

# AGENDA

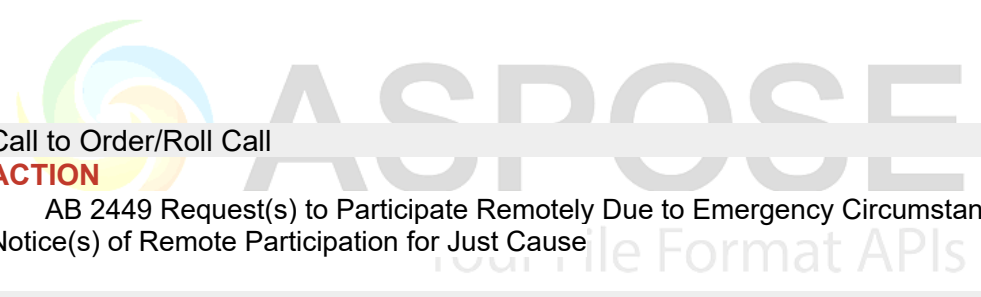
## SPECIAL JOINT MEETING OF THE BOARD OF COMMISSIONERS AND PROGRAM & PLANNING COMMITTEE

Chair: Robert Byrd

Thursday, September 26, 2024  
1:30 PM – 4:30 PM

### Meeting Location:

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

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1. Call to Order/Roll Call
  2. **ACTION**  
AB 2449 Request(s) to Participate Remotely Due to Emergency Circumstances and Notice(s) of Remote Participation for Just Cause
  3. **INFORMATION**  
Review Program and Planning Committee Meeting Notes from April 25, 2024 Meeting
  4. **INFORMATION**  
Review of First 5 LA Annual Report to First 5 CA
  5. **INFORMATION**  
Biennial Review of First 5 LA Conflict-of-Interest Code
  6. **INFORMATION**  
2024 Advocacy Review  
  
**Presenters: Ofelia Medina, Senior Policy Strategist and John Bamberg, Local Policy Specialist**
  7. Break
  8. **INFORMATION**  
Annual Comprehensive Financial Report for the Year Ended June 30, 2024

#### COMMISSIONERS

Los Angeles County Supervisor  
Holly J. Mitchell  
*Chair*  
Summer McBride  
Vice Chair

Robert Byrd, Psy.D  
Alma Cortes  
Barbara Ferrer, Ph.D.,  
M.P.H., M.Ed.  
Astrid Heger, M.D.

Abigail Marquez  
Maricela Ramirez  
Carol Sigala

#### EX OFFICIO MEMBERS

Deanne Tilton Durfee  
Jacquelyn McCroskey, DSW  
Alejandra Albarran Moses  
Brandon Nichols

#### PRESIDENT & CEO

Karla Pleitéz Howell

#### EXECUTIVE VICE PRESIDENT

John A. Wagner

#### A PUBLIC ENTITY

**Presenters: Raoul Ortega, Director of Finance and Kyle Bartle, Senior Manager, Eide Baille, LLP**

9. **INFORMATION**

Recommendation on the Long-Term Financial Plan to Align with the Strategic Plan for 2024-2029

**Presenters: JR Nino, Vice President of Operations & Sustainability; Raoul Ortega, Director of Finance; and John Wagner, Executive Vice President**

10. Public Comment (for items not on the agenda)

11. Adjournment



**FIRST 5 LA**  
**SUMMARY MEETING NOTES**  
**Special Meeting of the Board/Program & Planning Committee**  
**April 25, 2024**  
**1:30 pm – 4:30 pm**

**COMMITTEE MEMBERS PRESENT:**

Robert Byrd (Committee Chair)  
Deanne Tilton Durfee  
Astrid Heger  
Jacquelyn McCroskey  
Alejandra Albarran Moses

Julie Taren (Alternate)

**STAFF PRESENT:**

Karla Pleitez Howell, President & CEO  
Linda Vo, Board Relations Manager  
John Wagner, Executive Vice President

**OTHER MEMBERS PRESENT:**

Summer McBride  
Maricela Ramirez  
Carol Sigala

**LEGAL COUNSEL:**

Serita Young, Attorney-at-Law

**OPEN SESSION**

**1. Call to Order/Roll Call**

The Special Meeting of the Board/Program & Planning Committee was called to order by Committee Chair Byrd at 1:32 pm. Roll call completed.

**2. AB 2449 Request(s) to Participate Remotely Due to Emergency Circumstances and Notice(s) of Remote Participation for Just Cause**

No Commissioners joined the meeting under AB 2449.

**3. Review Meeting Minutes from Special Meeting of the Board/Program & Planning Committee on September 28, 2023**

Notes were received and filed without any deletions, additions, or changes.

**4. African American Infant and Maternal Mortality (AAIMM) Initiative Update, and Amend Strategic Partnership with the California Community Foundation (CCF) Community Initiatives Fund, Fiscal Sponsor for the Los Angeles Partnership for Early Childhood Investment in the Amount of \$450,000 for a Total of \$1,600,000 through June 30, 2025 to Build Upon Sustainability Strategies for the African American Infant and Maternal Mortality Prevention Initiative ("AAIMM") Community Action Teams and Continue Supporting The Village Fund Pooled Fund**

Ms. Ficek presented an update on First 5 LA's investment on African American Infant and Maternal Mortality (AAIMM) Initiative, along with Ms. Adjoa Jones and Dr. Melissa R. Franklin. The original contract approved by the Board in 2020 was for \$300,000 to contribute towards the AAIMM Innovation Fund. Then in 2022, the Board approved an amendment to this contract, authorizing an additional \$400,000 to fund CATs backbone support and additional capacity-building (for a project total of \$700,000). "Backbone support" refers to a minimum amount of funding needed to operate, grow and

sustain the CATs' organizational infrastructure. At this Board meeting, First 5 LA staff recommended at the May 9, 2024, Commission meeting, the Board approve the amendment of a Strategic Partnership with California Community Foundation (CCF) Community Initiatives Fund, Fiscal Sponsor for the Los Angeles Partnership for Early Childhood Investment (THE PARTNERSHIP) in the amount of \$450,000 for a total of \$1,600,000 through June 30, 2025.requesting.

As part of this update, Ms. Adjoa Jones and Dr. Melissa Franklin talked about the progress and learning they have had to date and presented context for the proposed additional year of funding for Community Action Teams (CATs) and Village Fund.

They also highlighted some milestones accomplished by AAIMM:

- Launched the MotherBoard which is a policy/advocacy group
- Doula Hub created that participates in statewide doula benefit conversations
- Cherished Futures team pivoted to launch statewide Coalition for Black Justice
- Guaranteed Basic income: Helped apply for, gather input and design/launch statewide GBI project

Pending approval from the Board on the additional requested funding at the May Board meeting, next steps include the goal of implementing AAIMM's strategic plan and bring on additional funders to support AAIMM's core infrastructure, including CAT's backbone and minimize disruption in services during First 5 LA transition year.

There is not further discussion on this item.

## 5. Break

## 6. First 5 LA Programmatic Sustainability Strategies

Mr. John Wagner and Ms. Diana Careaga presented an update on First 5 LA's sustainability efforts around its Home Visiting (HV) investment, including successes and considerations for First 5 LA's programmatic investments, given its fiscal reality.

Originally, First 5 LA was the largest home visiting funder but through advocacy for other funding sources, it is now funding 33%, while DPH funds 49% and other County departments funding 16% and 2% funding by Healthy Start.

At First 5 LA's current rate of funding for HV of \$31M and anticipated increase to \$32.9M in FY 26-27 and no additional sustainability strategies, the current status quo is not sustainable. Some key considerations staff is asking for Board feedback on is what continued funding level would be attainable, given First 5 LA current fiscal reality and sustainability efforts.

Some other considerations to take into account regarding First 5 LA's sustainability efforts of its Home Visting program include:

### **Department of Mental Health (DMH):**

- Prop 1 shifts funding categories of Mental Services Health Act (MHSA); impact on DMH funds for home visiting still unclear.

- Currently under contract through FY 25-26

**Family First Prevention Services Act (FFPSA):**

- FFPSA reimbursement rate unknown and launch anticipated for Fall 2026
- Motivational Interviewing rate unknown

**Changes under provision of Medi-Cal Services:**

- F5LA Community Health Worker Pilot project through June 2026
- Possibility of achieving higher reimbursement rate
- Continued exploration of opportunities given changes in Medi-Cal (CalAIM)

Staff plan to develop a plan to align the scale of the Home Visiting investment as part of its Long Term Financial plan for FY 26-27. To reach alignment, First 5 LA has identified that 15-25% of its annual revenue will be spent on direct services. Any additional cost will have to be offset by other sustainability strategies.

There is not further discussion on this item.

**7. Equity Index**

Ms. Kim Hall provided the Board with an update on First 5 LA’s efforts to develop an equity index that First 5 LA would use inform funding allocations. First 5 LA intends to use the equity index to target its resources and investments. This presentation was intended to gather input and feedback from Commissioners regarding the kinds of indicators that should be included to align with the goals and objectives of First 5 LA’s strategic plan. Following this presentation, staff will take the feedback received and will present the framework of this equity index at a future Board meeting.

There is no further discussion on this item.

**8. 2024 Advocacy Priorities**

Ms. Ofelia Medina and Mr. Jamie Zamora presented to the Board an update on efforts around First 5 LA’s advocacy efforts aligned with our Advocacy agenda for 2024, including emerging State and Federal policy priorities.

Some State priorities included:

**Budget:**

- early care and early education (ECE) coalition asks
- Medi-Cal Continuous Eligibility
- CalWORKS Family Supports

**Legislative:**

- AB 2268 (Muratsuchi), Dual Language Learners
- AB 2319 (Wilson), Implicit Bias; implementation of SB 464 (Mitchell)
- AB2983 (Reyes), Pre-natal -three workgroup; First 5 Association sponsored
- AB 1396 (Alvarado-Gil), CalWORKS: Home Visiting Program

Some Federal Priorities included:

**Budget:**

- President Biden's FY 25-26 Budget
- FY 2025 Appropriations

**Legislative:**

- Tax relief for American Families and Workers Act (H.R. 7024)
- The Child Care Stabilization Act (S. 2777)
- Farm Bill negotiations

There is no further discussion on this item.

