantmakers	\$ 25,000
Community Partners (Fiscal Agent for LA Food Policy Council)	25,000
Total advances to grantees	<u><u>\$ 50,000</u></u>

Capital Assets

Capital assets are composed of land, buildings, building improvements, computer software and accessories, office equipment and furniture and fixtures and are recorded at cost. Donated capital assets are recorded at acquisition value at the date of donation. The Commission capitalizes assets with a cost in excess of \$5,000 and with a useful life greater than one year. The Commission depreciates capital assets using a straight-line method over the estimated useful life of fifty years for buildings, four years for computers and five years for office equipment and furniture and fixtures. Building improvements are depreciated over the remaining useful life of the building.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of fund balance that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The Commission has one type of deferred inflow, unavailable revenue, which occurs only under the modified accrual basis of accounting. Accordingly, the item is reported only in the governmental fund balance sheet. This amount is deferred and recognized as an inflow of resources in the period that the amounts become available.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

Total cash and investments at fair value, as of June 30, 2019 are as follows:

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

Cash:	
Cash in bank	<u>\$ 1,428,392</u>
Investments with County Treasurer:	
Pooled cash and investments	<u>364,302,197</u>
Total cash and investments	<u><u>\$ 365,730,589</u></u>

NOTE 2 – CASH AND INVESTMENTS (Continued)

Cash in Bank

The *California Government Code* requires California banks and savings and loan associations to secure the Commission's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits and collateral is considered to be held in the name of the Commission. At June 30, 2019, cash held by financial institutions of \$3,788,609 was entirely insured and collateralized as described above. The book balance at June 30, 2019 was \$1,428,392.

Pooled Cash and Investments

Investments with the Los Angeles County Treasurer at June 30, 2019 are stated at fair value. The fair value of pooled investments is determined annually and is based on current market prices. The fair value of each participant's position in the pool is the same as the value of the pool shares. The method used to determine the value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawals. As of June 30, 2019, the Commission's percentage of participation is 1.13. The Los Angeles County Treasury is sponsored and administered by the County of Los Angeles and oversight is conducted by the County Treasury Oversight Committee. At June 30, 2019, the weighted average maturity for the County pool approximated 547 days and the County pool is not rated. For further information regarding the Los Angeles County Investment Pool, refer to the County of Los Angeles Comprehensive Annual Financial Report.

Fair Value Measurements

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2019, the Commission held no individual investments. All funds were invested in the Los Angeles County Investment Pool.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The Commission's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Deposits and withdrawals are made on the basis of \$1 and not fair value. Accordingly, the Commission's proportionate share of investments in the Los Angeles County Investment Pool at June 30, 2019 is uncategorized and not defined as a Level 1, Level 2, or Level 3 input.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 2 – CASH AND INVESTMENTS (Continued)

Fair Value Measurements (Continued)

The table below identifies the investment types that are authorized by the California Government Code or the Commission's investment policy, where more restrictive. The table also identifies certain provisions of the California Government Code or the Commission's investment policy for a Specifically Invested Portfolio, where more restrictive, that address interest rate risk, credit risk, and concentration of credit risk.

Type	Limit Per Issuer	Total Limit	Maximum Maturity
Certificates of Deposits (CDs)	5%	30%	5 Years
Commercial Paper (CP)	5%	40%	5 Years
Corporate Notes	5%	30%	5 Years
Federal Agencies	15%	60%	5 Years
U.S. Treasuries	100%	100%	5 Years
Los Angeles County Investment Pool	None	None	N/A

The County Treasurer's Investment Policy diversifies investments among issues and issuers with a minimum credit rating to mitigate credit risk. For an issuer of short-term debt, the rating must be no less than P-1/A (Moody's) or A-1/A (S&P) while an issuer of long-term debt shall be rated no less than A.

NOTE 3 – CAPITAL ASSETS

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019
Capital assets, not depreciated:				
Land	\$ 2,039,000	\$ -	\$ -	\$ 2,039,000
Capital assets, depreciable:				
Building and improvements	12,076,512	-	-	12,076,512
Computer software and accessories	1,855,305	97,385	-	1,952,690
Office equipment	331,035	-	-	331,035
Furniture and fixtures	627,670	-	-	627,670
Total depreciable capital assets	14,890,522	97,385	-	14,987,907
Less accumulated depreciation:				
Building and improvements	(3,163,118)	(242,542)	-	(3,405,660)
Computer software and accessories	(1,762,127)	(59,040)	-	(1,821,167)
Office equipment	(330,314)	(718)	-	(331,032)
Furniture and fixtures	(627,669)	-	-	(627,669)
Total accumulated depreciation	(5,883,228)	(302,300)	-	(6,185,528)
Total capital assets, depreciable (Net)	9,007,294	(204,915)	-	8,802,379
Capital assets, net	\$ 11,046,294	\$ (204,915)	\$ -	\$ 10,841,379

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 4 – CHANGES IN COMPENSATED ABSENCES

Compensated absences liability activities for the year ended June 30, 2019 is as follows:

	Balance July 1, 2018	Increases	Decreases	Balance June 30, 2019	Due Within One Year
Compensated absences	<u>\$ 683,056</u>	<u>\$ 778,936</u>	<u>\$ (770,926)</u>	<u>\$ 691,066</u>	<u>\$ 98,724</u>

NOTE 5 – FUND BALANCE

Fund balance is classified using a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance at June 30, 2019 consists of the following:

INITIATIVE/PROGRAM ALLOCATION

	NONSPENDABLE
Advances:	
Community Partners (Fiscal Agent for LA Food Policy Council)	\$ 25,000
Southern California Grantmakers	<u>25,000</u>
TOTAL	<u>50,000</u>
	COMMITTED
Baby Friendly Hospitals/Family Place Libraries	\$ 23,040,887
Black Infant Health	2,638,582
Communications & Marketing	5,866,000
Communications - Conference Funding	250,000
Communities	19,470,000
Communities Engagement and Advocacy	323,000
Communities of Practice	131,000
County Partnerships	315,000
Data Development & Integration	935,000
Data Partnership with Funders	1,086,020
Early Care & Education Systems	26,046,000
Families	39,343,000
Grantee Assessment	40,000
Health Related Systems	5,697,000
Impact Framework	400,000
Knowledge Management	178,000
Learning Plan Development	600,000
Little by Little/One Step Ahead	12,596,619
Parent-Child Interaction Therapy	173,605

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 5 – FUND BALANCE (Continued)

Policy Agenda/Advocacy	\$ 2,370,000
Policy & Strategy - Emerging Opportunities	50,000
Program Evaluation	3,078,000
Strategic Partnership-Cross-Cutting Funder Partnership	557,000
Strategic Partnership-Grantmaking Memberships	41,000
Strategic Partnership-Partnership Development	120,000
Workforce Development - ECE Workforce Consortium	2,372,855
Capital Project Fund	6,862,291
TOTAL	<u>\$ 154,580,859</u>
	ASSIGNED
Strategic Plan	<u>\$ 141,221,211</u>
TOTAL	<u>\$ 141,221,211</u>
	UNASSIGNED
Unassigned	\$ 22,828,358
Fund Balance Reserve - 25% of total FY 2018-19 Budget	<u>33,429,340</u>
TOTAL	<u>\$ 56,257,698</u>
Total fund balance	<u><u>\$ 352,109,768</u></u>

NOTE 6 – PROGRAM EVALUATION

In accordance with the *Standards and Procedures for Audits of California Counties Participating in the California Children and Families Program*, issued by the California State Controller, the Commission is required to disclose the amounts expended during the fiscal year on program evaluation. Program evaluation costs pertain to those activities undertaken to support the collection, production, analysis and presentation of evaluation information for Commission management, Commissioners and other interested parties.

The Commission spent \$3,105,982 on program evaluation during the year ended June 30, 2019.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 7 – DEFERRED COMPENSATION PLANS

All regular and limited-term employees of the Commission participate in the 403(b) Savings and Investment Plan, a defined contribution plan administered by The Standard. Benefit provisions under the plan are established by the California Government Code Section 31694(a) and other applicable statutes. The 403(b) Savings and Investment Plan provides for service retirement, death, and disability benefits to plan members. The plan can be amended by executive management of the Commission.

Regular and limited-term employees are eligible to receive both an elective and a non-elective contribution based on years of completed service with the organization. The elective contribution requires employee participation in order to receive the employer match, and is between 1% and 3% depending on the employee's contribution and the years of service the employee has completed with the organization: 1% for less than one year, 2% after one year and 3% for after two years or more of completed service. The Commission also makes a separate, non-elective contribution into the retirement plan regardless of employee participation. This non-elective employer contribution is between 3% and 7.5% based on years of completed service with the organization: 3% for less than 5 years, 4.5% for 5 to 9 years, 6% for 10 to 14 years, and 7.5% after 15 years or more of completed service. Employer contributions are not 100% vested until an employee has completed three years of service with the organization, with a graded vesting schedule for employees who complete at least one year of service. The Commission contributed a total of \$830,886, comprised of \$315,233 in elective contribution and \$515,653 in non-elective contribution for the fiscal year ended June 30, 2019.

NOTE 8 – UNAVAILABLE REVENUE

The general fund reports unavailable revenue on the governmental fund balance sheet in connection with resources that have been earned, but are not yet available to finance expenditures of the current fiscal period. This type of deferred inflow of resources occurs only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the general fund balance sheet. At the end of the current fiscal year, the components of unavailable revenue resulting from funds not received within the 60-day period of availability were as follows:

Unavailable Revenue:	
Tobacco Taxes	\$ 11,454,338
IMPACT Funds	551,343
Hubs Funds	646,894
Surplus Investment Monetary Fund	208,165
ECE Coalition Support Program	55,000
Pritzker/Sorenson Grant - University of Utah	20,352
Total unavailable revenue	<u><u>\$ 12,936,092</u></u>

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 9 – RISK MANAGEMENT

The Commission is exposed to various risks of loss related to general liability, property liability, health benefits, workers' compensation and auto. These risks are addressed through commercial insurance policies.

The Commission's property and liability insurance is provided by insurance companies that are "Non-Admitted" insurance companies in the State of California. If such a company becomes insolvent, the California Insurance Guarantee Association will not settle unpaid claims.

No claims or suits are pending against the Commission arising out of proposed claim settlements covered by insurance. No settlements exceeded insurance coverage during the last three years.

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Operating Lease

The Commission leases equipment from a third party which expires in July 2019 and May 2022 and are non-cancelable. The future minimum rental payments due under the lease are as follows:

For Year Ending June 30,	Annual
2020	\$ 14,017
2021	12,463
2022	11,425
Total	<u>\$ 69,012</u>

The Commission recognized \$47,429 in lease expense for the year ended June 30, 2019.

Future Funding

The Commission has entered into future funding commitments with various entities, which are contingent on State funding.

NOTE 11 – RELATED PARTY TRANSACTIONS

The Commission incurred expenses totaling \$59,121 for County of Los Angeles services provided during the year ended June 30, 2019.

The Commission paid \$67,610,481 of provider grants, operating services, consultant services, and professional services to organizations which are represented by 12 members of the Board of Commissioners.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 12 – FIRST 5 CALIFORNIA SIGNATURE PROGRAMS

Improve and Maximize Programs so All Children Thrive (IMPACT) Regional Coordination and Training and Technical Assistance Hubs (Hubs) Program

The purpose of IMPACT is to support a network of local quality improvement systems to better coordinate, assesses, and improve the quality of early learning settings to achieve the goal of helping children ages 0 to 5 and their families thrive by increasing the number of high quality early learning settings, including supporting and engaging families in the early learning process. Funding is to center around Continuous Quality Improvement, including a network of local Quality Rating and Improving System (QRIS). All IMPACT funds require a local match based on county size. For the Commission, a one to one match ratio or a dollar of local funding match with a dollar of IMPACT fund is required. The Commission claimed \$12,484,604 in IMPACT Regional Coordination and Training reimbursable expenditures for the year ended June 30, 2019.

For IMPACT Hubs, the primary focus is to provide coordination and specialized support to consortia within a region or with similar technical assistance needs to create economies of scale while building a local early learning system. The Commission claimed \$1,096,021 in IMPACT Hubs reimbursable expenditures for the year ended June 30, 2019.

REQUIRED SUPPLEMENTARY INFORMATION

REQUIRED SUPPLEMENTARY INFORMATION
LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Tobacco taxes	\$ 70,286,153	\$ 70,286,153	\$ 57,126,105	\$ (13,160,048)
Prop 56	7,482,310	7,482,310	7,482,310	-
State Commission Program Funds	13,386,817	13,386,817	12,524,683	(862,134)
Medi-Cal Administrative Activities	-	-	350,924	350,924
California Department of Education	-	-	675,251	675,251
Other program revenue	103,441	103,441	103,441	-
Investment income	5,110,111	5,110,111	8,183,532	3,073,421
Net increase (decrease) in fair value of investments	-	-	4,898,141	4,898,141
Other general income	-	-	133,321	133,321
Total revenues	<u>96,368,832</u>	<u>96,368,832</u>	<u>91,477,708</u>	<u>(4,891,124)</u>
Expenditures				
Program Costs:				
Provider grants and other allocations	117,143,000	119,390,000	97,979,838	21,410,162
Pass-through grants	-	-	273,294	(273,294)
Total program costs	<u>117,143,000</u>	<u>119,390,000</u>	<u>98,253,132</u>	<u>21,136,868</u>
Operations & Administration				
Personnel Related Expenditures:				
Salaries and wages	14,062,486	13,803,286	13,823,898	(20,612)
Fringe Benefits	<u>3,961,920</u>	<u>3,961,920</u>	<u>3,700,322</u>	<u>261,598</u>
Total personnel related expenditures	<u>18,024,406</u>	<u>17,765,206</u>	<u>17,524,220</u>	<u>240,986</u>
General Operating Expenditures:				
ADP Payroll Charges	38,000	38,000	38,275	(275)
Workers' Compensation Insurance	85,000	65,000	63,139	1,861
Utilities	165,000	165,000	118,028	46,972
Corporate Insurance	75,000	75,000	30,927	44,073
Mileage and Parking	71,250	63,950	36,768	27,182
Telephones and Modems	67,000	67,000	76,728	(9,728)
Cell Phones and Mobile Devices	55,800	53,500	24,726	28,774
Outside Printing	23,000	22,000	12,115	9,885
Other Supplies	20,250	20,250	7,452	12,798
Postage and Delivery	13,200	13,200	9,777	3,423
Educational Supplies	7,100	7,100	812	6,288
Office Supplies	88,000	87,500	60,304	27,196
Subscriptions and Publications	21,500	21,000	16,833	4,167
Equipment Rental	119,000	119,000	49,049	69,951
Building Repairs and Maintenance	192,000	192,000	165,127	26,873
Equipment Repairs and Maintenance	24,000	24,000	10,396	13,604
Offsite Storage	34,400	34,400	18,698	15,702
Miscellaneous Service Charges	255,300	244,300	224,770	19,530
Miscellaneous/Contingency	75,000	75,000	-	75,000
Stipend/Honorarium	-	-	1,800	(1,800)
Internal Meetings	133,100	137,100	91,014	46,086
Division Capacity Building	100,000	100,000	21,003	78,997
Capital Outlay	<u>126,000</u>	<u>191,000</u>	<u>45,170</u>	<u>145,830</u>
Total general operating expenditures	<u>1,788,900</u>	<u>1,815,300</u>	<u>1,122,911</u>	<u>692,389</u>
Professional Services:				
Audit	80,000	80,000	68,295	11,705
Legal	175,000	175,000	89,903	85,097
Professional Dues	123,552	123,552	103,491	20,061
Staff Recruitment	25,000	25,000	7,777	17,223
Commission Stipends	30,000	30,000	19,076	10,924
Web-Based Services	75,000	75,000	34,787	40,213
Bank & Other Service Charges	<u>12,000</u>	<u>32,000</u>	<u>59,121</u>	<u>(27,121)</u>
Total professional services	<u>520,552</u>	<u>540,552</u>	<u>382,450</u>	<u>158,102</u>

(continued)

See accompanying note to required supplementary information.

REQUIRED SUPPLEMENTARY INFORMATION
LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Consultant Services:				
Consultant Fees	\$ 1,214,800	\$ 1,414,800	\$ 602,671	\$ 812,129
Other Professional Fees	315,000	315,000	277,969	37,031
External Reviewers	2,500	2,500	450	2,050
Total consultant services	<u>1,532,300</u>	<u>1,732,300</u>	<u>881,090</u>	<u>851,210</u>
Travel and Meetings:				
Airfare	161,380	172,380	133,638	38,742
Lodging	162,200	161,200	118,980	42,220
Per Diem	76,200	77,200	60,196	17,004
Other Travel Expense	22,850	28,650	26,710	1,940
Total travel and meetings	<u>422,630</u>	<u>439,430</u>	<u>339,524</u>	<u>99,906</u>
Professional Development:				
Training Materials & Supplies	12,500	12,500	4,079	8,421
Internal Training	94,400	94,400	15,512	78,888
Leadership Programs	102,000	102,000	36,551	65,449
Conference Registration	210,000	206,000	99,618	106,382
External Education/Training	142,000	142,000	31,142	110,858
Total professional development	<u>560,900</u>	<u>556,900</u>	<u>186,902</u>	<u>369,998</u>
Capital Improvements:	-	-	97,385	(97,385)
Total operating expenditures	<u>22,849,688</u>	<u>22,849,688</u>	<u>20,534,482</u>	<u>2,315,206</u>
Total program costs and operating expenditures	<u>139,992,688</u>	<u>142,239,688</u>	<u>118,787,614</u>	<u>23,452,074</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (43,623,856)</u>	<u>\$ (45,870,856)</u>	<u>\$ (27,309,906)</u>	<u>\$ 18,560,950</u>
Fund balance - Beginning of year			<u>379,419,674</u>	
Fund balance - End of year			<u><u>\$ 352,109,768</u></u>	

See accompanying note to required supplementary information.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTE FOR THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2019**

NOTE 1 – BUDGET ADOPTION

The Commission adopts a budget annually in accordance with generally accepted accounting principles based on estimates of revenue and anticipated expenditures. The Board of Commissioners has given the Executive Director authority to make budget adjustments between line items in the Commission's annual budget for Operating and Administrative costs in an amount not to exceed \$25,000. Any budget adjustment between line items in excess of \$25,000 requires approval of the Board of Commissioners.

The accompanying Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund includes the budgeted expenditures for the year, along with management's estimate of revenues for the year. The legal level of budgetary control is at the total fund level. The total final budget for FY 2018-19 was \$142.2 million, which included \$119.4 million for Program costs and \$22.8 million for Operating and Administrative costs.

OTHER SUPPLEMENTARY INFORMATION

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
SCHEDULE OF FIRST 5 CALIFORNIA FUNDING
FOR THE YEAR ENDED JUNE 30, 2019**

Program	Source	Revenue Funds	Expenditures
IMPACT Regional Coordination and Training	First 5 CA	\$ 12,484,604	\$ 12,484,604
Technical Assistance Hubs (Hubs)	First 5 CA	1,096,021	1,096,021

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
STATISTICAL SECTION
(UNAUDITED)**

The information in this section is not covered by the Independent Auditors' Report, but it is presented as supplemental data for the benefit of the readers of the comprehensive annual financial report. The objectives of statistical section information are to provide financial statement users with additional information to understand and assess the Commission's economic condition.

Pages

Financial Trends

These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.

34-37

Revenue Capacity

These schedules contain trend information to help the reader assess the Commission's most significant revenue base.

38-39

Demographic Information

These schedules offer economic and demographic indicators to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs.

41-43

Operating Information

This schedule contains infrastructure data to help the reader understand how the information in the Commission's financial report relates to the services the Commission performs.

44-45

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010*
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unrestricted	364,338,314	379,018,838	422,015,244	461,512,770	543,521,742	632,680,166	723,252,516	829,030,048	434,206,491	859,235,104
Net investment in capital asset	10,841,379	11,046,294	11,310,273	11,593,026	11,885,041	12,082,438	12,355,226	12,777,760	13,114,194	13,405,843
Total net position	<u>\$ 375,179,693</u>	<u>\$ 390,065,132</u>	<u>\$ 433,325,517</u>	<u>\$ 473,105,796</u>	<u>\$ 555,406,783</u>	<u>\$ 644,762,604</u>	<u>\$ 735,607,742</u>	<u>\$ 841,807,808</u>	<u>\$ 447,320,685</u>	<u>\$ 872,640,947</u>

* The Commission presented net position as unrestricted beginning with 2010.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Tobacco taxes*	\$ 68,580,443	\$ 72,330,836	\$ 83,567,141	\$ 87,942,700	\$ 89,475,135	\$ 90,280,307	\$ 94,112,590	\$ 100,187,619	\$ 100,269,182	\$ 102,504,928
Prop. 56	7,482,310	-	-	-	-	-	-	-	28,465,232	19,011,847
State School Readiness	-	-	-	-	-	-	-	-	-	-
State Commission Program Funds	13,986,085	896,040	556,665	5,796,252	10,283,414	18,009,907	2,749,082	8,098,412	7,933,188	7,162,800
Medi-Cal Administrative Activities	350,924	181,859	137,599	159,549	80,799	232,408	316,369	483,325	507,869	740,794
Partnership for Families Fund**	-	-	4,334,967	9,001,152	4,615,313	-	-	-	-	-
California Department of Education	376,551	298,700	-	-	-	-	-	-	-	-
Other program revenue	123,793	1,016,683	401,956	115,000	-	-	-	-	-	-
Investment income	8,183,532	6,830,856	4,003,489	3,759,751	3,903,275	6,368,593	(3,402,141)	915,935	12,004,422	16,094,660
Net increase (decrease) in FMV of investments	4,898,141	(2,742,856)	(3,026,254)	1,064,007	2,152,879	-	-	-	-	-
Other revenues	133,321	148,135	122,208	119,100	104,072	100,320	98,880	9,048	290,093	465,061
Total revenues:	<u>\$ 104,115,100</u>	<u>\$ 78,960,253</u>	<u>\$ 90,097,771</u>	<u>\$ 107,957,511</u>	<u>\$ 110,614,887</u>	<u>\$ 114,991,535</u>	<u>\$ 93,874,779</u>	<u>\$ 109,694,339</u>	<u>\$ 149,469,986</u>	<u>\$ 145,980,090</u>
Expenses										
Provider grants and other allocations	\$ 97,979,838	101,364,209	106,777,128	159,337,913	182,991,937	189,910,283	185,753,622	124,709,026	133,261,213	157,019,407
Pass-through grants	273,294	136,877	4,150,975	13,519,735	N/A	N/A	N/A	N/A	N/A	N/A
AB 99	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(424,388,705)	424,388,705	N/A
First 5 California (SRI)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,137,220	2,506,120	N/A
Salaries and benefits	17,532,230	17,382,747	15,763,620	14,357,480	13,423,832	12,682,373	11,583,915	11,153,057	10,685,423	8,818,136
Operating services	1,122,911	1,232,687	1,172,319	1,157,290	1,346,532	1,207,259	1,159,609	1,138,850	1,324,708	832,164
Consultant services	881,090	850,154	999,806	990,724	1,216,609	956,488	549,676	331,046	1,523,221	677,379
Professional services	382,450	500,050	346,529	323,336	404,560	543,038	426,726	540,606	398,819	208,008
Professional development	186,902	166,975	-	-	-	-	-	-	-	-
Other expenses	339,524	273,951	358,346	255,453	264,892	183,974	149,116	114,384	116,223	80,355
Depreciation	302,300	312,988	309,327	316,567	322,346	353,258	452,182	471,732	585,814	596,868
Total expenses:	<u>119,000,539</u>	<u>122,220,638</u>	<u>129,878,050</u>	<u>190,258,498</u>	<u>199,970,708</u>	<u>205,836,673</u>	<u>200,074,846</u>	<u>(284,792,784)</u>	<u>574,790,246</u>	<u>168,232,317</u>
Change in net position	<u>\$ (14,885,439)</u>	<u>\$ (43,260,385)</u>	<u>\$ (39,780,279)</u>	<u>\$ (82,300,987)</u>	<u>\$ (89,355,821)</u>	<u>\$ (90,845,138)</u>	<u>\$ (106,200,066)</u>	<u>\$ 394,487,123</u>	<u>\$ (425,320,260)</u>	<u>\$ (22,252,227)</u>

* For FY 2018, tobacco taxes include \$3,212,942 of Prop. 56 backfill.