**9. Public Comments (for items not on the agenda)**

There were no public comments.

**NEXT MEETING:**

The next Special Meeting of the Board/Program & Planning Committee will take place on Thursday, September 26, 2024, at 1:30 pm.

Meeting details will be posted per Brown Act Requirements

Meeting minutes were recorded by Linda Vo, Board Relations Manager

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MEETING OF FIRST 5 LOS ANGELES PROGRAM AND PLANNING

Thursday, April 25, 2024

750 North Alameda Street, First Floor

Los Angeles, California 90012

STENOGRAPHICALLY REPORTED BY:  
HEATHERLYNN GONZALEZ  
CSR #13646

1 Thursday, April 25, 2024; Los Angeles, California

2 1:31 p.m.

3 -oOo-

4 COMMISSIONER BYRD: Good afternoon. Let's call  
5 the meeting to order.

6 Ms. Vo, will you call roll, please.

7 MS. VO: Robert Byrd?

8 COMMISSIONER BYRD: Here.

9 MS. VO: Barbara Ferrer. Astrid Heger?

10 COMMISSIONER HEGER: Here.

11 MS. VO: Summer MacBride?

12 COMMISSIONER MacBRIDE: Here.

13 MS. VO: Marcella Ramirez?

14 COMMISSIONER RAMIREZ: Here.

15 MS. VO: Carol Sigala?

16 COMMISSIONER SIGALA: Here.

17 MS. VO: Julie Taran?

18 COMMISSIONER TARAN: Here.

19 MS. VO: Deanne Tilton-Durfee? Jacquelyn  
20 McCroskey?

21 COMMISSIONER McCROSKEY: Here.

22 MS. VO: Jacquelyn McCroskey? I see her.

23 And Brandon Nichols? Alejandra Albarran Moses?

24 COMMISSIONER MOSES: Here.

25 MS. VO: Quorum is present.

1 COMMISSIONER BYRD: Thank you.

2 On to our next item. Are there any commissioners  
3 who are joining the meeting today under AB2449?

4 MS. VO: Committee Chair Byrd, there is one  
5 Commissioner joining under AB2449 today, and that is  
6 Commissioner Jacqueline McCroskey due to being sick.

7 COMMISSIONER BYRD: Commissioner McCroskey, how  
8 are you?

9 COMMISSIONER McCROSKEY: I'm --

10 COMMISSIONER BYRD: Can you confirm there are no  
11 individuals with you under the age of 18?

12 COMMISSIONER McCROSKEY: No.

13 COMMISSIONER BYRD: Can you also confirm that you  
14 have not joined the board meeting under AB2449 more than  
15 twice in this calendar year?

16 COMMISSIONER McCROSKEY: I have not.

17 COMMISSIONER BYRD: Thank you very much.

18 Speeding through this agenda. On to our next  
19 item is the transcript from the September Special Board  
20 and Program and Planning Committee meeting. Are there any  
21 edits to these or changes?

22 Any comments from commissioners? Ms. Vo, are  
23 there any public comments on this item?

24 MS. VO: Confirming there are no public comments  
25 on this item.

1           COMMISSIONER BYRD: That's perfect.

2           So moving on to Item 4. Item 4 is an update on  
3 the investment on African American Infant and Maternal  
4 Mortality Initiative as well as Amend Strategic  
5 Partnership with the California Community Foundation  
6 Community Initiatives Fund, Fiscal Sponsor for the  
7 Los Angeles Partnership for Early Childhood Investment  
8 with -- I will hand this over to Tara.

9           MS. FICEK: All right. And thank you. I know  
10 it's a lengthy title; so I appreciate you getting through  
11 that.

12           Well, good afternoon, First 5 LA staff, members  
13 of the public, commissioners. I am thrilled here today to  
14 be in partnership with Melissa Franklin, who is the  
15 director of maternal, child, adolescent health, and Audra  
16 Jones, director of the AAIMM Prevention Initiative, both  
17 with LA County Department of Public Health.

18           And, may I add, I was thinking about this on my  
19 drive in this morning. I have the honor of sitting on  
20 this panel today with the two architects of the AAIMM  
21 initiative. I know you guys are far too humble and don't  
22 think of yourselves in that way, but you truly are. You  
23 are the visionaries. And a lot of what we're going to  
24 share today are the end results of the thinking and the  
25 super stellar thoughts and ideas and planning and

1 geniusness of the women sitting next to me.

2 So thrilled to be here today. We're going to  
3 spotlight all the incredible work of AAIMM and then also  
4 get to a specific strategic partnership within it.

5 So getting started, we are going to move into our  
6 next slide. We do have objectives; so we're going to  
7 showcase all of our progress and learning. We're going to  
8 highlight milestones that have occurred through the AAIMM  
9 Community Action Teams or the CATS, the Village Fund,  
10 which is a public/private pool funding network. And then  
11 we're going to provide some context on our proposed  
12 strategic partnership amendment, which we actually need as  
13 an info item today which would add an additional year and  
14 funding -- additional year of time and funding for the  
15 CATS backbone and the Village Fund.

16 And then finally we're going to discuss future  
17 opportunities and First 5 LA's role in support of AAIMM,  
18 recognizing that it's a critical time in AAIMM's evolution  
19 and growth as well as a pivotal time for First 5 LA as we  
20 move through strategic planning and implementation  
21 planning.

22 Okay. My clicker isn't connecting with the --  
23 maybe. We'll get there. Okay.

24 So we are on the slide of our beautiful village  
25 photo.

1           So launched in 2018, an impressive multisector  
2 partnership with several County departments and community  
3 orgs, healthcare providers, funders, community members,  
4 AAIMM is united in one purpose: To address the  
5 unacceptably high rates of black infant and maternal death  
6 and ensure healthy and joyous births for black families in  
7 LA County.

8           And at the core of the AAIMM prevention  
9 initiatives, since its beginning, are five core values  
10 that you can see here based on the lived experience of  
11 those who helped shape the initiative.

12           First, racism is the root cause of birth  
13 disparities impacting both maternal and infant health  
14 through the accumulation of toxic stress in a birthing  
15 woman's body as a result of chronic exposure to  
16 multi-generational, interpersonal, and systemic racism.

17           Second, Black women up front and leading.  
18 Recognizing the importance of having Black women lead at  
19 all levels of the initiative, amplifying their expertise  
20 and lived experience. Black women know best how the  
21 barriers inherent in the health care system and other  
22 systems are failing them, and know the existing community  
23 and family protective factors as well as the culturally  
24 relevant care needed to best remedy those behaviors.

25           Next, fostering equity while fighting inequity.

1 Birth inequities impact black women regardless of income  
2 and educational level; therefore, the work embraces all  
3 socioeconomic backgrounds. It is anchored in reproductive  
4 justice, given its strong connection to birth justice,  
5 it's focused on anti-racism and anti-implicit bias across  
6 all AAIMM strands of work.

7 And then finally, pieces of the puzzle. We all  
8 have a role in addressing and bringing forward culturally  
9 important programs and supports designed to prevent and  
10 counteract this crisis.

11 And then no blame game. Birth disparities are  
12 not the result of an individual woman's choice. They are  
13 the result of systemic issues.

14 So to start with the data and to understand the  
15 extent of the Black maternal health crisis, in LA County  
16 Black women experience maternal death at four times the  
17 rate of any other group, and infant mortality at two to  
18 three times the rate of other groups. With the race  
19 disparities existing between Black and white infants and  
20 moms? The premature birth disparity is similar. And  
21 while overall infant mortality has decreased in LA since  
22 the early 2000s, the disparities persist for Black  
23 families. These are real human beings dying and leaving  
24 families and loved ones behind due in large part to system  
25 racism and the failure of systems to adequately serve

1 Black families.

2 The graphic in the center provides that deeper  
3 dive into the core, AAIMM value. We talked about on the  
4 previous slide racism as the root cause. Highlighting  
5 some of the manifestations of racism that contribute to  
6 disparities and birth outcomes as well as disparities in  
7 many other areas. With implicit and overt bias, racist  
8 structures and system failures contributing to weathering  
9 on Black bodies through continued exposure to the stress  
10 of racism over time.

11 And thanks to the extensive work of AAIMM and its  
12 partners, there is increasing awareness of these  
13 disparities and growing capacity to respond in ways that  
14 were not previously possible, many of which we're going to  
15 talk about today.

16 So just to provide some context of First 5 LA's  
17 direct contribution and investment in AAIMM we include at  
18 this table, First 5 LA directly funded AAIMM since -- has  
19 directly funded AAIMM since 2020. And you can see just  
20 kind of how our funding aligns or is a part of much larger  
21 funding contributing to AAIMM. So over the last several  
22 years, we have contributed that 3.5 million. You can see  
23 totals at the bottom, but there is cumulative total  
24 funding since 2018 at that 26.5 million.

25 The point here is while we have supported many

1 activities of AAIMM and remain a core partner in AAIMM, we  
2 are not the sole funder. A much larger community of  
3 funders now supports the initiatives and the ongoing  
4 efforts to continue growing the funder network which we'll  
5 talk about later.

6 I'm proud to say that we have remained one of the  
7 central funders of AAIMM's core infrastructure which, of  
8 course, is necessary to move the work forward.

9 And I'm now going to hand it to Dr. Melissa  
10 Franklin.

11 DR. FRANKLIN: Thank you so much. And I felt  
12 like I must say thank you First 5 LA Commissioners and  
13 First 5 LA for your partnership, your investment in AAIMM  
14 which began with just some information that we all felt  
15 wasn't just, a Pritzker Fellowship and whole-person care  
16 funding and a desire to see change for the next generation  
17 on the behalf of Black birthing folks who experience this  
18 day in and day out.

19 Thank you for your partnership in this work. The  
20 LA County Department of Public Health and First 5 LA have  
21 together been steadfast system anchors in this work. When  
22 we began as partners, it really gave permission to the  
23 rest of our systems to focus in and address the disparate  
24 death and dying of Black folks in our county and in our  
25 nation, actually. Many have said so goes LA County, so

1 goes California and the nation. And it has been a game  
2 changer.