**Partnership for Families initiative was funded by the LA County Department of Children and Family Services (DCFS), with First 5 LA acted as a pass-through entity and received reimbursement from DCFS. This initiative ended December 2016.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
FUND BALANCES – GENERAL FUND
LAST TEN FISCAL YEARS***

	Fiscal Year									
	2019*	2018*	2017*	2016*	2015*	2014*	2013*	2012*	2011*	2010
Fund Balance										
Nonspendable	\$ 50,000	\$ 1,044,000	\$ 19,760,505	\$ 34,279,475	\$ 39,411,636	\$ 37,578,099	\$ 27,022,268	\$ 19,960,620	\$ -	
Committed	154,580,859	195,282,039	216,214,576	249,515,814	340,879,636	451,133,640	561,003,855	631,710,435	632,471,832	
Assigned	141,221,211	125,245,775	128,331,556	114,665,689	78,113,279	57,716,899	64,902,466	153,086,390	-	
Unassigned	56,257,698	57,847,860	57,832,380	61,615,198	78,223,453	79,494,722	70,816,380	16,691,138	(205,716,806)	
Total Fund Balance	<u>\$ 352,109,768</u>	<u>\$ 379,419,674</u>	<u>\$ 422,139,017</u>	<u>\$ 460,076,176</u>	<u>\$ 536,628,004</u>	<u>\$ 625,923,360</u>	<u>\$ 723,744,969</u>	<u>\$ 821,448,583</u>	<u>\$ 426,755,026</u>	
Reserved										
Reserved for encumbrances										\$ 129,094,692
Reserved for obligations										189,699,943
Reserved for First 5 California										<u>19,004,928</u>
Total Reserved										<u>\$ 337,799,563</u>
Unreserved										
Designated										\$ 249,875,172
Unreserved										271,842,909
Total Fund Balance										<u>\$ 859,517,644</u>

* Fund balance presentation changed in fiscal year 2010-2011 due to the implementation of GASB 54.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
CHANGES IN FUND BALANCES – GENERAL FUND
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Revenues										
Tobacco taxes*	\$ 68,580,443	\$ 72,330,836	\$ 83,567,141	\$ 87,942,700	\$ 89,475,135	\$ 90,280,307	\$ 94,112,590	\$ 100,187,619	\$ 100,269,182	\$ 102,504,928
Prop. 56	7,482,310	-	-	-	-	-	-	-	-	-
State School Readiness	-	-	-	-	-	-	-	-	39,242,565	19,011,847
State Commission Program Funds	13,986,085	979,106	2,411,083	5,796,252	11,050,327	10,668,187	10,741,413	7,960,036	95,713	2,441,868
Medi-Cal Administrative Activities	350,924	181,859	137,599	159,549	80,799	232,408	316,369	483,325	507,869	740,794
Partnership for Families Funds**	-	-	4,334,967	9,001,152	3,701,993	-	-	-	-	-
California Department of Education	376,551	-	-	-	-	-	-	-	-	-
Other program revenue	123,793	1,418,639	-	115,000	-	-	-	-	-	-
Investment income	8,183,532	6,830,856	4,003,489	3,759,751	3,903,275	6,368,593	(3,402,141)	915,935	12,004,422	16,094,660
Net increase (decrease) in FMV of investments	4,898,141	(2,742,856)	(3,026,254)	1,064,007	2,152,879	-	-	-	-	-
Other income	133,321	148,135	190,539	119,100	104,072	100,320	98,880	9,048	290,093	427,960
Total revenues:	<u>104,115,100</u>	<u>79,146,575</u>	<u>91,618,564</u>	<u>107,957,511</u>	<u>110,468,480</u>	<u>107,649,815</u>	<u>101,867,110</u>	<u>109,555,963</u>	<u>152,409,844</u>	<u>141,222,057</u>
Expenditures:										
Provider grants and other allocations	\$ 97,979,838	101,364,209	106,777,128	159,337,913	182,991,937	189,910,283	185,753,622	124,709,026	133,261,213	157,019,407
Pass-through grants	273,294	136,877	4,150,975	13,519,735	N/A	N/A	N/A	N/A	N/A	N/A
AB 99	N/A	N/A	N/A	N/A	N/A	N/A	N/A	(424,388,705)	424,388,705	N/A
First 5 California (SRI)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	1,137,220	2,506,120	N/A
Salaries and benefits	17,532,230	17,292,006	15,724,046	14,357,480	13,414,357	12,589,911	11,502,328	11,144,681	10,619,053	8,774,370
Operating services	1,122,911	1,232,687	1,172,319	1,157,290	1,346,532	1,207,258	1,159,609	1,138,850	1,324,708	832,164
Consultant services	881,090	850,154	999,806	990,724	1,216,609	956,488	549,676	331,046	1,523,221	677,379
Professional services	382,450	500,050	346,529	323,336	404,560	543,038	426,726	540,606	398,819	208,008
Professional development	186,902	166,975	-	-	-	-	-	-	-	-
Other expenses	339,524	273,951	358,346	255,453	264,892	183,974	149,116	114,384	116,223	80,355
Capital outlay	302,300	49,009	26,574	316,567	124,949	80,471	29,648	135,298	294,166	123,599
Total expenditures:	<u>119,000,539</u>	<u>121,865,918</u>	<u>129,555,723</u>	<u>190,258,498</u>	<u>199,763,836</u>	<u>205,471,423</u>	<u>199,570,724</u>	<u>(285,137,594)</u>	<u>574,432,228</u>	<u>167,715,282</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>\$ (14,885,439)</u>	<u>\$ (42,719,343)</u>	<u>\$ (37,937,159)</u>	<u>\$ (82,300,987)</u>	<u>\$ (89,295,356)</u>	<u>\$ (97,821,608)</u>	<u>\$ (97,703,614)</u>	<u>\$ 394,693,557</u>	<u>\$ (422,022,384)</u>	<u>\$ (26,493,225)</u>

* For FY 2018, tobacco taxes include \$3,212,942 of Prop. 56 backfill.

**Partnership for Families initiative was funded by the LA County Department of Children and Family Services (DCFS), with First 5 LA acted as a pass-through entity and received reimbursement from DCFS. This initiative ended December 2016.

LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
FIRST 5 CALIFORNIA COUNTY TAX REVENUE PROJECTIONS FOR
FY 2018/2019 - FY 2023/2024

2016 Projected Births	2016 Projected Birthrate	2018-2019 Tax Revenue Projection	2017 Projected Births	2017 Projected Birthrate	2019-2020 Tax Revenue Projection	2018 Projected Births	2018 Projected Birthrate	2020-2021 Tax Revenue Projection	2019 Projected Births	2019 Projected Birthrate	2021-2022 Tax Revenue Projection	2020 Projected Births	2020 Projected Birthrate	2022-2023 Tax Revenue Projection	2021 Projected Births	2021 Projected Birthrate	2023-2024 Tax Revenue Projection
122,958	25.169%	\$ 72,739,589	121,413	24.987%	\$ 71,741,717	119,336	24.735%	\$ 69,271,309	117,752	24.555%	\$ 67,078,213	115,758	24.303%	64,761,175	114,079	24.070%	62,565,322

Source:

"First 5 California County Tax Revenue Projections for FY 2018-19 through 2023-24"

(Updated 5/20/2019 Utilizing DOF May Revise 2019 Tobacco Tax Projections and DOF Birth Projections for California State and Counties 1990-2040)

**LOS ANGELES COUNTY CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
CIGARETTE TAXES AND OTHER TOBACCO PRODUCTS SURTAX REVENUE, 1959-60 TO 2017-18
(In thousands of dollars)**

Fiscal year	Revenue (a)	Cigarette tax			Other tobacco products surtax	
		Distributors' Discounts (b)	Gross Value (c)	Refunds	OTP Revenue	Rate
2017-18	\$1,852,854,000	\$15,884,000	\$1,868,738,000	\$1,033,000	\$169,244,000	65.08%
2016-17	948,636,000	8,133,000 d/	956,769,000 d/	1,185,000	95,330,000	27.30%
2015-16	741,937,000	6,360,000	748,297,000	1,262,000	101,427,000	28.13%
2014-15	748,022,000	6,413,000	754,434,000	837,000	86,949,000	28.95%
2013-14	751,513,000	6,443,000	757,956,000	600,000	86,424,000	29.82%
2012-13	782,115,000	6,705,000	788,820,000	498,000	82,548,000	30.68%
2011-12	820,322,000	7,032,000	827,355,000	1,017,000	80,424,000	31.73%
2010-11	828,831,000	7,105,000	835,937,000	1,308,000	77,016,000	33.02%
2009-10	838,709,000	7,187,000	845,896,000	1,583,000	84,617,000	41.11%
2008-09	912,724,000	7,819,000	920,543,000	626,000	85,506,000	45.13%
2007-08	955,030,000	8,185,000	963,215,000	727,000	85,929,000	45.13%
2006-07	998,723,000	8,558,000	1,007,281,000	1,330,000	79,946,000	46.76%
2005-06	1,026,497,000	8,795,000	1,035,293,000	1,707,000	67,348,000	46.76%
2004-05	1,024,272,000	8,778,000	1,033,051,000	1,653,000	58,441,000	46.76%
2003-04	1,021,366,000	8,755,000	1,030,121,000	4,721,000	44,166,000	46.76%
2002-03	1,031,772,000	8,845,000	1,040,617,000	13,248,000	40,996,000	48.89%
2001-02	1,067,004,000	9,146,000	1,076,150,000	10,774,000	50,037,000	52.65% d/
2000-01	1,110,692,000	9,503,000	1,120,195,000	8,741,000	52,834,000	54.89%
1999-00	1,166,880,000	9,980,000	1,176,859,000	9,413,000	66,884,000	66.50%
1998-99	841,911,000 e/	7,206,000	849,117,000	6,808,000	42,137,000 f/	61.53% f/
1997-98	612,066,000	5,244,000	617,309,000	5,448,000	39,617,000	29.37%
1996-97	629,579,000	5,394,000	634,973,000	5,060,000	41,590,000	30.38%
1995-96	639,030,000	5,469,000	644,499,000	6,193,000	32,788,000	31.20%
1994-95	656,923,000	5,628,000	662,551,000	11,159,000	28,460,000	31.20%
1993-94	647,993,000 g/	5,553,000	653,546,000	8,353,000	19,773,000	23.03%
1992-93	667,479,000	5,715,000	673,195,000	9,138,000	21,480,000	26.82%
1991-92	711,275,000	6,086,000	717,362,000	7,791,000	22,016,000	29.35%
1990-91	729,612,000	6,242,000	735,854,000	7,904,000	24,064,000	34.17%
1989-90	770,042,000 h/	6,581,000	776,623,000	11,615,000	24,956,000 h/	37.47%
1988-89	499,712,000 h/	4,273,000	503,984,000	4,968,000	9,994,000 h/	41.67%
1987-88	254,869,000	2,180,000	257,049,000	2,970,000		
1986-87	257,337,000	2,202,000	259,539,000	2,661,000		
1985-86	260,960,000	2,231,000	263,190,000	2,834,000		
1984-85	265,070,000	2,267,000	267,337,000	2,390,000		
1983-84	265,265,000	2,267,000	267,532,000	2,756,000		
1982-83	273,748,000	2,336,000	276,084,000	2,060,000		
1981-82	278,667,000	2,383,000	281,050,000	1,843,000		
1980-81	280,087,000	2,395,000	282,482,000	1,567,000		
1979-80	272,119,000	2,327,000	274,446,000	1,645,000		
1978-79	270,658,000	2,315,000	272,973,000	1,408,000		
1977-78	275,042,000	2,352,000	277,394,000	1,239,000		
1976-77	270,502,000	2,315,000	272,817,000	832,000		
1975-76	269,852,000	2,309,000	272,161,000	927,000		
1974-75	264,182,000	2,262,000	266,444,000	745,000		
1973-74	259,738,000	2,222,000	261,960,000	632,000		
1972-73	253,089,000	2,167,000	255,256,000	626,000		
1971-72	248,398,000	2,127,000	250,525,000	677,000		
1970-71	240,372,000	2,058,000	242,430,000	552,000		

(Continued)

**LOS ANGELES COUNTY CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
CIGARETTE TAXES AND OTHER TOBACCO PRODUCTS SURTAX REVENUE, 1959-60 TO 2017-18**

(Continued)

(In thousands of dollars)

Fiscal year	Revenue (a)	Cigarette tax		Refunds	Other tobacco products surtax	
		Distributors'	(c)		OTP Revenue	Rate
1969-70	237,220,000	2,032,000	239,253,000	455,000		
1968-69	238,836,000	2,046,000	240,882,000	492,000		
1967-68	208,125,000 i/	1,862,000	209,987,000	328,000		
1966-67	75,659,000	1,543,000	77,202,000	129,000		
1965-66	74,880,000	1,528,000	76,407,000	88,000		
1964-65	74,487,000	1,520,000	76,007,000	61,000		
1963-64	71,530,000	1,459,000	72,989,000	71,000		
1962-63	70,829,000	1,445,000	72,274,000	79,000		
1961-62	68,203,000	1,390,000	69,593,000	47,000		
1960-61	66,051,000 j/	1,675,000 k/	67,726,000	76,000		
1959-60	61,791,000 l/	767,000 l/	62,558,000	67,000		