3 I also feel like I also need to say that healthy  
4 and joyous births are possible for Black folks. This is  
5 not a problem without a solution, but it is a problem  
6 where a system change is required. And oftentimes, system  
7 change is within the decisions of individual human beings,  
8 but policy as well -- and we'll get into that in a moment.

9 As you know, AAIMM is working to transform  
10 outcomes by transforming systems; so that those systems do  
11 a much better job of ensuring healthy and joyous births  
12 for Black birthing families.

13 I like to call myself a system healer. And just  
14 as a doctor would look for certain clues or observations  
15 within a patient's body to look for evidence of illness or  
16 evidence of healing, we work for joyous and  
17 health-promulgating evidence or artifacts. Policy and  
18 advocacy are two of those.

19 Next slide.

20 So some of the system change milestones and area  
21 of policy and advocacy include AAIMM launching -- has  
22 launched efforts to create a Black Mother Board, a group  
23 of Black pregnant and newly parenting Black women who will  
24 advise AAIMM and the County on policies to improve birth  
25 outcomes and the health of Black families.

1           DPH will also launch a Medi-Cal doula hub later  
2 this calendar year which is intended to support a  
3 successful implementation of the Medi-Cal doula benefit in  
4 LA County. And though the hub is not specific to AAIMM,  
5 AAIMM's efforts to implement our own doula program and its  
6 engagement of the birth worker community in partnership  
7 with First 5 LA were contributing factors in designing the  
8 actual state-wide policy and ensuring its implementation  
9 honors those most impacted by birth disparity as well as  
10 the birth worker.

11           We've also launched a guaranteed basic income  
12 pilot -- next slide -- win collaboration with three other  
13 counties funded in part by funds made possible through the  
14 passage of SB65, another landmark policy called the  
15 California omnibus that was, again, informed, written, and  
16 advocated for by the AAIMM network and several of its  
17 organizations.

18           The GI pilot sits in MCH and will have the honor  
19 of having that within our programming and is guided by a  
20 committee consisting of AAIMM members, Black birthing  
21 community members, and County representatives.

22           And you'll see -- I'm sorry. That is the next  
23 slide. Yeah. Thank you. Sorry. I skipped ahead.

24           In addition, AAIMM is published. We were  
25 recently published in the Playbook III: Working Together

1 to Improve Maternal Health. We have a chapter within that  
2 book and are honored to present our collective  
3 collaboration, which is highlighted in the series.

4 And then finally, the Black maternal health week  
5 really began, third year in a row, and advocated in for LA  
6 County Board of Supervisors to recognize April 11 through  
7 17th as Black Maternal Health Week. Thanks to AAIMM, LA  
8 County became the first county in the state to officially  
9 recognize this week, which is now celebrated nationally  
10 and proclaimed by the White House annually.

11 It focuses on uplifting Black moms, birthing  
12 folks, their partners, communities, and communities that  
13 serve them. Each year we have over 20 events throughout  
14 our various Community Action Team communities as well as  
15 collective partners.

16 And then finally, Robert Wood Johnson Foundation  
17 awarded AAIMM the prestigious Robert Wood Johnson Culture  
18 of Health award for \$250,000. Yay. Though this award  
19 amount was given to DPH as the lead entity, we agreed with  
20 our First 5 LA colleagues to serve the AAIMM steering  
21 committee to direct us on how it should be invested on  
22 behalf of AAIMM. The group agreed to create a compassion  
23 response fund to provide direct financial assistance and  
24 service referrals to families experiencing a loss whether  
25 that be a maternal loss an infant loss or pregnancy loss

1 alongside First 5 LA partners to design and implement it.  
2 Strategic planning we have made significant progress in  
3 our year one implementation as we reviewed recommendations  
4 from our AAIMM steering committee and reaction team.  
5 AAIMM is heading into a new season in our work. Although  
6 we've always been community grounded, community led, Black  
7 birthing person at the center, we really saw the need to  
8 create greater equity and power sharing within our  
9 movement itself. AAIMM and First 5 LA -- DPH and First 5  
10 LA have been partners working alongside with communities.  
11 And we really felt that it was important to have a  
12 community-based organization as a collaborative partner as  
13 we move forward in a new season in AAIMM.

14 So on the right-hand side, we call it our -- we  
15 used to call it the AAIMM flower. Now it's a garden. You  
16 see the various collective groups. In the center is the  
17 AAIMM Steering Committee that really is not the steering  
18 committee as a center in terms of a vertical hierarchy.  
19 It really is about a place of solidarity, a collective  
20 will, of systems being stretched by community leaders and  
21 advocates and us advancing collectively the work of AAIMM.  
22 You see that each of the community action teams which you  
23 will hear more of from Adjoa a little later on who also  
24 guide our collective work and are the embodiment of the  
25 heart and soul of AAIMM and it's work in the community.

1           We are continuing structural planning where the  
2 First 5 LA partners have begun developing a solicitation  
3 for a lead community-based organization entity to be the  
4 third leg of what we call the three-legged stool upholding  
5 the AAIMM work. And more to come on that when we announce  
6 who that entity is.

7           And that is in a lot of ways shifting the power  
8 back to the community, which actually prompted the work of  
9 AAIMM. Though community-grounded work is definitely at  
10 the center led out by Adjoa and team, having a partner  
11 that's a community-based organization allows us to be more  
12 nimble and, again, be stretched a little more as systems  
13 in this work.

14           First 5 LA has served on the AAIMM management  
15 team in the past. And so with our community partner will  
16 be among the management team as well. And since AAIMM's  
17 launch we're beginning to see early impacts to -- on both  
18 families and systems. We often say that stress kills;  
19 right? That the stress of racism and multi-generational  
20 harm has been a root cause of why we see the disparities  
21 persist in infant/maternal mortality. Feedback that we  
22 received for our various doula programs, expecting  
23 fatherhood groups, and other efforts in AAIMM really can  
24 be codified as stress reduction, increased self-advocacy  
25 and empowerment from doula clients, referrals to other

1 services and providers, preparedness for labor and  
2 delivery, breast feeding, pumping increasing through doula  
3 support, but also through our breast feeding and chest  
4 feeding awareness campaign, which was developed by our  
5 Community Action Teams, namely South LA, South Bay  
6 Community Action Team and delivered in collaboration with  
7 First 5 LA. And social media engagement which is very  
8 strong.

9           You know, when we first started this work, there  
10 really wasn't a landing place collectively for birth  
11 equity work or the work of AAIMM; so we launched  
12 [blackeventsandfamilies.org](http://blackeventsandfamilies.org) as a collective website,  
13 co-designed that with community, designed our social  
14 media, messaging, and channels as well as really prominent  
15 social media and paid advertising campaigns resulting in  
16 over 100 million impressions over the course of the past  
17 few years.

18           In addition to impacts on families, AAIMM has  
19 also made progress in changing some of the systems that  
20 most impact Black women's birth experiences. From our  
21 hospital engagement work through Cherished Futures -- and  
22 thank you again First 5 LA for that collaboration in that  
23 work, which brought together hospital systems with  
24 community leaders to advance change within those systems  
25 on how to better support Black birthing folks and address

1 birth disparity within their systems.

2 And based on the learnings of these communities  
3 advisors, that hospitals have implemented various changes  
4 to their clinical practices as well as strengthen  
5 relationships with community and traditional birth workers  
6 such as doulas, midwives, and certified lactation  
7 educators.

8 And it would be important for me to callout our  
9 doula work as well, which launched -- which launched three  
10 years ago with Whole Person Care Funding. And now with  
11 California Home Visitation Program innovation fundings, to  
12 date we've served almost 1,000 clients, Black birthing  
13 clients through our doula program and supported the  
14 advancement of Medi-Cal doula -- covered doula benefit.

15 This slide is really about contextualizing the  
16 AAIMM work. Often folks say: What progress have you  
17 made? What outcomes have you seen? Has the data changed  
18 over the past four years of the AAIMM initiative?  
19 And I offer something up that we often share with folks.  
20 My husband and mother-in-law are caregivers for my  
21 husband's great uncle. He is the son of someone who was  
22 enslaved. My mother lived her entire childhood in  
23 segregation. In LA County, Black individuals are least  
24 housed, greatest rent-burdened, most CPS involved -- Child  
25 Protective Services involved -- have the greatest rates of

1 recording of unfounded CPS cases, and are most impacted by  
2 pay inequity. I haven't even gotten to slavery and Jim  
3 Crow at this point. So when we say over 400 years of  
4 slavery and oppression, I become concerned and think that  
5 some may think that we're saying 400 years ago. What  
6 we're saying is we're dealing with the cumulative impact  
7 of over 400 years of oppression and marginalization and of  
8 the harms of slavery and families being ripped from each  
9 other.

10 We acknowledge that stress kills. While stress  
11 with unresolved system challenges, mental health care  
12 crisis, and continued mistreatment is what we're talking  
13 about. So you can imagine that amplified. So this  
14 percent of preterm birth over the past several years, you  
15 notice that, yes, thanks to medical advancements and other  
16 endeavors, that the rate of preterm births -- which are an  
17 indicator of are we going in the right direction in terms  
18 of impacting infant mortality -- have decreased over the  
19 past several years. However, the disparity still remains.  
20 So the top -- I call it red-orange. You know when you  
21 have the multiple colors in the 64-count crayons? The red  
22 orange line at the top represents African American babies.

23 And preterm birth is the top precursor to infant  
24 mortality, the top cause of infant mortality. You all  
25 have heard me share before that both my children were born

1 at 27 weeks, five days to the day. And so our efforts to  
2 address infant mortality are often our efforts to address  
3 preterm birth.

4 And so yes, though it has decreased overall, the  
5 same could be said for maternal mortality, the disparity  
6 still remains a stark reality.