- a. Net of refunds for tax indicia on cigarettes that become unfit for use (See Refunds).
- b. A discount of .85 percent of gross value of tax indicia is granted to distributors for affixing the stamps. From July 1, 1960, until August 1, 1967, the discount rate was 2 percent.
- c. Includes sales of indicia purchased on credit. Effective July 16, 1961, distributors have been able to purchase tax indicia on credit.
- d. From July 1, 2001, through September 9, 2001, the surtax rate on smokeless tobacco ranged from 131 percent for moist snuff to 490 percent for chewing tobacco. Effective September 10, 2001, the surtax rate on smokeless tobacco was lowered to 52.65 percent.
- e. Effective January 1, 1999, the overall tax rate on cigarettes was increased from 37 cents to 87 cents per pack under voter-approved Proposition 10. The additional 50-cent-per-pack tax was imposed to raise funds for early childhood development programs.
- f. Excludes \$87,978,766 in 1998-99 from the floor stocks taxes for both cigarettes and other tobacco products levied on January 1, 1999. From July 1, 1998, through December 31, 1998, the surtax rate was 26.17 percent for other tobacco products. Effective January 1, 1999, the new surtax imposed under Proposition 10 raised the combined surtax rate to 61.53 percent for other tobacco products. The new surtax is equivalent (in terms of the wholesale costs of other tobacco products) to a 50-cent-per-pack tax on cigarettes.
- g. Effective January 1, 1994, the overall tax rate on cigarettes was increased from 35 cents to 37 cents per pack. The additional 2-cent-per-pack tax was imposed to raise funds for breast cancer research and education.
- h. Effective January 1, 1989, an additional 25-cent-per-pack surtax was imposed on cigarettes and a new 41.67 percent surtax was imposed on other tobacco products. Excludes \$57,927,856 in 1988-89 and \$595,000 in 1989-90 from the floor stocks tax levied on January 1, 1967.
- i. Effective August 1, 1967, the tax rate was increased from 3 cents to 7 cents per pack. On October 1, 1967, the rate was further increased to 10 cents per pack, with the stipulation that 30 percent of the tax be allocated to cities and counties. Includes \$6,515,209 from the 4-cent-per-pack floor stocks tax levied on August 1, 1967; and \$4,889,485 from the 3-cent-per-pack floor stocks tax imposed October 1, 1967.
- j. Refunds made for distributors' discounts in the 1960-61 fiscal year on purchases made in the 1959-60 fiscal year have been deducted. These refunds amounted to \$324,000.
- k. Effective July 1, 1960, a discount was allowed at the time tax indicia were purchased.
- l. Includes \$2,673,048 from the 3-cent-per-pack floor stocks tax imposed July 1, 1959; and also includes the amount of distributors' discounts which were refunded after purchase of indicia. During July and August of 1959, the tax was collected by invoice and no allowed on these collections of \$8,123,700, nor on the \$2,673,048 tax on floor stocks.

LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
DEMOGRAPHIC DATA AND ECONOMIC STATISTICS
2010-2019

Demographic Data

	2010 (1)	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018 (1)	2019 (1)
Total Population	9,824,194	9,862,211	9,945,864	10,010,961	10,082,664	10,147,070	10,209,897	10,271,792	10,278,836	10,324,698
White	2,743,456	2,719,057	2,721,500	2,709,464	2,693,506	2,677,368	2,659,218	2,745,583	2,722,365	2,724,168
Black	826,260	828,970	830,607	831,808	833,267	834,505	835,538	814,075	828,565	832,355
American Indian	19,509	19,619	19,652	19,629	19,658	19,654	19,639	20,276	20,229	20,410
Asian	1,327,692	1,332,691	1,342,581	1,357,306	1,373,175	1,387,891	1,403,728	1,447,696	1,395,155	1,395,377
Native Hawaiian & Other Pacific Islander	23,191	23,103	23,277	23,433	23,579	23,721	23,861	24,358	24,476	24,597
Hispanic or Latino	4,702,784	4,753,038	4,818,170	4,874,755	4,940,756	5,001,012	5,060,772	5,012,325	5,078,483	5,114,541
Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multi-race	181,302	185,733	190,077	194,566	198,723	202,919	207,141	207,479	209,563	209,563
Female	4,980,734	4,998,722	5,039,635	5,071,249	5,105,963	5,137,391	5,168,250	5,196,304	5,210,549	5,232,284
Male	4,843,460	4,863,489	4,906,229	4,939,712	4,976,701	5,009,679	5,041,647	5,075,488	5,068,287	5,092,414
Under 5 years	644,882	645,529	645,026	644,356	658,930	664,168	667,716	627,911	607,092	587,690
5-9 years	631,973	625,415	632,530	637,383	638,471	641,563	645,678	643,296	636,547	637,200
10-14 years	674,968	658,984	648,192	638,396	631,525	625,574	623,134	635,236	637,463	638,667
15-19 years	749,322	732,741	716,854	700,066	683,907	670,120	656,834	709,913	692,400	691,590
20-24 years	751,717	755,888	758,178	759,628	757,233	748,352	735,295	807,078	786,678	773,665
25-29 years	758,633	762,396	756,706	754,773	755,997	757,871	762,804	675,374	691,365	706,231
30-39 years	1,429,814	1,429,718	1,441,415	1,454,389	1,466,136	1,477,437	1,492,374	1,430,791	1,413,067	1,397,968
40-49 years	1,421,700	1,418,870	1,423,408	1,416,725	1,408,130	1,403,932	1,401,167	1,410,802	1,406,380	1,400,493
50-59 years	1,229,799	1,253,379	1,281,390	1,303,781	1,321,414	1,331,973	1,335,839	1,348,703	1,355,259	1,362,848
60-69 years	784,117	817,011	856,522	891,983	930,186	971,603	1,009,027	1,042,439	1,075,050	1,104,938
70-79 years	439,892	447,281	462,564	479,911	497,179	515,304	535,492	576,417	611,339	643,520
80+ years	307,377	314,999	323,079	329,570	333,556	339,173	344,537	363,832	366,196	379,888

Source:

(1) State of California, Department of Finance, Population Projections for California and Its Counties 2010-2060. Sacramento, CA, January 2013.

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Economic Data

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019*
LA County Personal Income	404,473,004	425,673,042	455,788,782	466,098,988	499,767,889	544,324,900	N/A	N/A	N/A	N/A
LA County Per Capita Personal Income	41,163	43,062	45,800	46,506	49,400	53,521	N/A	N/A	N/A	N/A
California Personal Income	1,578,553,439	1,685,635,498	1,805,193,769	1,856,614,186	1,944,369,223	2,061,337,141	2,197,492,012	2,303,870,496	2,475,727,500	N/A
California Per Capita Personal Income	42,282	44,749	47,505	48,434	50,109	52,651	55,987	58,272	62,586	N/A
United States Personal Income	12,417,659,000	13,189,935,000	13,873,161,000	14,151,427,000	14,708,582,165	15,324,108,725	16,017,781,445	16,413,550,863	17,572,929,100	N/A
United States Per Capita Personal Income	40,144	42,332	44,200	44,765	46,129	47,669	49,571	50,392	53,712	N/A

Source:

Bureau of Economic Analysis: <http://www.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrdn=4> (Tables SA1-3 and CA1-3)

Personal income data are shown in thousands of dollars; per capita income data are shown in dollars.

*2018 economic data is not yet available for Los Angeles County.

**2019 economic data is not yet available for Los Angeles County, State of California and United States.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
UNEMPLOYMENT RATE
2009 – 2018**

Area	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
United States	3.7%	4.4%	4.3%	5.3%	6.2%	7.4%	8.1%	8.9%	9.6%	9.3%
California	4.2%	4.8%	4.7%	6.2%	7.5%	8.9%	10.4%	11.8%	12.4%	11.3%
Los Angeles County	4.6%	4.7%	4.6%	6.7%	8.3%	9.9%	10.9%	12.3%	12.6%	11.6%

Source:

Bureau of Labor Statistics (<http://www.bls.gov/>; annual averages)

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
TEN LARGEST INDUSTRIES (1)
2018 AND 2009**

Industry	June 30, 2018			June 30, 2009		
	Number of Employees	Rank	Percentage of Total	Number of Employees	Rank	Percentage of Total
Trade, Transportation & Utilities	828,400	1	16.93%	738,500	1	17.02%
Educational & Health Services	804,800	2	16.45%	666,700	2	15.37%
Professional & Business Services	629,100	3	12.86%	515,400	4	11.88%
Government	594,400	4	12.15%	612,700	3	13.13%
Leisure & Hospitality	552,200	5	11.29%	390,700	6	9.01%
Manufacturing	350,400	6	7.16%	397,300	5	9.16%
Financial Activities	222,200	7	4.54%	218,400	7	5.03%
Information	211,900	8	4.33%	192,100	8	4.43%
Other Services	155,300	9	3.17%	139,700	9	3.22%
Construction	144,300	10	2.95%	117,600	10	2.71%
Sub-total Ten Largest Industries	4,493,000		91.83%	3,989,100		91.95%
All Other Industries	399,900		8.75%	349,200		8.05%
Total Industries	4,892,900		100.00%	4,338,300		100.00%

Note:

(1) Employment by industry is presented because employment data for individual employers was unavailable.

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Source:

County of Los Angeles Comprehensive Annual Financial Report for the year ended June 30, 2018:

<http://auditor.lacounty.gov/wp-content/uploads/2019/01/CAFR-FY-2017-2018.pdf>

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
CAPITAL ASSETS STATISTICS**

Capital Assets (Land, Building, Furniture & Equipment) are used by the Commission for general operating and administrative function. The Commission has only one (1) centrally located building supported by other capital assets.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
AUTHORIZED POSITIONS BY FUNCTION
2012-2019**

Functional Area	Fiscal Year							
	2019 (8)	2018 (7)	2017 (6)	2016 (5)	2015 (4)	2014 (3)	2013 (2)	2012 (1)
Executive	8	7	8	5	4.5	5.5	3	2
Administration	32	30	38	37.5	34.5	34	35	33
Programs	108	111	107	106	101.5	91.5	92	91
Total	148	148	153	148.5	140.5	131	130	126

Note:

(1) Data are budgeted authorized positions approved as part of the fiscal year budget. Prior to FY 2010-11, positions were reported by department only, and not according to functional area.

Source:

- (1) First 5 LA Approved FY 2011-12 Operating Budget
- (2) First 5 LA Approved FY 2012-13 Operating Budget
- (3) First 5 LA Approved FY 2013-14 Operating Budget
- (4) First 5 LA Approved FY 2014-15 Operating Budget
- (5) First 5 LA Approved FY 2015-16 Operating Budget
- (6) First 5 LA Approved FY 2016-17 Operating Budget
- (7) First 5 LA Approved FY 2017-18 Operating Budget
- (8) First 5 LA Approved FY 2018-19 Operating Budget

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Commissioners
Los Angeles County Children and Families
First – Proposition 10 Commission
Los Angeles, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Los Angeles County Children and Families First – Proposition 10 Commission (Commission), a component unit of the County of Los Angeles, California, as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated _____.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rancho Cucamonga, California
_____, 2019

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

Board of Commissioners
 Los Angeles County Children and Families
 First – Proposition 10 Commission
 Los Angeles, California

Compliance

We have audited the Los Angeles County Children and Families First – Proposition 10 Commission's (Commission), a component unit of the County of Los Angeles, California, compliance with the requirements specified in the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2019.

Management's Responsibility

Management is responsible for compliance with the requirements of the laws and regulations applicable to the California Children and Families Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Commission's compliance with the requirements referred to above based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office. Those standards and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the requirements referred to above that could have a direct and material effect on the statutory requirements listed below. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the Commission's compliance with those requirements. In connection with the audit referred to above, we selected and tested transactions and records to determine the Commission's compliance with the state laws and regulations applicable to the following items:

<u>Description</u>	<u>Audit Guide Procedures</u>	<u>Procedures Performed</u>
Contracting and Procurement	6	Yes
Administrative Costs	3	Yes
Conflict-of-Interest	3	Yes
County Ordinance	4	Yes
Long-range Financial Plans	2	Yes
Financial Condition of the Commission	1	Yes
Program Evaluation	3	Yes
Salaries and Benefit Policies	2	Yes

Opinion

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2019.

Purpose of Report

The purpose of this report on compliance is solely to describe the scope of our testing over compliance and the results of that testing based on the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office. Accordingly, this report is not suitable for any other purpose.