7 This next slide, also contextualizing, it is  
8 looking at other efforts across the country. Often, we  
9 uplift Be More for Baltimore Babies, which is Baltimore's  
10 birth justice initiative which launched in 2009, and has  
11 now been operating 15 years and are now -- just now seeing  
12 impacts on racial disparities and infant mortality as well  
13 infant -- as well as maternal/infant mortality rates  
14 overall. Be More for Baltimore Babies is an innovative  
15 initiative to reduce infant mortality in Baltimore City,  
16 through programs emphasizing policy change, service  
17 improvements, community mobilization, and behavior change  
18 of systems. Sound familiar? It kind of sounds like AAIMM  
19 as well.

20 A 2023 report found that as a result of this  
21 program, infant mortality rate in Baltimore City declined  
22 from 13.5 per 1,000 live births to 8.8 in 2019. And that  
23 this decrease was driven a 7.1 point decrease in Black  
24 infant mortality rates during that time span.

25 I've had the opportunity to have a conversations

1 with Be More for Baltimore Baby folks and they're now  
2 seeing a complete reduction in the infant mortality  
3 disparities in certain neighborhoods. Noted, they  
4 launched in 2009.

5 And we're sharing that to say that this takes  
6 sustained support and investment and focus over time. And  
7 that's what we call in it to win it. Right? In LA?  
8 Sustained focus and commitment to until we start seeing a  
9 change.

10 We're already seeing ripples of encouragement;  
11 right? Doula benefit. Doula services being uplifted and  
12 upheld, and we're seeing promising outcomes in our doula  
13 clients. The fact that there is a sustained focus, that  
14 there's investment where there wasn't before, that there's  
15 a national conversation on doing right by Black birthing  
16 folks. And that in itself is something to be celebrated.

17 And with that I'll turn it over to my colleague,  
18 Tara.

19 MS. FICEK: Right. Thank you, Dr. Franklin.

20 So for this next section, we're going to focus on  
21 First 5 LA's collaboration with LA Partnership for Early  
22 Childhood, or LA Partnership -- we're going to shorten it  
23 to that for the rest of it. And we are looking to seek to  
24 amend that today, the AAIMM effort and the AAIMM efforts  
25 it supports which are the AAIMM Village Funds and the

1 Community Action Teams or the CATS.

2 So our partnership began back in 2020. It's a  
3 three-year strategic partnership commitment with the  
4 California Community Foundation. They serve as the fiscal  
5 sponsor for LA Partnership. And through this effort,  
6 First 5 LA has contributed to a pooled fund with many  
7 other public and private funders to support two areas --  
8 the Community Action Teams or CATS and the Village Fund.  
9 And the CATS are regional collaboratives co-led by  
10 community and Department of Public Health. They engage  
11 community on county-wide AAIMM goals as well as developing  
12 their own regional strategies. There currently are four  
13 CATS: Antelope Valley, South LA/South Bay,  
14 San Fernando/Santa Clarita Valley, and San Gabriel Valley.

15 The Village Fund which seeks to invest in  
16 community-driven innovative strategies to support Black,  
17 African American birthing families and you can see offers  
18 small grants ranging from 5,500 to 33,000. And as a part  
19 of its work, LA partnership also supports grantees through  
20 capacity-building and organizational development  
21 opportunities.

22 So how do these two efforts kind of fit into the  
23 larger AAIMM initiative? They focus on impact at the  
24 community level by strengthening more localized networks  
25 of supports for Black birthing families and by building

1 communities and collective action among neighbors and  
2 residents similar to our Best Start work.

3 I'm now going to hand it over to Adjoa Jones,  
4 Director of the AAIMM Prevention Initiative and founder of  
5 the first Community Action Team in South LA/South Bay to  
6 share more about the AAIMM Community Action Teams.

7 MS. JONES: Thank you, Tara. Thank you,  
8 Dr. Franklin, and thank you to all of you, First 5 LA  
9 Board and all that are participating.

10 I feel rather calm today, but I'm so reflective.  
11 I'm just coming back from vacation just a couple days ago.  
12 And I got the chance to visit St. Martin. And as I was  
13 sitting here, I was really reflecting because as I, you  
14 know, went through from the French side to the Dutch side,  
15 I learned some things that they never let folks forget.  
16 There are a few statues that are on display so as you go  
17 throughout the city you see them. So one was me seeing  
18 the first Lady Liberty statue, the original one, that the  
19 French gave. That is very representative of a Black  
20 woman.

21 And then there's the other is a statue of  
22 Kunta Kinte, which was Alex Haley from Roots who was a  
23 Gambian slave that was brought to America and they have  
24 the chain broken free. And we really -- my family and  
25 friends lauded at that because my cousin that was with the

1 12 of us was that baby that was held up by Alex Haley in  
2 the movie -- well, by Kunta Kinte in the movie Roots. And  
3 Shawn is full grown and has worked down in the Mission  
4 here serving our communities.

5 But I reflected because it reminds me of my  
6 colleagues here who have helped to architect this work and  
7 working with Tara and First 5 and many here -- Dr. Ferrer  
8 and Dr. Allen who was with us, and Helen O'Connor. And I  
9 cannot do this and not say all of the community members  
10 and organizations that have really partnered with us to do  
11 this work when I was at Whole Person Care, the vision of  
12 an AAIMM Community Action Team, which was just to be bring  
13 government and community together in a 50/50 partnership  
14 to address the issue of AAIMM. Coming from a former teen  
15 mom whose parents were both dual degree, but had made some  
16 of my own personal choices but was still able to graduate  
17 college and go into this work in the first Black infant  
18 health program. And see that in our County we had not  
19 successfully reduced the incidents of infant mortality for  
20 Black babies, even to a halfway point.

21 So I saw the need for us to do something  
22 different by bringing those with the most lived experience  
23 into the conversation, making space for them to ensure  
24 that they too had a voice and that they had an opportunity  
25 to elevate the concerns around equity, especially the

1 reproductive justice. And doing this without any funds.  
2 Like this is just we're going to get this done and how can  
3 we make it happen.

4 And to see where we've come to having over 26  
5 million be supported in the funding of work, as  
6 Dr. Franklin shared, of something that has impacted us for  
7 400 years just reminds me that we still have to keep  
8 going; right? As I kept passing through those parts of  
9 Saint Martin, I was reminded that freedom is not just a  
10 moment in time. It takes a lot of time for us to come to  
11 a resolution and bring about effective solutions.

12 So that vision of just the AAIMM cap was a little  
13 seed planted. And now we talked about as you saw the  
14 flower, which is now a garden which I say is a nursery  
15 soon to be a forest; right? And because we're going to do  
16 all that we can.

17 So what we've been doing right now is this past  
18 year was a big transition year for us. The AAIMM  
19 Community Action Teams worked with the steering committee  
20 and the county-wide steering committee to focus on the  
21 strategic plan to give input, and that strategic plan was  
22 completed by Coachman, Moore & Associates in this past  
23 June. And so it was important that folks from the  
24 Community Action Team gave input and were able to help  
25 bring about what we thought would be some focus on where

1 we should as a County focus our efforts.

2 But also to now the CATS are looking at  
3 developing their own local strategic planning and really  
4 firming of that foundation. So that we thank you for even  
5 the support with the backbone support agencies that are  
6 local agencies and Black-led or Black-serving  
7 organizations that have really partnered with us to really  
8 help build up the infrastructure and capacity of the  
9 Community Action Teams to really be able to host our  
10 monthly meetings and our planned meetings and the events  
11 and work with families like you see in the picture,  
12 Freddie Cromer and his family, the husband of Bridgette  
13 Cromer who's raising those five children. But to bring  
14 the community together in an effort to do that.

15 So what the CATS have been doing is really  
16 working to continue the navigation and community hubs that  
17 we have grown to really lead, helping to build community  
18 around birth justice and connect Black families with  
19 trusted resources. Just a few ways in which we're doing  
20 that, we've been able to develop resource directories --  
21 online resource directories with, like, Black Women for  
22 Wellness, as well as expand that resource directory to  
23 include our Abundant Birth projects so that those that may  
24 not qualify for the GBI program then have a plethora of  
25 resources and services that they can access too.

1           We also look at ways that we can partner with  
2 other organizations their engagements also ensure that  
3 clients have access to their services and are well aware  
4 of the provision of services they offer.

5           Further, we're continuing to build the  
6 organizational infrastructure that allows us to really  
7 work with those that are having the lived experience --  
8 that have had stillbirths, those that have had  
9 miscarriages, those that are looking for providers.  
10 Working with, for example, a 19-year-old who this is her  
11 second child and she was determined to find out more about  
12 why am I showing up at 12 to 13 weeks pregnant and still  
13 spotting and bleeding and they're not giving me any reason  
14 as to why this is happening. And I keep coming back and I  
15 keep getting sent home. And to really work with her to  
16 provide her with doula services and more education to  
17 understand what happens prior to 15 weeks gestation. It's  
18 not much that can be done, but we encourage bed rest, we  
19 encourage talking with you and supporting you through as  
20 you navigate this system and these processes.

21           And so doing that continued work and the  
22 capacity-building trainings that we were able to offer.  
23 For example, fast pitch trainings to raise funds for CBOs  
24 so that they have the opportunity to learn how to further  
25 engage with lenders, facilitation skill training through

1 collective impact that also focused on collaborative  
2 engagement, planning and facilitation for backbone support  
3 agencies as well as the planning team members.

4 Further, Black maternal health, mental health,  
5 emotional, well-being trainings that were provided not  
6 just locally but nationwide because we offer them  
7 virtually. They were for the parent professionals as well  
8 as family members and individuals, like, grandparents who  
9 wanted to discuss the loss of their grandchild, but didn't  
10 have anyone they could connect with over. So then also  
11 navigating so that we also know how we support folks by  
12 not just saying: Oh, well. You know, you'll have an  
13 opportunity to have another child. You know, these things  
14 happen. It being God's will.

15 Learning what is helpful and beneficial to share.

16 Next slide.

17 So when we established the first Community Action  
18 Team, which has been kind of our flagship, we have, like  
19 Dr. Franklin shared -- we've done a lot of continual work  
20 throughout the two SPAs. We've also -- we have our  
21 fatherhood engagement, our Black Daddy Dialogue, which  
22 means every month we have referrals to doula support  
23 services and the campaign which was to promote breast and  
24 chest feeding. We -- with that campaign, we were able to  
25 create window decals as well as table tents that our

1 partners and many of our members went to local businesses  
2 to ask them to put up and make sure that they were in  
3 agreement that this was a safe space for breast and chest  
4 feeding to promote that. So we've been successful and we  
5 thank Breastfeed LA to partnering with us to do that.