Rancho Cucamonga, California
_____, 2019

**Los Angeles County Children and Families First –
Proposition 10 Commission
Comprehensive Annual Financial Report for the Year
Ended June 30, 2019**

**Special Meeting of the Board of
Commissioners
(Combined Meeting of the Budget & Finance
and Executive Committees)**

September 24, 2019



Presentation Overview

- Comprehensive Annual Financial Report Overview and Journey
- Independent Auditor's Report
- Fiscal Year 2018-19 highlights
- 3 Year Comparisons
- Next steps



CAFR Overview

- Comprehensive Annual Financial Report (CAFR)
 - Detailed view of the Commission's financial position at a moment in time
 - Activities and results of operations for the fiscal year
 - Presentation of the Commission's overall financial condition

CAFR Journey

- Audit process: May 2019 through October 2019
 - Entrance interview/planning – May 2019
 - Fieldwork – 7/3-7/9 & 8/19-8/26
 - Reporting – 8/27-10/10
- Committee Meetings
 - Budget & Finance and Executive Committees
 - Program & Planning Committee (written only)
 - Board of Commissioners' approval (October)



Independent Auditor's Report

- Clean audit:
 - The CPA firm of Eide Bailly LLP, noted that the financial statements are presented fairly
 - Unmodified opinion
 - No findings or observation

FY 2018-19 Highlights

- June 2018: Board approved FY 2018-19 total budget of \$139.9 million:
 - Program Budget = \$117.1 million
 - Operating Budget = \$22.8 million
- The Board approved a revised budget in April 2019 of \$142.2 million:
 - Program Budget = \$119.4 million
 - Operating Budget = \$22.8 million

FY 2018-19 Highlights Cont'd

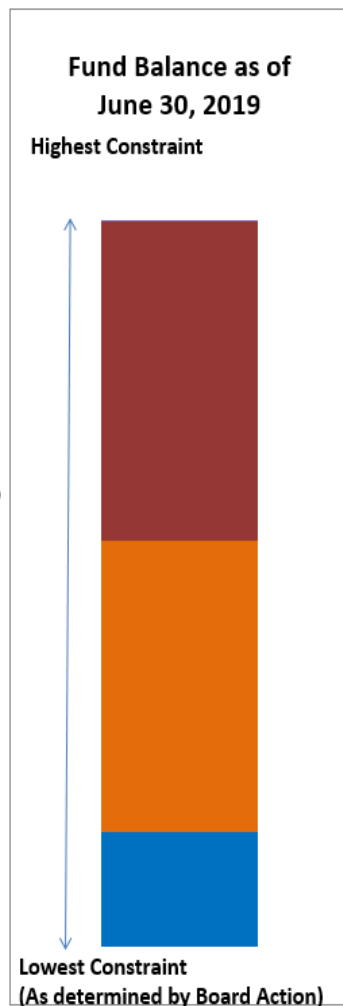
- Total revenue of \$104.1 million:
 - Tobacco tax = \$68.6 million
 - Prop. 56 backfill = \$7.48 million
 - Other revenues = \$28.12 million

(Other - IMPACT Program, Investment income, MAA Program & Rental income)

FY 2018-19 Highlights Cont'd

- Total expenditures of \$119 million:
 - Program expenditures = \$98.25 million
 - Program/Operating expenditures = \$8.10 million
 - Administrative expenditures = \$12.65 million

Fund Balance Categories



First 5 LA Fund Balances are 100% Dedicated through Board Action with the following Constraints:

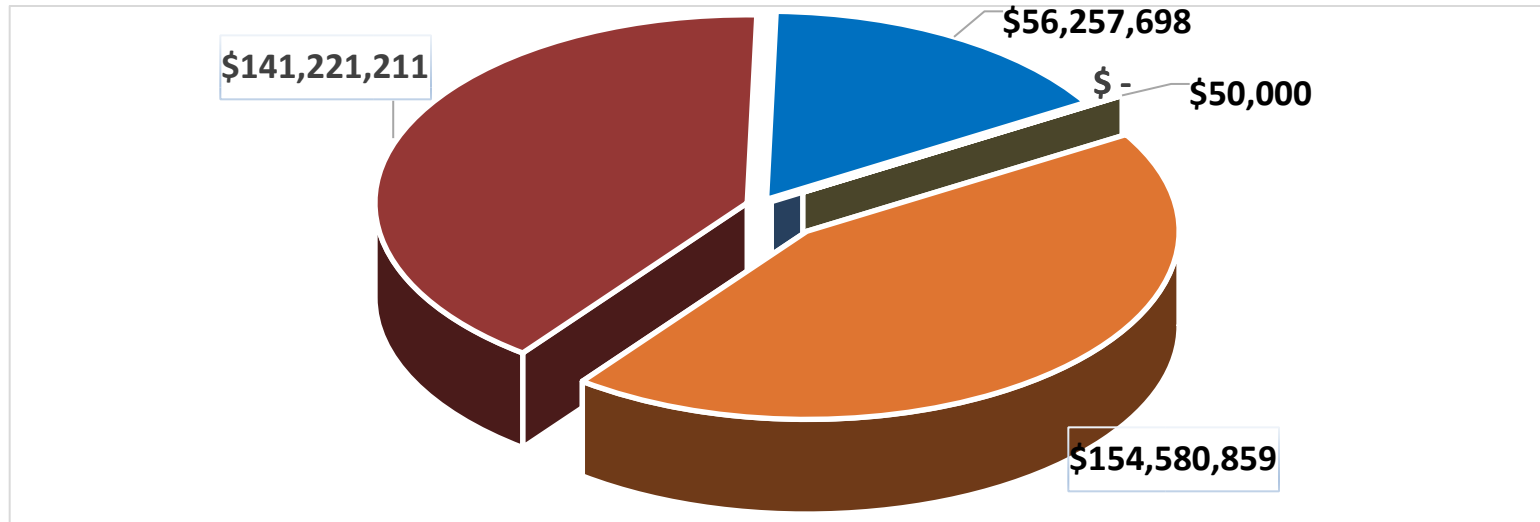
Level of Constraints:

- **Nonspendable (\$50,000)**: Includes all levels of constraints below Funds that have been advanced to a contractor or grantee for services to be provided in the future and are considered to be an asset of the Commission. *Board Action through Contract Consent & Audit (Fund Balance)*
- **Committed (\$154,580,859)**: Includes all levels of constraints below Funds allocated for a specified purpose and directed by the Commission via Resolution. The Commission must adopt another Resolution to reappropriate these funds for other purposes. *Board Action through the Budget & Audit (Fund Balance)*
- **Assigned (\$141,221,211)**: Includes the constraint below. Funds are reserved for Commission use consistent with the 2015-2020 Strategic Plan. *Board Approved through Audit (Fund Balance)*
- **Unassigned (\$56,257,698)**: Funds designated for the Operating Budget and Reserve. *Board Approved through Audit (Fund Balance)*