6 Also we work with AAIMM and First 5 LA  
7 communications team to amplify the work to community  
8 events and story telling as well as our virtual events  
9 that we host once a month. We have done Know Your  
10 Birthing Rights workshops, working with other orgs like  
11 Black Women for Wellness to focus on the implementation of  
12 SB464, which is to ensure that we have racism and implicit  
13 bias training in our clinics and hospitals and that we are  
14 in alignment with our attorney general who is making sure  
15 that happens as well as with DPH to ensure that we support  
16 those clinics and hospitals in doing so.

17 Finally, Frontline Doulas, as an example, to  
18 provide trainings. We work with them to provide trainings  
19 to all doulas, no matter what race or color that are  
20 serving throughout LA County and California so they know  
21 how to become Medi-Cal providers, they're supported in  
22 that. What they belong to is the doula hub. And so that  
23 will even bring more support to all families, not just  
24 Black pregnant and parenting families, but that is what  
25 some of the policy that our organizations like Black Women

1 for Wellness, California Black Women's Health Project, and  
2 others have been working to do throughout our City, State,  
3 and nationwide.

4 Finally, on top of that a little bit about  
5 Antelope Valley. Super excited about Antelope Valley  
6 because with the partnership of Duke University Black  
7 Maternal Health Center of Excellence, they were able to  
8 open up the first -- or the second maternal home in the  
9 City of Lancaster, which was a hub for black families to  
10 access holistic and perinatal support and services as well  
11 as to work with some of the black-led organizations there  
12 that are in our Antelope Valley AAIMM Community Action  
13 Team.

14 Also allowed us to do an analysis of the  
15 landscape to expand the black birth pipeline in that  
16 region which we know is a little more rural, and so the  
17 services -- we needed to assess what were some of the  
18 service needs out there.

19 There's also an equity audit, too, that has been  
20 developed to assess the non-Black-leading organizations to  
21 ensure anti-Black-ness attitudes and behaviors do not  
22 prevent Black families from receiving services or  
23 participating in services that they offer.

24 Further excited about organizations like Project  
25 Joy and Empower Them Collective who are our Antelope

1 Valley AAIMM backbone agencies where they help to work  
2 with other black-led member organizations to come together  
3 and raise funds -- about \$530,000 -- across those CAT  
4 member organizations to support in scaling birth equity  
5 work.

6 Last slide.

7 San Fernando and Santa Clarita Valleys -- I got  
8 really excited about what was happening there when I went  
9 during Black Maternal Health Week to a brunch that was  
10 sponsored by our Community Action Team there and Black  
11 Moms in the Valley. And it was wonderful to see over 40  
12 women coming together to learn more about how their  
13 services and needs can be met as moms, as pregnant women,  
14 to really have conversations with them about certain  
15 things like pelvic floor maintenance and different things  
16 that they were in need of and support, and just  
17 encouraging them through this journey by letting them know  
18 that we have these services and that they were very  
19 excited to be a part of and -- so much so that they signed  
20 up on our websites and started sharing and posting and  
21 talk about how we can really engage and be involved.

22 So we have Coco Moms, Black Moms in the Valley,  
23 as well as Moco Moms who are partnering with our Community  
24 Action Team there.

25 And so working now to not only build their

1 relationships and partnerships, but work with hospitals  
2 and look at maternal health surveys, as well as identify  
3 some two priority areas for them which is to engage in the  
4 hospitals for equitable quality access, by providing  
5 breastfeeding and postpartum support, and having none  
6 engaging with Olive View Hospital, as well as looking back  
7 on some of the other partners like Northeast Valley as  
8 well as the -- and their led and backbone (unintelligible)  
9 African American leadership organization. So we're  
10 excited about that. And actually they're tapping into the  
11 church community as well.

12 Finally, our last Community Action Team is our  
13 San Gabriel Valley Community Action Team that has really  
14 worked to be a lead for our maternal mental health support  
15 for our families. And we were very excited the work they  
16 did during the pandemic to not only serve San Gabriel  
17 Valley but to serve South LA moms and dads and those that  
18 were interested in receiving maternal mental health  
19 support to demystify, destigmatize the need for mental  
20 health support, and to really address not just maternal  
21 mental health needs in those groups, but talk about  
22 losses, intimate partner violence, advocacy and effective  
23 communication with providers and parenting support. And  
24 finally with them, we've been able to start working on a  
25 landscape analysis through one of our interns from the

1 Randall Lewis Health Policy Fellowship who has worked to  
2 address where women are being served through San Gabriel  
3 Valley. Because, you know, it stretches from Pasadena to  
4 Pomona. And so just looking at where some of the best  
5 catchment areas, where are we missing, and doing some  
6 resource mapping.

7 And those are some other things that we are going  
8 to effectively work on throughout all of the Community  
9 Action Teams.

10 So with that all said, we're excited to continue  
11 this partnership and commitment locally, state-wide, and  
12 nationwide.

13 Thank you. Pass it back to --

14 MS. FICEK: Back to me. Thank you, Adjoa.

15 And I'm going to move us quickly through the next  
16 slide so we can get to the overarching AAIMM learning.  
17 But the Village Fund is the other piece of the LA  
18 partnership that our funding is directly supporting. You  
19 can see here important work underway. The first cohort --  
20 Village Fund Cohort has graduated. This fourth cohort was  
21 just launched this last year. 28 grantees to date. And  
22 you can see the impact on families reached and served  
23 through the Village Fund grantees. Kind of the neat thing  
24 to call out about it, is the fund supports small,  
25 black-led organizations and individuals, and it's

1 continuing looking to launch a fifth cohort coming soon.

2 And also, a lot of our resources are supporting  
3 capacity building. Adjoa spoke to a lot of that. But  
4 quarterly peer learning is happening for these grantee  
5 cohorts, focused on things such as wellness and healing  
6 for black women leaders, communications, digital strategy,  
7 and network building.

8 And you can see here kind of the impact of that  
9 capacity building with the 80 percent reported increased  
10 understanding of Black infant and maternal health  
11 disparities, 65 percent increase in expanding the type or  
12 quantity of services offered, an increase in collaboration  
13 among other Village Fund grantees who are learning,  
14 convening, and collaboration, and then increased  
15 collaboration with other AAIMM partners. Important things  
16 to callout.

17 Moving into fundraising and sustainability.  
18 Beyond that capacity building, LA partnership played a  
19 major role in supporting the sustainability of this work.  
20 For the Village Fund, they have raised a total of 679,000.  
21 That's in -- you know, complementing our 75,000 that First  
22 5 LA contributes to the community grant making; so a ton  
23 of work has gone into funder engagement and advocacy and  
24 really building out that full fund.

25 For the CATS, the LA Partnership has focused on

1 supporting the CATS developed funder relationship, pursue  
2 smaller grant opportunities, gather donations, build their  
3 fundraising infrastructure -- this last year, a  
4 development consultant was brought on -- and continued  
5 advocacy.

6 So highlighted here are some specific examples of  
7 sustainability, focused activities. There was a funder  
8 site visit organized in Antelope Valley. And continuing  
9 subsequent fundraising following that. There have been  
10 tools developed more rapidly and easily support the  
11 pursuing of grants. And then in February, earlier this  
12 year, we co-hosted a funder convening, DPH and First 5 LA  
13 with, obviously, LA Partnership. And that was really to  
14 engage a larger network of funders to support AAIMM's work  
15 and emphasize the importance of investing in its core  
16 infrastructure to move that work forward. The convening  
17 was attended by over 20 funders and follow-up engagement  
18 is currently underway.

19 So now moving to kind of some key learnings  
20 across both CATS and the Village Fund, it has yielded  
21 several important learnings. You can see summarized here,  
22 first one, community is critical. Hoping that has  
23 resonated or stands out to you. We often talk about  
24 systems change at First 5 LA and usually that's focused on  
25 large government or public agencies in mind. But as we

1 all know, community members with lived experience who  
2 bring the sharpest insights for how systems truly impact  
3 or fail to impact families must be a part of our systems  
4 change work.

5           These same community members also have the best  
6 source of wisdom and innovative ideas on how to change  
7 those same systems to better serve our families. And they  
8 also play an important role in holding us all accountable.

9           And at the same time, backbone support is  
10 essential for supporting these community members to do  
11 this work. Community members to be active participants in  
12 the CATS, support is needed particularly for the type of  
13 infrastructure building that will allow CATS to reach  
14 deeply into the broader communities and offer real-time  
15 support to black families.

16           Relatedly, a critical learning from this last  
17 year from the CATS and I think one that we here at First 5  
18 LA can particularly relate to, as we are in the midst of  
19 our own strategic planning, is internal work takes a lot  
20 of time.

21           All of AAIMM, including the CATS, had a heavy  
22 focus this past year on strategic planning and building  
23 organizational infrastructure that will continue to  
24 support AAIMM's work over the long term.

25           And from both CATS and Village Fund we learned

1 that peer-learning opportunities provides vital spaces for  
2 organizations to collaborate, to grow their birth equity  
3 work across LA County. And while professional development  
4 trainings can offer important skill-building opportunities  
5 when selected in partnership with community to ensure  
6 their relevance.

7 Fifth, we learned that investing in community  
8 wisdom and core infrastructure is uncommon and essential,  
9 with First 5 LA's funding helping address what is often a  
10 gap in funding. I think many of us know how it is a lot  
11 easier to find funding and resources for programmatic  
12 focus work. But to find it for that general operating  
13 core infrastructure is incredibly challenging. And First  
14 5 LA's resources have directly been able to support and  
15 fund that.

16 And this brings us to our last learning:  
17 Sustainability is a team effort. Across our grant making,  
18 often here at First 5 LA, we ask our partners to create a  
19 sustainability plan as part of their kind of grant-making  
20 responsibilities or requirement, with an understanding  
21 they're looking and searching and identifying the off-ramp  
22 for how to sustain work past First 5 LA funding. And then  
23 we're going to talk a lot about sustainability in the next  
24 item on the agenda.

25 But with AAIMM, First 5 LA's role is not solely

1 then as a funder, but also as a partner and an advocate;  
2 so sustainability has to be a joint team effort.

3 So this means applying our own teams efforts to  
4 identifying additional funding sources, leveraging our  
5 relationships with funders in public agencies to advocate  
6 for AAIMM and invite further investment -- as I mentioned  
7 from the funders forum earlier this year -- and leading  
8 that briefing, and always working to amplify AAIMM's  
9 impact.

10 So while this process is still very much in  
11 progress, we want to highlight it this year as another  
12 relevant learning as First 5 LA transitions away from  
13 being solely a funder to a thought partner, convener,  
14 advocate for the issues most effecting our children.

15 So this next slide highlights kind of what's on  
16 the horizon for this next year. We talked about this year  
17 one, '24-'25 is going to the first full year of strategic  
18 implementation of our new strategic plan and the local  
19 action plans for the AAIMMs. There's going to be  
20 continued joint sustainability planning with LA  
21 Partnership, Department of Public Health, and First 5 LA.  
22 And those continuing ongoing capacity building efforts.

23 For the Village Fund, continued support for  
24 Cohorts 2 and 4, and then we're going to -- there will be  
25 quarterly learning -- peer learning, convenings. As I

1 mentioned, that fifth cohort is going to launch this event  
2 Equity Center Selection Process, and then there will be  
3 this continued management of the AAIMM Innovation Pool  
4 fund.

5 So our proposed amendment, and what's in front  
6 you today, will be taken -- or asked for your action at  
7 our upcoming May board meeting is really this amendment to  
8 the strategic partnership. And that is to extend it for  
9 an additional year through June of 2025 and to amend the  
10 total project budget for an additional 450,000.

11 And it really is to then implement the AAIMM  
12 strategic plan and bring on additional funders as we spoke  
13 to to support the campaign for infrastructure, including  
14 the CATS and to minimize disruption in service during this  
15 next transition year.

16 So our last section so to kind of launch us into  
17 the conversation, we want to outline how the AAIMM work  
18 aligns with our new strategic plan; so you can see how  
19 this slide -- these are the, kind of, three goals and the  
20 objectives that stand out for us. Considering the work  
21 that AAIMM does, it certainly aligns with reducing infant  
22 mortality. AAIMM is focused on, as you heard throughout  
23 the presentation, promoting healthy and joyous births for  
24 Black families in LA County. So we clearly see alignment  
25 and contribution to that.

1           It also is addressing increasing culturally  
2 affirming services and supports. We talked about Black  
3 women upfront and leading as a value of AAIMM. And it's  
4 certainly working across centering and supporting Black  
5 families, ensuring those services and supports are  
6 culturally responsive, and you can see some of the exact  
7 examples of the services -- doulas, Village Fund grantees,  
8 Education Fatherhood as Adjoa talked about as well.

9           And then finally, the attention to new mothers  
10 mental health, AAIMM's work certainly does that as it's  
11 focused on reducing -- continual stress reduction that it  
12 has on Black women's bodies. And it's done that also  
13 through a number of services through the doula program and  
14 through Cherished Futures, and many other efforts of the  
15 AAIMM initiative.

16           And then finally, it's not noted here, but AAIMM,  
17 as you heard, is also addressing poverty through its  
18 guaranteed basic income pilot, which both Dr. Franklin and  
19 Adjoa spoke to earlier.

20           So where do we see as some emerging opportunities  
21 that we want to callout for you. We want to stay anchored  
22 in community; so to think about how do we continue to  
23 focus and support and invest in core infrastructure?  
24 We've highlighted clearly how that is necessary and how it  
25 is challenging to find resources to do that. Continue

1 supporting the CAT staff, the community navigators and  
2 these additional special projects. We also want to focus  
3 on strengthening perinatal supports. Maternal mental  
4 health, as you heard, has become a growing priority and  
5 focus for the work. Continuing our healthcare system  
6 advocacy and quality as the surest futures effort ended in  
7 December, but thinking about what's the next stage and how  
8 do we continue that work focused on the healthcare system,  
9 midwifery, and birthing centers, expanding and growing  
10 that work. And then, of course, policy and advocacy to  
11 support women and girls of color.

12           Mentioned through Dr. Franklin earlier about  
13 utilizing the -- forgetting the name -- Robert Wood  
14 Johnson -- thank you -- funding -- yay -- to support the  
15 Crisis Response fund that has been identified by steering  
16 committee, and looking forward to implement that over the  
17 next year. And then, of course, continuing the support  
18 for basic needs for birthing families. Greater focus on  
19 housing and rent subsidies and to build on the learnings  
20 that come out of the Abundant Birth Guaranteed Basic  
21 Income effort that we spoke to earlier.

22           All right. So overall take-aways.

23           We are here. So five years is not enough to  
24 uproot systemic racism. I think Dr. Franklin made that  
25 very, very clear. A crisis which is centuries in the

1 making will not be resolved in a few years. And in the  
2 past five years, AAIMM has been able to cultivate a strong  
3 foundation of partnerships, learning infrastructure to  
4 support this work seen early impact on both families and  
5 systems. What is needed now is continued investment to  
6 expand the work, trusting leaders with lived experience to  
7 develop, refine, and grow innovative solutions to this  
8 birth disparity work.

9 And lastly, an ongoing connection and  
10 co-ownership with community is essential for systems  
11 change to be successful. It must be rooted in the lived  
12 experience of communities most impacted by these systems.

13 So before shifting to discussion, I do want to  
14 briefly pause and talk about this photo, because it speaks  
15 to the heart of what we do. I have a very hard time  
16 talking about it.

17 Those two girls shown here are Divinity and  
18 Legacy and they're the daughters of Bridgette Cromer, a  
19 mother of five who died last year in childbirth while  
20 studying to become a nurse. Their dad gave permission to  
21 use the photo because it tells the story. And when we  
22 talk about preventing infant and maternal mortality, we're  
23 talking about real lives and families left behind, but  
24 creating an LA County where young girls and future moms  
25 can have the best pregnancy and parenting journey

1 possible.

2           So thank you for listening today. We'd like to  
3 hear now from you and how we need to continue to move this  
4 work forward. I feel like I should apologize for getting  
5 emotional, but I will not because this is incredibly  
6 emotional work. So thank you. Appreciate. I know this  
7 was a long presentation. And we have a lot to share and  
8 you can hear the pride in our voices, but would love to  
9 hear from you on the next questions of how do we support  
10 this work going forward? How or what does our role look  
11 like in support of birth equity work? And given our  
12 strategic plan roles -- convener, connector, thought  
13 partner, advocate -- how can we at First 5 LA add the most  
14 value?

15           COMMISSIONER BYRD: Commissioner Heger.

16           COMMISSIONER HEGER: May I say something? I  
17 wanted to apologize earlier, but I need to stand up. I  
18 have Restless Leg Syndrome. And both my grandmother and  
19 my mother died of it; so I try to not suffer pain.

20           I want you to know -- thank you very much for  
21 this. This was amazing. The very first -- I've been a  
22 commissioner for five years. And the first meeting -- I  
23 don't know if you remember this -- I came and I sat over  
24 in that corner and I didn't know the rules and regulations  
25 or anything in this room. I still don't. But that's --

1 I'll throw my heart into this.

2 And the issue was raised about the death of Black  
3 women when they give birth in this community. And then we  
4 voted for \$1.2 million to investigate this.

5 Do you all remember this?

6 That was the first time I was ever here. And I  
7 said: Well, that's racism. The cause of it is racism.  
8 So it's amazing to see where you are. And I want to --  
9 there's a couple comments I want to make of what I see  
10 from my perspective as being critical moving forward.

11 Number 1, having women in the community  
12 advocating for other women. They become the navigators.  
13 They become the ambassadors for excellence in care.  
14 Equity is not equality. It's really access to excellence.  
15 And unless we acknowledge that -- and that's why the death  
16 rates went down in Baltimore, because they have had access  
17 to excellence. They really focused on it. So having  
18 doulas present to act as navigators and educators is  
19 critically important.

20 I would really love to have an intense  
21 conversation about what I see as a pediatrician and the  
22 opportunities that are presented by this. For about ten  
23 years, I've been talking about a Beyonce clinic. I mean,  
24 I don't know Beyonce, in South Central. The idea of what  
25 one that is focused on community driven. This shows what

1 a community can do when they're driven. And mothers and  
2 babies are critically important and I want to do that now.  
3 I also would like all of them to receive training. I'm  
4 talking to Black, pregnant women about never drinking so  
5 we don't have an epidemic continuing in the African  
6 American population -- Fetal Alcohol Spectrum Disorder.  
7 It's hard to say that, and I know people don't want to  
8 hear it. But they don't want to hear it any more than  
9 they want to hear that Black women were dying in child  
10 birth; right?

11 And when I look at the statistics of kids that  
12 are incarcerated, in foster care, and go on to adult  
13 prisons, and look at the dominance of the African American  
14 population there, it's frightening to me, just like the  
15 death of women is frightening to me. I think that Deanne  
16 will probably join me in saying that having established  
17 that as a what you've done is actually the best possible  
18 way to move forward to protect kids from being abused,  
19 neglected, or whatever.

20 And I'm -- not this forum, but I'd love for First  
21 5 to address issues of this incredibly destructive move  
22 towards non-reporting, but supporting. I'd like to move  
23 into sustaining, not containing. We have to rhyme because  
24 rhymes is something that has meaning.

25 Because without reporting, we will never know who

1 needs us. It doesn't mean that the report has to mean  
2 that the kid is taken away. So it's sustaining. And we  
3 really need to move in that direction.

4 And I have an article here if you want to read it  
5 that shows kids that have first report to DCFS -- the high  
6 percentage of them go on to be abused. And it's an  
7 opportunity to prevent that.