Total Fund Balance as of June 30, 2019 = \$352,109,768

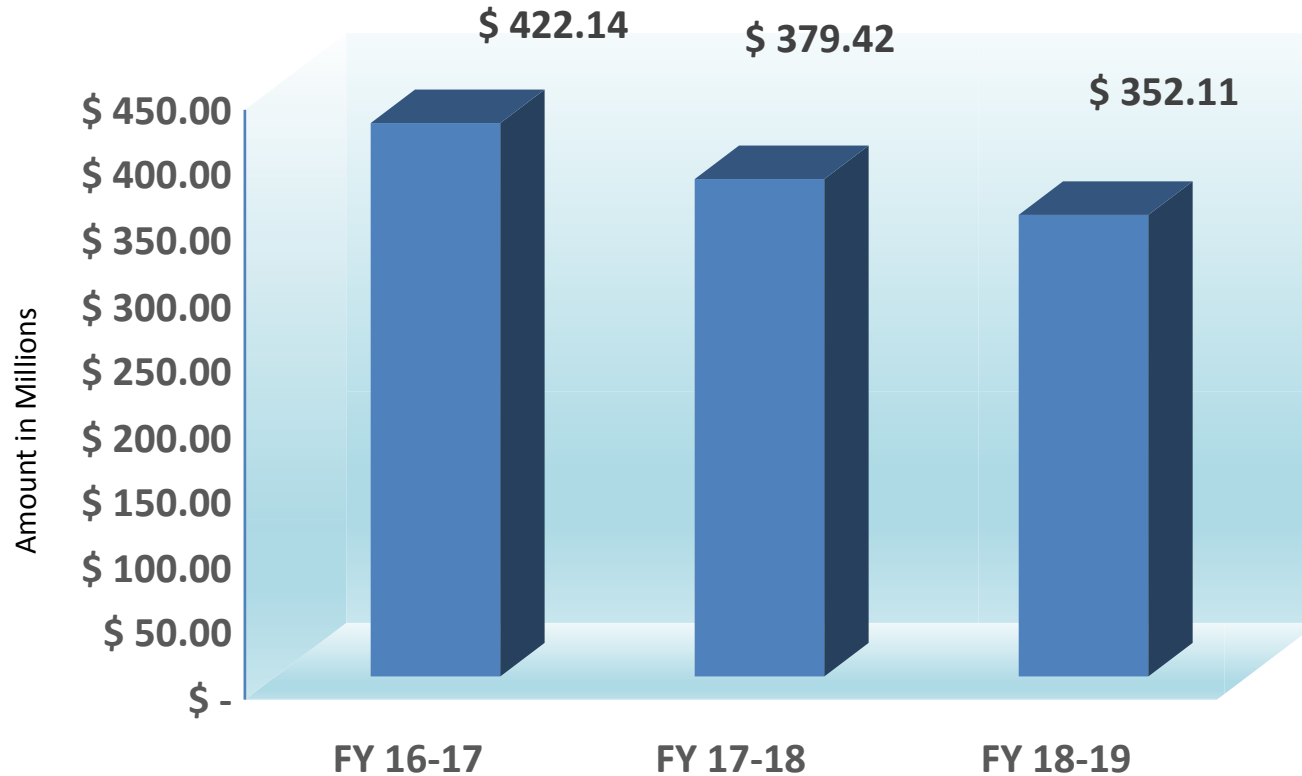
Fund Balance

Total Fund Balance: \$352,109,768

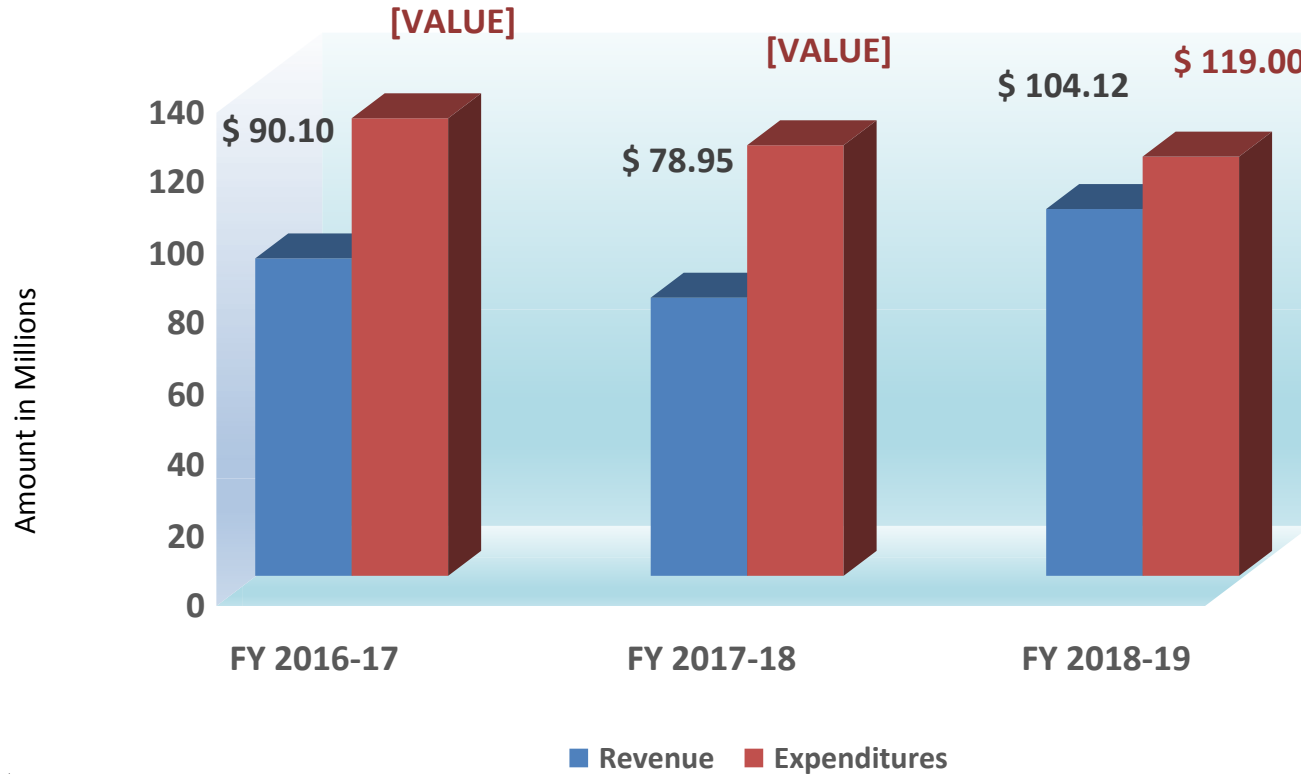


■ Nonspendable ■ Committed ■ Assigned ■ Unassigned

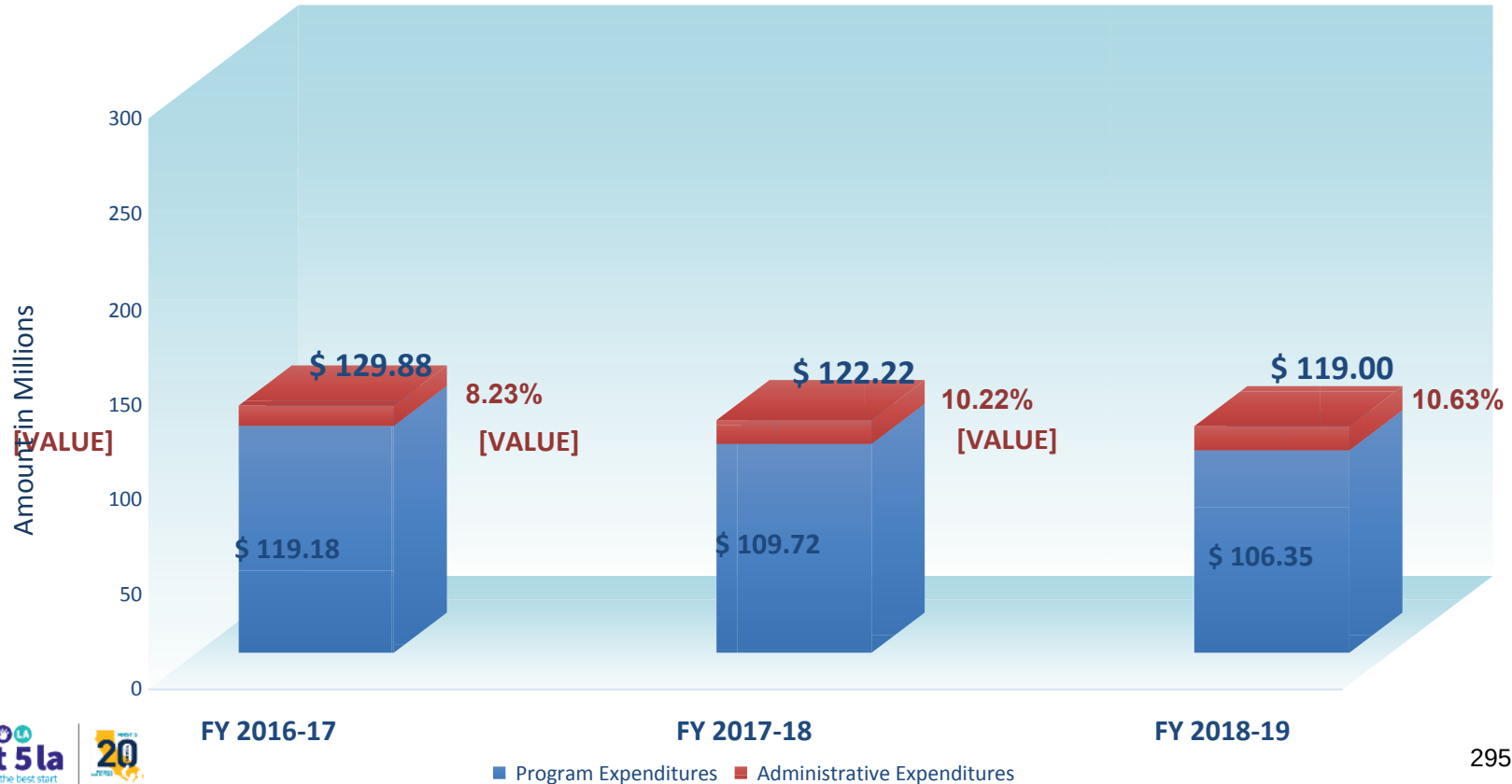
3 – Year Comparison: Fund Balance



3 – Year Comparison: Revenue vs. Expenditure



3 – Year Comparison: Program and Administrative Expenditures



Next Steps

- Program & Planning Committee – written only
- Board of Commissioners – for approval in October
- Submission of the CAFR:
 - State Controller's Office
 - First 5 California
- Update the Long Term Financial Projection (LTFP)

Questions?



FIRST 5 LA

SUBJECT:

Establish a Strategic Partnership with CalMatters in the Amount of \$150,000 for a Period of 20 Months to Create and Publish a Series of In-Depth Journalistic Content and Commentary on Early Childhood Issues

RECOMMENDATION (PROVIDED AS INFORMATION):

This memo is provided as information for the Board's consideration at the September 26, 2019 Special Meeting of the Board of Commissioners/Program & Planning Committee. First 5 LA staff recommends that at the October 10, 2019 Commission meeting, the Board approve the establishment of a Strategic Partnership with CalMatters for an amount of \$150,000 for a period of 20 months. The contract will also be brought to the Board in October for approval. Funds for FY 2019-20 are included within the current First 5 LA Programmatic Budget under Communications & Marketing, Strategic Communications Partnerships, which was approved by the Board of Commissioners in June 2019. Funds for FY 2020-21 will be included in the FY 2020-21 First 5 LA Programmatic Budget which will be brought to the Board of Commissioners for approval in June 2020. At the time of budget approval, requested resources will shift from the Assigned resource category of the fund balance, dedicated for broad Strategic Plan purposes, to the Committed category, amounts dedicated for a more specified purpose via resolution.

BACKGROUND:

First 5 LA is dedicated to serving children from prenatal to age 5 and their families, with the understanding that when we dedicate attention and resources to children at the earliest stages of their lives, we are laying the foundation for the social and economic future of the child, the family, and our community. Elevating the importance of early childhood development through credible, trusted news outlets enables First 5 LA and its partners to more effectively engage and urge leaders and lawmakers to prioritize young children in policy and budget decisions. As we have engaged and learned from previous investments, news media outlets are frequently not well-equipped or well-practiced to report knowledgeably on early childhood development policy, programs, and practice.

Early childhood development issues have become a much bigger part of the conversation in California this year as Gov. Gavin Newsom and the legislature seek to address a host of issues affecting the state's children and families and, broadly, social and economic well-being. The Governor has prioritized early childhood education, health and wellness. The state budget for FY2019-20 signed by the Governor includes nearly \$2 billion for early childhood initiatives such as funding for new pre-school buildings and training for providers, subsidized preschool for low-income 4-year-olds, and expand all-day kindergarten. Gov. Newsom is the first California governor to create a position in his office focused on early childhood development, as well as a Senior Advisor within California Health and Human Services.

Reporting on early childhood issues in California historically has been scarce, particularly the kind of deep, explanatory policy and political work that is at the heart of the CalMatters mission. This Strategic Partnership will enable CalMatters to produce an in-depth reporting series and guest commentaries to frame the issues, explore solutions, and spark dialogue and understanding in our state.

First 5 LA's Communications Department is requesting a Strategic Partnership with CalMatters that will:

- Produce a series of six (6) "explainer"-type articles on early childhood issues that will examine the subject in depth. The content and activities will include: in-depth explanatory stories with visual aids, data-driven stories with infographics and timelines and data-based products, social media opportunities to engage the public, and a public event.
- CalMatters will solicit and publish three (3) guest commentaries on ECD issues from a wide range of thought leaders to advance public understanding, publish them in their Commentary section and share them with CalMatters' 180-plus media partners.

- Use the CalMatters website and its network of more than 180-plus media partners and other channels to distribute the content more widely, which will enrich public understanding of early childhood issues and policies, particularly at the state level, and build appetite and the basis for better-informed public conversation and drive engagement around those issues.
- Connect better information and explanation of early childhood issues to moments of significant public debate.

As a part of the overarching communication investment strategy to engage decision makers on issues affecting young children, First 5 LA Commissioners have approved investments in several strategic partnerships. These investments in organizations and news outlets have served to build their capacity to cover early childhood development issues, helping First 5 LA elevate awareness and create urgency. By elevating these issues through thoughtful reporting in outlets trusted and respected by decision makers, we can create opportunities for leaders and lawmakers to better understand and prioritize the needs of young children.

Previous Board-approved Strategic Partnership investments include:

- Southern California Public Radio, via the LA Partnership for Early Childhood Investment
- The Center for Health Reporting at the USC Schaeffer Center for Health Policy and Economics
- The USC Annenberg Center for Health Journalism's Children's Health Matters Blog, and the National Health Journalism Fellowship
- Pacific Oaks College Fellowship

Similar to other partners in this portfolio of investments, we will measure progress and success by the amount and quality of stories published and their engagement with the public via social media metrics (likes, shares and follows). Learning from the Walton Family Foundation, which has made similar investments, it is important to focus on impact and quality as opposed to the word count of stories published. While it is not possible to accurately predict exactly what may follow from a journalism-based project, there is frequently feedback in the form of comments on a news media partner's site and many other indicia of impact and success. On some occasions, local or state action results, such as a city council or County Board of Supervisors or Legislature enacting a new policy in response to the publication's findings.

On other occasions, there is even broader impact. More recently, enabled by First 5 LA's funding, the Center for Health Reporting had a story on developmental screening published in several newspapers, including the Sacramento Bee, the paper of record in the State Capitol. This was then used by First 5 LA, other First 5 Commissions, and other early childhood development advocates to urge lawmakers to move AB 1004, a measure on developmental screenings for young children.

First 5 LA's investment will help increase the amount of high-quality news content focused on early childhood issues, allowing us to engage the decision makers, the public and stakeholders in multiple arenas, and supporting our systems change and policy work across our outcome areas.

Pursuant to the Procurement Policy, Strategic Partnerships of \$75,000 or more in a fiscal year must be presented to the Board for approval. Staff is requesting an establishment of a Strategic Partnership for an amount \$150,000 to comply with this policy. Section IV.5 of the Procurement Policy also states that contracts of \$75,000 or more requires Board approval prior to execution. At the October meeting of the Board of Commissioners, staff will seek approval to execute a contract.

GOVERNANCE GUIDELINES #5 AND #6 (SUSTAINABILITY AND LEVERAGING):

This project will include efforts to seek opportunities to leverage both existing and new partnerships through targeted outreach, which may result in additional funding and support. First 5 LA's investment will help increase the amount of high-quality news content focused on early childhood issues, allowing us to engage decision makers, stakeholders and the public in multiple arenas, and supporting our systems change and policy work across our outcome areas.

CalMatters already has significant philanthropic support from leading foundations, such as the Knight Foundation, the James Irvine Foundation and the Walton Family Foundation. In addition, CalMatters has initiated conversations with other philanthropic organizations about investing in CalMatters' capacity to cover early childhood development issues.

JUSTIFICATION:

This Strategic Partnership meets the criteria below:

- ☐ The Strategic Partnership can provide specific resources needed by First 5 LA to implement an approved program or initiative in a manner or on a scale that makes the Strategic Partnership more cost effective than resources provided through a competitive solicitation; or
- ☐ The Strategic Partnership can implement an approved program or initiative more expeditiously than resources provided through a competitive solicitation; or
- ☒ The Strategic Partnership can provide a demonstrated level of ability or expertise that is only available in the community through the proposed Strategic Partnership; or
- ☐ The Strategic Partnership provides an opportunity to leverage First 5 LA funds to produce additional funding for the program or initiative or service.

AND

- ☒ The proposed Strategic Partnership is aligned with the adopted Strategic Plan.

The Strategic Partnership can provide a demonstrated level of ability or expertise that is only available in the community through the proposed Strategic Partnership.

Based in Sacramento, CalMatters is a nonpartisan, nonprofit news organization focused on California politics and policy. It provides insightful and thought-provoking journalism and live events to help create transparency and understanding in the policy process that allows decision-makers and civically engaged citizens to shape dialogue and encourages a healthy democracy with informed voters.

CalMatters' target audience is civically engaged Californians, including voters and those who might be motivated to vote, along with civic leaders, state legislators and their staff, lobbyists, academics and activists.

Founded in 2015, CalMatters has become a trusted brand reaching an engaged and influential audience across the state. They reach that audience by posting stories online -- releasing more than 1,500 articles so far -- and sharing them at no cost with more than 180 other media organizations. Those partners have published CalMatters' work more than 12,000 times. Key partners are Digital First Media (which includes the San Jose Mercury News, Orange County Register and 23 other California newsrooms), McClatchy (including The Sacramento Bee and four other newsrooms in the state), the Los Angeles Times, the San Francisco Chronicle, Capital Public Radio, KPCC, KPBS and KQED. News aggregators, including The New York Times California Today and Politico's California Playbook, have cited 1,900 CalMatters stories.