8 And then finally sustainability of doing this and  
9 the tremendous outcomes that you demonstrated has to be  
10 put on a -- as an entitlement. It was scary to me to hear  
11 about plans to raise more money. I'm into that. And I'd  
12 be happy to help do that. But it also should be something  
13 that medical plans and public health and private health  
14 and taxpayers should basically be funding. And so when --  
15 when you have a pregnant woman and you have them going out  
16 and acting as a navigator, to go from place where it's  
17 billable rather than us or you or a community begging --  
18 begging for the righteousness to take care of the women  
19 and children. We shouldn't be begging. We should be  
20 entitled.

21 MS. FRANKLIN: Thank you. I would also add that,  
22 you know, what we look at is -- we're seeing individual  
23 stories and we're also seeing services being provided.  
24 And then we ask the question, was that a system change?  
25 And there -- those are open doors, the system changes.

1 The doula services we've been providing resulted -- or  
2 contributed to Medi-Cal covering doula services. Right?  
3 Very directly. And when we first started, we're, like,  
4 that's not system but we don't know how to do it. Right?  
5 It's important. No one else is supporting our folks.

6 And the other piece is the whole CalAIM  
7 reimbursement conversation. The fact that we have an  
8 activated AAIMM network opens the door for our community  
9 providers to be able to leverage that. We launched  
10 ECM services in MCH, and have begun the birth equity  
11 population focus work and have some enrolled in that. And  
12 were able to provide navigation support directly to our  
13 AAIMM network, because we were already ready and doing  
14 that.

15 And so point well taken in terms of not begging  
16 for support, and begging for financial support from  
17 funders, that there be a baseline investment in the  
18 well-being that we are entitled to have access to. Which  
19 is quality care.

20 COMMISSIONER HEGER: And my concern is that I  
21 think what you're saying is a community knows how to  
22 advocate for the best quality for their -- their  
23 individuals, because they've become smart and savvy as to  
24 who's not delivering it. And, therefore -- I mean,  
25 there's a good news and a bad news about Obama Care. It

1 was everybody got care, but bad news is not everybody got  
2 quality care. And there's -- that's where -- that's where  
3 the community activists really came in demanding quality  
4 care and knowing where to find it and finding that  
5 population there, candidly.

6 MS. JONES: Doctor, I want to say -- Heger;  
7 right?

8 COMMISSIONER HEGER: Heger.

9 MS. JONES: Dr. Heger, thank you so much for the  
10 sharing and your comments.

11 Definitely agree. And that is some of the work  
12 that we're doing through the Community Action Teams is  
13 building partnership with, like, DCFS and working with  
14 DMH, but also working with the health care providers to  
15 have the conversation between the doula, between the  
16 physician, between the nurse so that that is a strong  
17 pipeline of advocacy so that each could refer. We know  
18 that there's spaces for people who will birth at home,  
19 there's places where people birth at the center, and in  
20 the hospital.

21 But we do want to ensure that people are able to  
22 go to places where they feel safe and comfortable. Right?  
23 I mean, I don't know about many of you, but when I go to  
24 the doctor, I'm expecting them to deliver the most humane  
25 care to me as they would with their own family member.

1           I mean, I talk with people recently about this.  
2   When we all leave here, we get to take nothing with us.  
3   At the end of the day, all you have accumulated will not  
4   fit in that casket with us and not go into the incinerator  
5   or anything with us. It will just be us by ourselves.  
6   And so if that is how we all go, then we all have the same  
7   experience in some shape, form, and fashion.

8           So when you're looking at being provided with  
9   care you're entrusting that whoever has studied, whoever  
10  has gotten the licensure, that they know exactly what  
11  they're doing and that they want to -- you know, really  
12  want to care for me at their best.

13           Those families, like looking at the picture of  
14  Divinity and Legacy -- Divinity is the one that Brigette  
15  never got to hold. Divinity is the one she wanted to hold  
16  before -- she had no idea she was passing. But the best  
17  her husband could do because of what the physician said  
18  was just go take a picture of the baby in the nursery and  
19  come back and show her that. And when he left there, he  
20  had no idea he was leaving to go home with the other  
21  children to get a call -- or answer his messages in the  
22  morning and know that his wife had passed. So we're  
23  looking for the best provision of care as much as  
24  possible. And that we are the systems and we're the  
25  system-change agents that can make it happen by helping

1 folks to learn how to advocate for themselves -- switch  
2 providers, make complaints, do whatever is necessary to  
3 make sure we effectively improve these outcomes that have  
4 become burdens on our system. Financial burdens, bigger  
5 than me coming to ask -- or us coming to ask for the  
6 support, we have to look at -- and I wonder why Department  
7 of Suicide under (unintelligible) leadership that can show  
8 CMS the negative birthing outcomes for those and the costs  
9 for those with birth defects, long-term abnormalities, and  
10 how that has burdened our system. So we're working to  
11 intervene and prevent that.

12 COMMISSIONER HEGER: Yeah, one of the things --  
13 as a professor in a medical school, one of the things  
14 you're trying to get taught to physicians and training is  
15 empathy. And what Carla Santana calls contagious  
16 compassion, and that is something that's not taught.

17 And that's my point, is that the community  
18 individuals that are advocating for their dilemma and the  
19 children are the ones that have to insist on empathy and  
20 compassion. And it's a sad commentary on my profession  
21 that we aren't taught that. But we're not. It's not  
22 something that's important to many -- maybe we can talk a  
23 little bit afterwards about coming in, sharing some of  
24 that with med students. Because the idea of getting them  
25 started early to think about compassion might be important

1 because it's concerning to me.

2 COMMISSIONER BYRD: Commissioner Sigala.

3 COMMISSIONER SIGALA: What's exciting about this  
4 data is that you can share it with other groups of color  
5 as well. As a young mother, I had a still birth baby and  
6 I almost lost my life. And it was again because of  
7 inadequate care, because I wasn't (unintelligible) and so  
8 this data is not just -- I don't want to minimize the --  
9 certainly, black babies and mothers really need these  
10 services. But the outcomes that you give aren't going to  
11 change with other groups of color, I don't think. I mean,  
12 they'll be, obviously, nuances and obviously cultural  
13 differences. But in general, just the compassion and the  
14 follow-through and the detail, really health histories and  
15 taking a look at what can be done for those going to be  
16 still alive is incredibly important. Thank you for that.

17 MS. JONES: Thank you for that. I would just add  
18 really quickly to that, though we have a focus on  
19 African-Americans, it is still impacting all. So as we  
20 fix it for us, we fix it for all. The benefit of SB65,  
21 for example, it doesn't just impact -- you know, the doula  
22 services, it didn't just impact black women. It impacted  
23 all who were receiving Medi-Cal.

24 So we're partnering with other associations that  
25 we can still refer other women for doula services and we

1 can still partner with them to continue the work that  
2 they're doing and the trainings and educations that serve  
3 all in our community and all throughout our county. So  
4 yes, absolutely, that is the work we continue to do here  
5 and even at the -- you know, when we talk about policy and  
6 advocacy, working with both sides (unintelligible) that  
7 just came and talked to us and now has a bill coming out  
8 that we'll share about just this to ensure, like, the  
9 mommy bus -- federal mommy bus act goes forward and women  
10 are supported in the birthing and pregnancy.

11 MS. FRANKLIN: Which benefits all groups, all  
12 folks in our county. It's a whole system improvement.  
13 We're -- at DCHM we're working on a project that's funded  
14 that we're not funded with the university who is looking  
15 at how do you build the scenarios into the assimilation  
16 programs for the students. It's really high tech and for  
17 me -- but the equity rubric that benefits all of the  
18 potential or future patients of their students.

19 COMMISSIONER SIGALA: I absolutely agree. Thank  
20 you.

21 MS. VO: Commissioners and presenters, my  
22 apologies for the interruption, but we were just informed  
23 by Zoom attendees that they're having a difficult time  
24 hearing some of the comments. So just a quick reminder to  
25 talk directly into your mike and have it in front of you,

1 no further than about six to eight inches away.

2 Thank you so much.

3 COMMISSIONER BYRD: Commissioner McBride.

4 COMMISSIONER McBRIDE: Thank you for this  
5 presentation and the ways that you are so committed to the  
6 work. I know this personally. It was in 2018 in this  
7 location that I was introduced to the work that was being  
8 done to address black infant and maternal mortality. And  
9 from that day forward, I have tried my best to be as much  
10 of a partner in this as I could. And it's a big part of  
11 the reason why I'm sitting on this commission right now is  
12 because of the path that I was put on when I heard  
13 information -- I was here as an alternate. I was working  
14 for the clinic and the person who was supposed to be in  
15 this room -- and I think that was -- it was definitely  
16 meant to be. I just was taking notes during the  
17 presentation and reminded of so many ways that the work  
18 that you're doing aligns so closely with the goals that we  
19 have been talking about for months and this -- in this  
20 space about -- concerning the new strategic plan and ways  
21 that we want to find ways to amplify the voices and  
22 produce solutions that are coming from the most closely  
23 connected to the people who are most impacted. And that's  
24 exactly what you're doing.

25 I also just, as you were talking, made some notes

1 because I have to sort of contain my excitement for the  
2 program, my emotions when it comes to this topic; so I  
3 actually really appreciate the realness, because we're not  
4 talking about numbers or statistics, because we're talking  
5 about people and families and lives. But just the way  
6 that AAIMM is collaborating across sectors really sets an  
7 example of how that could be done. Community-based  
8 organizations with individuals -- anyone can join the  
9 work.

10 The model that you designed allows for anyone who  
11 learns about this, even someone hearing about this today,  
12 can come to our next regional meeting and get involved and  
13 that's really the goal of anyone that wants to see change.  
14 That's at the root. That's touching the lives most  
15 impacted.

16 And it's also the way that AAIMM addresses the  
17 social determinants. I mean, we've already listed it but  
18 the initiative is addressing the wealth gap -- physical,  
19 mental health, emotional wellness, community building,  
20 policy, even material supports and families. I don't know  
21 of any other connector to resources and navigation is  
22 existing in LA County in the Black reproductive space.  
23 And that's not to belittle the other organizations that  
24 are doing this work. By the way AAIMM brings together  
25 even those organizations, there's no competition. It's

1 actually the role of a navigator to bring these  
2 organizations and individuals together so families know  
3 how to get the best care. We need more resources in that  
4 space.