CalMatters' staff has grown from six in 2016 to 23 today. Neil Chase, an experienced leader of news organizations and a journalism innovator, joined as Chief Executive Officer in January 2019. He was previously Executive Editor of The Mercury News and the East Bay Times. Chase assumed the CEO position from David Leshner, the CalMatters co-founder, who continues to serve as editor. These changes reflect the growing demand and opportunity for CalMatters' high-quality journalism and for CalMatters to play the role of a collaboration hub for the media ecosystem.

CalMatters will provide First 5 LA with a demonstrated ability to reach policy decision makers and political influencers through this proposed Strategic Partnership.

Establishing this Strategic Partnership will enable First 5 LA to take advantage of CalMatters' ability to reach and influence a critical audience – Capitol insiders, such as the staff of elected officials, and top policy and decision makers – to complement our advocacy, policy and system change efforts.

CalMatters' news coverage also offers First 5 LA the opportunity to promote public awareness and understanding of key policy issues affecting children during the critical zero to five years by supporting ambitious journalism on these topics written for a statewide audience and bringing attention to issues in Los Angeles County for statewide audiences, such as Sacramento policymakers and State Capitol insiders.

CalMatters is uniquely positioned to do this since they have an established audience of Capitol insiders that they reach via newsletters, social media and its website at www.CalMatters.org. While there are other organizations that may do this type of reporting, they do not have the trust, credibility, reach or option to even start this kind of program. Most do not have the same staffing that can provide this level of expertise to write the pieces. CalMatters also has the deep expertise of its seasoned and well known journalists on staff, many of whom have decades of experience covering the State Capitol.

The proposed Strategic Partnership is aligned with the adopted Strategic Plan.

The goals of First 5 LA include engaging decision makers, elevating awareness, and creating urgency to accomplish the 2015-2020 Strategic Plan outcome goals. This Strategic Partnership will allow us to engage the public, decision makers, and stakeholders in multiple arenas by elevating the quality and quantity of coverage on early child development issues.

This Strategic Partnership will advance 2015-2020 Strategic Plan Outcome area goals across every strategy, and also complements the advocacy efforts of the Public Policy & Government Affairs department. CalMatters' coverage will elevate awareness of early childhood issues through thoughtful reporting, creating urgency around the topics and building its capacity to cover these issues.

By raising awareness and encouraging conversations, greater opportunities are created for policy and systems change work to address the early childhood issues invested in by First 5 LA. Additionally, this funding will increase the amount of high quality news content across digital and social media, from a trusted outlet, while linking L.A. County-specific news coverage to the broader early childhood development movement throughout California and the nation.

FIRST 5 LA

SUBJECT:

Request to Establish a Strategic Partnership with Fostering Media Connections in the Amount of \$150,000 for a Period of 20 Months to Create a Focus on Child Maltreatment Prevention in Policy, Practice and Research, as well as the Improvement of Health Services as they Pertain to Children, Youth and Families Through Trauma-Informed Approaches.

RECOMMENDATION (PROVIDED AS INFORMATION):

This memo is provided as information for the Board's consideration at the September 26, 2019 Special Meeting of the Board of Commissioners/Program & Planning Committee. First 5 LA staff recommends that at the October 10, 2019 Commission meeting, the Board approve the establishment of a Strategic Partnership with Fostering Media Connections for an amount of \$150,000 for a period of 20 months. The contract will also be brought to the Board in October for approval. Funds for FY 2019-20 are included within the current First 5 LA Programmatic Budget under Communications & Marketing, Strategic Communications Partnerships, which was approved by the Board of Commissioners in June 2019. Funds for FY 2020-21 will be included in the FY 2020-21 First 5 LA Programmatic Budget which will be brought to the Board of Commissioners for approval in June 2020. At the time of budget approval, requested resources will shift from the Assigned resource category of the fund balance, dedicated for broad Strategic Plan purposes, to the Committed category, amounts dedicated for a more specified purpose via resolution.

BACKGROUND:

First 5 LA is dedicated to serving children from prenatal to age 5 and their families, with the understanding that when we dedicate attention and resources to children at the earliest stages of their lives, we are laying the foundation for the social and economic future of the child, the family, and our community. Elevating the importance of early childhood development through credible, trusted news outlets enables First 5 LA and its partners to more effectively engage and urge leaders and lawmakers to prioritize young children in policy and budget decisions. As we have engaged and learned from previous investments, news media outlets are frequently not well-equipped or well-practiced to report knowledgeably on early childhood development policy, programs, and practice.

As a continuation of the overarching communication investment strategy to engage decision makers on issues affecting young children, First 5 LA Commissioners have approved investments in several strategic partnerships. These investments to organizations and news outlets have served to build their capacity to and practice of covering early childhood development issues, helping First 5 LA elevate awareness and create urgency. By elevating these issues through thoughtful reporting, in outlets trusted and respected by decision makers, we create opportunities for leaders and lawmakers to better understand and prioritize the needs of young children.

Previous Board-approved Strategic Partnership investments include:

- Southern California Public Radio, via the LA Partnership for Early Childhood Investment
- The Center for Health Reporting at the USC Schaeffer Center for Health Policy and Economics
- The USC Annenberg Center for Health Journalism's Children's Health Matters Blog, and the National Health Journalism Fellowship
- Pacific Oaks College Fellowship

Continuing this work, the Communications Department is requesting a Strategic Partnership with Fostering Media Connections (FMC), a trusted local media outlet utilized by many local decision and policymakers, which will create a "Early Childhood Maltreatment Prevention and Trauma-Informed Care" coverage area focused exclusively on policy, practice and research focused on child maltreatment prevention, as well as the improvement of health services as they pertain to children, youth and families through trauma-informed approaches.

The strategic partnership will fund the creation of journalism-related products that will be published and/or broadcast in partnership with various L.A. County and California news media organizations, including large and small newspapers, NPR affiliates, online and ethnic news media, and amplified across a variety of digital and social media. Specifically, Fostering Media Connections will produce 10 to 15 news and feature stories in FY19-20 and 10 to 15 news and feature stories in FY20-21. In each 12-month period, Fostering Media Connections will seek to secure publication of these projects in mainstream media outlets for at least four stories.

Additionally, Fostering Media Connections will publish these journalism-products in its two publications: *The Chronicle of Social Change*, a daily website covering child welfare and juvenile justice, and *Fostering Families Today*, a print magazine that reaches thousands of “resource families” within L.A. County’s Department of Child and Family Services and other key California counties.

Fostering Media Connections will assume sole responsibility for selecting and recruiting journalists to report stories as part of the Early Childhood Maltreatment Prevention and Trauma-Informed Care focal area.

Fostering Media Connections’ Early Childhood Maltreatment Prevention and Trauma-Informed Care news coverage will focus on policy, practice and research focused on child maltreatment prevention as well as the improvement of health services as they pertain to children, youth and families through trauma-informed approaches. In addition, Fostering Media Connections will use its unique co-publication agreements to secure placement of its Early Childhood Maltreatment Prevention and Trauma-Informed Care stories and inspire follow-up coverage in leading news media publications such as *The San Francisco Chronicle*, *The Sacramento Bee*, *LA School Report*, *Los Angeles Daily News*, KPCC-FM, Spectrum News LA, and KALW-FM. These story placements in relevant media markets, such as L.A. County, Sacramento, and the Bay Area, overlap with the areas key legislative leaders and elected officials represent. Fostering Media Connections’ co-publication of its work in these news media outlets will help elected officials, decision makers and policy makers become better informed and activated on issues related to early childhood development.

Relevant topics include, but are not limited to: childhood maltreatment prevention efforts in LA County as described in First 5 and the OCP’s Prevention Plan; early childhood development policy at the state and local level; home visitation and family supports; parenting practices and supports; research and model programs on school readiness; the safety, the impact of trauma and adverse childhood experiences; promising interventions; health disparities or health care disparities; the effectiveness of efforts to improve outcomes for infants and young children; barriers to health care; developmental screenings; and development of the workforce that serves children prenatal to 5 and their families.

Eligible projects will be published in media outlets that reach a substantial Los Angeles County audience, or in an outlet that reaches a broader statewide audience, such as Sacramento, however all projects will maintain a relevance to L.A. County. As with all Fostering Media Connections programs, evaluation of FMC’s effectiveness and identification of potential improvements will be included as a component of Fostering Media Connections’ Annual Program Review process. This process includes the review of program progress against its outreach and impact goals as well as the necessary support structures. First 5 LA and other stakeholders will join in this process.

Similar to other partners in this portfolio of investments, we measure progress and success by the amount and quality of stories published and their engagement with the public via social media metrics (likes, shares and follows). Learnings from the Walton Family Foundation, which has made similar investments, indicate that it is important to focus on impact and quality as opposed to the word count of stories published. While it is not possible to accurately predict what may follow from a journalism-based project, there is frequently strong local feedback in the form of comments on a news media partner’s site. On some occasions, local action results, such as a city council or county board of supervisors enacting a new policy in response to the project’s findings.

On other occasions, there is even broader impact. More recently, enabled by First 5 LA's funding, the Center for Health Reporting had a story on developmental screening published in several newspapers, including the Sacramento Bee, the paper of record in the State Capitol. This was then used by First 5 LA, other First 5 Commissions, and other early childhood development advocates to urge lawmakers to move AB 11, a measure on developmental screenings for young children.

First 5 LA's investment will help increase the amount of high-quality news content focused on early childhood issues, allowing us to engage the public, decision makers, and stakeholders in multiple arenas, and supporting our systems change and policy work across our outcome areas.

Pursuant to the Procurement Policy, Strategic Partnerships of \$75,000 or more in a fiscal year must be presented to the Board for approval. Staff is requesting an establishment of a Strategic Partnership for an amount \$150,000 to comply with this policy. Section IV.5 of the Procurement Policy also states that contracts of \$75,000 or more requires Board approval prior to execution. At the October meeting of the Board of Commissioners, staff will seek approval to execute a contract.

GOVERNANCE GUIDELINES #5 AND #6 (SUSTAINABILITY AND LEVERAGING):

This project will include efforts to seek opportunities to leverage both existing and new partnerships through targeted outreach, which may result in additional funding and support. First 5 LA's investment will help increase the amount of high-quality news content focused on early childhood issues, allowing us to engage the public, decision makers, and stakeholders in multiple arenas, and supporting our systems change and policy work across our outcome areas.

Fostering Media Connections already has significant charitable support from leading foundations in L.A. County (Hilton & Parsons Foundations) and California (California Endowment), focused on similar coverage areas. In addition, FMC has initiated conversations with other philanthropic organizations about investing in FMC's capacity to cover Early Childhood Maltreatment Prevention and Trauma-Informed Care issues.

JUSTIFICATION:

This Strategic Partnership meets the criteria below:

- ☐ The Strategic Partnership can provide specific resources needed by First 5 LA to implement an approved program or initiative in a manner or on a scale that makes the Strategic Partnership more cost effective than resources provided through a competitive solicitation; or
- ☐ The Strategic Partnership can implement an approved program or initiative more expeditiously than resources provided through a competitive solicitation; or
- ☒ The Strategic Partnership can provide a demonstrated level of ability or expertise that is only available in the community through the proposed Strategic Partnership; or
- ☐ The Strategic Partnership provides an opportunity to leverage First 5 LA funds to produce additional funding for the program or initiative or service.

AND

- ☒ The proposed Strategic Partnership is aligned with the adopted Strategic Plan.

The Strategic Partnership can provide a demonstrated level of ability or expertise that is only available in the community through the proposed Strategic Partnership.

Based in Los Angeles, Fostering Media Connections is a nonprofit media organization, which uses a mix of investigative, accountability and solution-oriented journalism to drive reform within the systems that serve vulnerable children, youth and their families.

They are able to provide First 5 LA with a demonstrated level of expertise in the field due to:

- Nearly 10 years of expertise in covering issues related to children, youth and trauma, meaning First 5 LA does not have to help develop this expertise as it would have to with other journalism-based organizations, though this investment will enable a deeper focus on early childhood;
- Deep, local connections to L.A. County leaders and policy makers as sources of information that other non-local and out-of-state journalism-based organizations lack; and
- Established history of success in co-publication with other news outlets, such as the Los Angeles Times and L.A. Daily News

FMC heightens public dialogue and drives systems change for vulnerable children in three unique ways: 1) Policy Change; 2) Co-Publication and Media Pickup; and 3) Readership.

Policy Change: FMC's coverage has repeatedly driven policy change at the local, state and federal level. Since launching in 2010, FMC has been critical to changing federal law affecting the educational rights of foster youth, extending the foster care to age 21 in California and a wide range of reforms in our home base of Los Angeles County. For example, FMC's coverage of states' struggles to meet the requirements of the federal Every Student Succeeds Act foster care mandates helped spark millions of new dollars to provide rides to school for foster youth in California, Rhode Island and Colorado.

Co-Publication and Media Pickup: Key to driving policy change is FMC's aggressive co-publication and media pickup dissemination strategy. In FY 17-18 other news media outlets published or followed FMC's work 751 times. These include: *The Los Angeles Times*, *New York Times*, *Associated Press*, NPR, *San Francisco Chronicle*, *LA School Report*, *Los Angeles Daily News*, KPCC-FM, Spectrum News LA, KALW and many others.

Readership: FMC's audience ranges from child welfare and juvenile justice workers to policymakers and activists, members of the media and youth. In 2018, readership grew 54 percent overall, with monthly pageviews regularly exceeding 100,000. These numbers increase exponentially through the much broader audience gained via FMC's strategic co-publishing partnerships with key outlets. For example, KPCC reaches 900,000 listeners a week; the LA Daily News' daily print circulation exceeds 50,000; while the LA Times draws 4.4 million print and digital readers a week.

In addition, FMC publishes in three of its own publications where child maltreatment prevention stories may be published:

The Chronicle of Social Change (CSC): FMC's flagship daily site covering child trauma, child welfare and juvenile justice news nationally. In partnership with First 5 LA, *The Chronicle* will build on its periodic coverage of early childhood development issues during ages 0-5, launching deep reporting projects presented in rich multimedia formats. *The Chronicle* is uniquely positioned to do this work because of its long history covering child trauma issues with support of the California Endowment, and knowledge of the multiple systems that support early childhood development.

Fostering Families Today (FFT): a bi-monthly print and digital magazine that is distributed to over 30,000 caregivers of foster youth across the country. Given that 8,000 L.A. County foster families receive FFT through a partnership with DCFS, this partnership with First 5 LA will provide opportunities to inform those families how to support the development of young children in their care while mitigating trauma.

Youth Voice: a journalism training program for young people with lived experience in the foster care or juvenile justice systems. Through the partnership with First 5, FMC will engage its youth writers to contribute pieces and personal reflections about early childhood development.

Establishing this Strategic Partnership will enable First 5 LA to take advantage of Fostering Media Connections' unique expertise in driving policy change at the local level, co-publication success in local news outlets trusted by the public, and its readership that includes policymakers, activists and practitioners in the health care and trauma-informed care field.

The proposed Strategic Partnership is aligned with the adopted Strategic Plan.

This Strategic Partnership will advance 2015-2020 Strategic Plan Outcome area goals across every strategy, and will also complement the advocacy efforts on prevention work with Los Angeles County. Fostering Media Connections will elevate awareness of early childhood issues through thoughtful reporting, creating urgency around the topics and building media outlets' capacity to cover these issues. By raising awareness and encouraging conversations, greater opportunities are created for policy and systems change work to address the early childhood issues invested in by First 5 LA. Additionally, this funding will increase the amount of high quality news content across digital and social media, from a trusted outlet, while linking L.A. County-specific news coverage to the broader early childhood development movement throughout California and the nation.

The goals of First 5 LA include engaging decision makers, elevating awareness, and creating urgency to accomplish the 2015-2020 Strategic Plan outcome goals. This Strategic Partnership will allow us to engage the public, decision makers, and stakeholders in multiple arenas by elevating the quality and quantity of coverage on early child development issues. Fostering Media Connections' Early Childhood Maltreatment Prevention and Trauma-Informed news coverage offers First 5 LA a unique opportunity to promote decision maker awareness and understanding of key policy issues affecting children during the critical zero to five years by supporting ambitious journalism on these topics written for a Los Angeles County audience, and bringing attention to issues in Los Angeles County for statewide audiences, such as Sacramento policymakers.

FIRST 5 LA

SUBJECT:

Authorize First 5 LA to Receive Funds from the Los Angeles County Office of Education (LACOE) for Quality Start LA IMPACT Hub Consultation and the California Early Care and Education (ECE) Workforce Study

RECOMMENDATION:

The following recommendations are being presented as written information for the Board's consideration at the September 26, 2019 Special Meeting of the Board of Commissioners & Program and Planning Committee. First 5 LA staff recommends that at the October 10, 2019 Board of Commissioners meeting, the Board approve the following actions related to the Quality Start LA IMPACT Hub Consultation and Early Care and Education (ECE) Workforce Study:

1. Approve Budget Resolution #2019-04 to approve receipt of funds from the Los Angeles County Office of Education (LACOE) in the amount of;
 - \$200,000 through June 30, 2020 to support VIVA Strategy + Communications' (VIVA) Quality Start LA (QSLA) IMPACT Hub Consultation.
 - \$25,000 through June 30, 2020 to support Community Partners awarding an Early Care and Education (ECE) Workforce Study being conducted by the Center for the Study of Child Care Employment at the University of California at Berkeley.
2. Authorize the Executive Director to complete execution of agreements with LACOE upon approval from the Board at the October 10, 2019 Board of Commissioners meeting to receive funds through June 30, 2020.

BACKGROUND:

Quality Start Los Angeles IMPACT Hub Consultation

First 5 LA first entered into an agreement with VIVA in 2016 to support work related to our Quality Rating and Improvement System (QRIS) efforts, with the overarching goal of assisting in merging the multiple QRISs in LA County into a singular, uniform model. First 5 LA has continued to contract with VIVA since 2016 and in June 2019, renewed VIVA's contract. VIVA's scope of work currently includes working with QSLA funders, leadership council, and committees to advance the work of quality improvement throughout Los Angeles County's early learning settings.

The First 5 LA 2015-2020 Strategic Plan calls for implementation of a uniform Quality Rating and Improvement System (QRIS) as a strategy to improve the quality of early care and education services within Los Angeles County. QRIS at its core is a systems reform effort with the aim of improving the quality of licensed early care and education (ECE) settings. The collaborative partnership VIVA facilitates helps advance our countywide QRIS, allowing First 5 LA the potential to positively impact the ECE system, including ECE professionals and the children and families they serve. Furthermore, the ECE Workforce Study is of particular interest to First 5 LA in the context of the current Strategic Plan. While there is currently a lack of robust ECE workforce data specific to Los Angeles County, this pooled funding approach will help build First 5 LA staff's understanding of the early care and education workforce. The increase in understanding will enable staff to strengthen the ECE professional development system by helping staff refine advocacy strategies to best support the professionals working with children and their families.

VIVA has served primarily as an external facilitator to assist First 5 LA in its role as convener of the Quality Rating and Improvement System (QRIS) Architects, now the QSLA Leadership Council. Through First 5 California's (IMPACT) initiative, the QRIS Architects worked collaboratively to develop, refine and improve LA County's existing QRIS into a single, uniform system to improve the quality of early care and education environments for Los Angeles County's earliest learners aged 0-5. Since 2016, VIVA has assisted First 5

LA and the QRIS Architects to develop a single QRIS. The QRIS Architects is a group comprised of the Los Angeles County Office of Education (LACOE), the Los Angeles County Office for the Advancement of Early Care and Education (OAECE, formerly known as the Office of Child Care), the Child Care Alliance of Los Angeles (CCALA), Child360 (formerly known as LAUP), Partnerships for Education, Articulation, and Coordination through Higher Education (PEACH), and the Los Angeles County Local Planning Council (commonly referred to as the Child Care Planning Committee). Following the development of the single QRIS model, the Architects group merged into the QSLA Leadership Council, focused on day-to-day operations, model improvements, and implementation of various quality improvement funding streams.

The Los Angeles County Office of Education (LACOE), similar to First 5 LA, implements QRIS funding as administrator of both the California State Preschool Program (CSPP) QRIS Block Grant and the Quality Counts California QRIS Block Grant (formerly the Infant/Toddler QRIS Block Grant). Given the shared responsibility of LACOE and First 5 LA on quality improvement, LACOE's contribution of additional funds to First 5 LA will further support the mutually agreed upon goals, and further develop LA County's quality improvement initiatives in partnership with other key stakeholders (e.g., the QSLA Leadership Council). The additional funds will allow VIVA to support the QSLA Funders Circle and Leadership Council on other matters that had been previously removed from the FY 19-20 scope of work under the First 5 LA contract due to limited funding. The additional support will include communications activities and updates to QSLA materials.

Early Care and Education (ECE) Workforce Study

Beyond the work of Quality Start Los Angeles, First 5 LA entered into an agreement with Community Partners as the Intermediary to provide administration and coordination support for the Early Care and Education Policy and Advocacy Fund (Fund) which is focused on advancing improved access to quality, affordable, sustainable ECE. Via a rapid response grant, which are intended to make funds available to address *field-wide* needs, Community Partners will award the University of California at Berkeley's Center for the Study of Child Care Employment (CSCCE) to specifically develop a Los Angeles County-specific workforce report as part of a statewide study about early educators. This study will collect essential information about the demographics, education, training, tenure, turnover, wages, benefits, economic well-being, and working conditions of early educators working with children ages birth through five throughout California. LACOE's contribution to this Fund, in conjunction with First 5 LA's own investment, will yield a high-quality data profile of the ECE workforce specific to Los Angeles County from the statewide data collected by CSCCE. Ultimately, the county data profile will include a narrative providing context for workforce level data as well as data tables and figures highlighting findings from family child care homes, center directors, and center teachers. These data will inform our understanding of the ECE workforce specific to Los Angeles County and will inform quality improvement strategies as well as program implementation for First 5 LA and LACOE ECE quality improvement initiatives.

While these two efforts are separate and distinct, they are related and connected. LACOE and First 5 LA's efforts to improve quality are predicated upon a solid understanding of the local ECE workforce. Without adequate data about this population, it is challenging to identify and implement effective strategies to support this population. Given First 5 LA and LACOE's unique respective role as key funders of quality improvement efforts, staff feel this arrangement to leverage funding from LACOE will be mutually advantageous and will help to support the ongoing quality improvement efforts countywide.

NEXT STEPS:

Staff will return to the next scheduled Board of Commissioners meeting on October 10, 2019 to request approval of Budget Resolution #2019-04 to accept receipt of funds in the amount of \$200,000 through June 30, 2020 from LACOE to support VIVA Strategy and Communications' Quality Start LA IMPACT Hub Consultation and \$25,000 through June 30, 2020 from LACOE to support the ECE Workforce Study, and authorize the Executive Director to complete execution of the agreements with LACOE.

RESOLUTION NO. 2019-04

**A RESOLUTION OF THE LOS ANGELES COUNTY CHILDREN
AND FAMILIES FIRST PROPOSITION 10 COMMISSION:
APPROVAL OF RECEIPT OF QUALITY START LA IMPACT HUB CONSULTANTION AND EARLY
CARE AND EDUCATION (ECE) WORKFORCE STUDY FUNDS**

The Board of Commissioners of Los Angeles County Children and Families First Proposition 10 Commission ("the Commission") hereby finds and resolves as follows:

Whereas, pursuant to the Fund Balance Policy approved on October 13, 2016, the Commission is required to approve via Resolution the receipt of restricted funds, thus formally acknowledging and reflecting externally imposed constraints placed on the use of these resources; and

Whereas, the Los Angeles County Office of Education (LACOE) awarded First 5 LA funds to further support VIVA Strategy + Communications' (VIVA) work with the Quality Start LA (QSLA) Funders Circle and Leadership Council on a number of communications activities and updates to QSLA materials. Additional funds are awarded to contribute to the cost associated with a robust data collection effort being conducted by the University of California, Berkeley and spearheaded by Community Partners as the intermediary, which staff hope will yield high quality data for a Los Angeles County profile of the ECE workforce.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Up-front funding received from LACOE in the amount of \$200,000 through June 30, 2020 to support VIVA QSLA IMPACT Hub Consultation will be considered restricted for fund balance purposes; and
2. Up-front funding received from LACOE in the amount of \$25,000 through June 30, 2020 to support Community Partners awarding an Early Care and Education (ECE) Workforce Study being conducted by the Center for the Study of Child Care Employment at the University of California, Berkeley will be considered restricted for fund balance purposes; and
3. The executed copy of this Resolution shall be retained on file as evidence of the Commission's actions herein.

**PASSED, APPROVED AND ADOPTED THIS 10th DAY OF OCTOBER, 2019, BY THE FOLLOWING
VOTE:**

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

Sheila Kuehl
Chair, First 5 LA

Kim Belshé
Executive Director