5 But also -- I appreciate the graph, but also some  
6 of this can't be captured in a graph. It's in the  
7 personal stories and lived experiences of people who will  
8 come to a meeting. I do a NICU support group for Black  
9 families at (unintelligible) counseling center. And two  
10 of our participants found out about us through attending,  
11 like, a virtual with the AAIMM CAT. And so this  
12 connection is really being felt in the community and  
13 that's something that can't really be captured in a graph.

14 I also have learned through the AAIMM CAT, you  
15 know, so much more than I ever knew about the rise of  
16 midwifery in the Black space, which is so critical to  
17 creating spaces Black families can trust in their birthing  
18 journey, especially -- we talk about food deserts. But we  
19 don't talk about the health care deserts. If you do a  
20 Google search on a map for West LA, you'll find about 40  
21 OBs in ten square miles. But if you're living in South  
22 LA, maybe you can get to SC or California MLK, but now  
23 more and more services are being cutoff. And  
24 neighborhoods are -- LA County has the third largest  
25 population of Black people in the nation.

1           And at same time, we have the highest rates of,  
2 you know, Black infant maternal mortality, some of the  
3 highest rates of mental health. Even to the point of, you  
4 know, fetal alcohol syndrome, there's a connection to that  
5 with racism and self medication, and that needs to be  
6 acknowledged too.

7           We have to get to the root cause of why families  
8 are suffering and needing these additional supports. And  
9 I think the model that AAIMM has established brings  
10 together so many of our values. And one that comes to  
11 mind is our overarching value for, in our strategic plan,  
12 equity. We honor the wisdom of the communities,  
13 recognizing their assets, hold the heat to dismantling  
14 systemic barriers and forging a path to racial justice as  
15 we champion opportunities for all. And for me, this is  
16 what AAIMM does.

17           And so I just want to personally thank you for  
18 this. It's -- like I said, it's when you broke down I  
19 didn't want to speak first because I knew that having had  
20 the realization that I am not only someone who is working  
21 in this space but it wasn't until after that 2018 meeting  
22 and I've learned all of these statistics and I started  
23 talking to my husband and he was -- he mentioned our son's  
24 name -- our second son, Parker. He said: Yeah. That's  
25 Parker.

1           For those of you who don't know, I have five  
2           sons. My second son, who is now 18, was in the NICU for a  
3           month because the nurse refused to listen to me when I  
4           told her my water broke. And we have excellent health  
5           care my husband, you know, has excellent private  
6           insurance. We were delivering at UCLA in Santa Monica. I  
7           had one OB deliver all five of my babies, which is really  
8           unheard of and such a privilege. But the nurse in the  
9           labor delivery department 18 years ago didn't listen to me  
10          when I said my water broke. And I went into labor a week  
11          later and had to have an emergency C-Section and my child  
12          almost died.

13                 Fortunately, he's a healthy, bright, and  
14          18-year-old who's on his way to college now. But I didn't  
15          even realize that when it happened. I thought it was  
16          something wrong with me. I thought there was something  
17          wrong with my body. I thought there was something wrong  
18          with the way I cared for myself during pregnancy. And it  
19          wasn't until I learned so much through the AAIMM  
20          initiative that my husband was able to make that  
21          connection.

22                 So you have so many families that are struggling  
23          to advocate for themselves because so much of what Black  
24          folks experience in this country is this notion that we  
25          are our own worst enemies. So much of what happens --

1 poverty is because of a lack of willingness to work, which  
2 is, in fact, the exact opposite if you look at the data.

3 So I just really want to thank you for being here  
4 and for presenting this information today and express my  
5 gratitude for First 5 LA for being a partner in this. So  
6 much of what we have talked about is our mission as a  
7 largest funder of services for families zero to five.

8 MS. JONES: Thank you. Thank you.

9 I think I couldn't agree more, Summer --  
10 Commissioner McBride. With First 5's partnership and  
11 allyship. And you see some in the shirt that says:  
12 Support Protect Believe Black Women, is just what Summer  
13 said, is that that is what is happening a lot of times.  
14 And I think 18 years ago if I said my water broke, I know  
15 the difference between, you know, urinating and water  
16 breaking.

17 And so -- but, you know, sadly this is what is  
18 happening often too frequently. I'm dealing with a  
19 17-year-old. I'm sitting here reflecting and trying to  
20 get her to get into the program, because she's pregnant  
21 and -- at seven months, and was hardly showing. But she  
22 was brought to me by some gang interventionist because her  
23 lifestyle is of foster youth. And in the communities that  
24 she was raised in -- and you're talking about with  
25 alcoholism, you have to look at our communities that are

1 in the food deserts, are that -- are constantly -- we're  
2 over-stimulated, in a sense, with liquor stores on every  
3 corner.

4 And then it's, you know, popularized. It's cute,  
5 supposedly, to drink. But then we find out it has no real  
6 benefit. But it's late in the game when folks find out.

7 And so, again, what we're doing and what you  
8 shared with AAIMM working with moms and working with even  
9 some of the small organizations that even -- just some of  
10 the AAIMM village grantees that were just providing yoga  
11 or dance. But now they're building their business and now  
12 they're going from folks becoming doulas to deciding to  
13 become midwives. It's empowering. It's important. It's  
14 imperative.

15 So you're right when you first heard the  
16 conversation in 2018, look at where we are now.  
17 But look at what we can be with the continued partnership  
18 and the support for our communities.

19 So thank you.

20 COMMISSIONER BYRD: So, actually, just I was  
21 reflecting on what you were saying, Commissioner McBride,  
22 and I think every single page of the presentation I was  
23 making notes trying to figure out how we at Department of  
24 Mental Health can be a better partner in this work. And  
25 so for me, I wrote notes here. I wrote notes here. I put

1 a bunch of action items to all of it.

2 I'm super appreciative of the presentation and  
3 the work you're doing. I think that it -- it hits a sweet  
4 spot not just for First 5's work, but also for the work  
5 we're trying to stand up within our department, especially  
6 around prioritizing services for children and youth. So  
7 thank you very much.

8 And congratulations on your grant from the Robert  
9 Wood Johnson Foundation.

10 MS. PLEITEZ HOWELL: I want to thank you,  
11 Commissioner McBride, for sharing your story and making  
12 this really real for us and for the architects. You know,  
13 we talk a lot about systems change. And I think about the  
14 stewarding of systems creation you all have done in LA  
15 County that is completely unimaginable. We assume that  
16 systems should continue to work in a certain way. But  
17 what you all are naming, our services and creations on  
18 relationships and networks that simply did not and -- did  
19 not exist in LA County. So a lot of appreciation for  
20 that.

21 And I really appreciated hearing the 2018 here's  
22 what's happened and the strategic planning that's  
23 happening now for what it will look like.

24 So two questions for you all on as you were  
25 looking ahead for the systems creation that's needed in

1 this area of work, what would you share with the  
2 commission here, one, on how you selected the CATS and the  
3 communities themselves, your thinking, how that was  
4 shaped. Because, honestly, we often talk about working in  
5 Santa Clarita and San Fernando Valley, and we don't talk  
6 about black communities in that area. And a lot of folks  
7 that we have not been able to find connection. So really  
8 curious on how you selected CATS communities.

9 And then second, if you could help us on the  
10 narrative shift. Dr. Franklin, you talked a lot about  
11 getting information out, the narrative shift. You  
12 described what's happened. How do we envision a sort of  
13 2.0 version of narrative shift now that at least there's  
14 some conversations about this happening.

15 MS. JONES: I'll start with the CATS.

16 So with the CATS, quite honestly, when we were  
17 looking at the data, there's a number of things. So we  
18 knew the State had not provided us with data on, you know,  
19 Black women as it relates to birthing and pregnancy  
20 outcomes. So for -- now it's 30 years, but it was almost  
21 30 years then. So coming -- bringing folks together based  
22 upon the data that we had, the data that we had said that  
23 the highest rates of Black infant mortality were in SPAS  
24 1, 6, and 8. So we were initially focused there.

25 But having folks of color, Marlene Rolette

1 (phonetic), from San Fernando Valley who I worked with  
2 years ago when they first had the BIH program through  
3 Mission City Community Network, she would not let it die  
4 that we had -- you know, County had taken that -- it felt  
5 like County had taken that money away for the BIH program  
6 and they didn't have it. And she said: We still got  
7 women out here in the Valley. We've still got Black Mamas  
8 out in the Valley that need to these services. So when I  
9 first started with the first South LA, South  
10 (unintelligible) I went around to everybody that I  
11 practically knew. I'm taking fliers and I'm talking to  
12 people and I'm telling people how it's even getting to  
13 Summer working with the -- at the Reproductive Annual  
14 Conference for Black Women Wellness, telling everybody,  
15 we're going to start a Community Action Team. Let me know  
16 if you're interested.

17 Going to Kaiser and saying, "Hey," to  
18 (unintelligible) who was the program -- one of the  
19 community program managers, "Hey, can Kaiser be a part of  
20 this? Are you interested?" And when we had this first  
21 conversation, I know we shocked County partners and  
22 leaders because the room was filled with over a hundred  
23 people. And there was standing room only. And we had to  
24 tell people there's no room because this room's capacity  
25 at the volunteer location -- we filled this.

1           So and so we had grandmothers, we had  
2 grandfathers. We had -- I remember a gentlemen that  
3 (unintelligible) anti-recidivism organizations. And he  
4 ended calling me later and said, "I had to go to my  
5 children's mother and apologize for what I didn't know."  
6 He said, "I went home and I cried because I didn't know  
7 that this was happening to Black women or infants."

8           I had, you know, Dr. (unintelligible) there who  
9 came up to help me with the slides because we had to first  
10 start out with the racial history. Right? What has  
11 happened to Black folks in America. And then bring us up  
12 to speed and talk about Dr. J Marian Sims (phonetic) who  
13 worked on (unintelligible) where there was anesthesia  
14 available and he did not perform that -- over 30 surgeries  
15 on those Black women with no anesthesia because they were  
16 slave women. Though he was working to create things like  
17 the speculum and working on a specific surgical procedure,  
18 he was doing it in a traumatizing way. And so we have to  
19 have those types of conversations bringing physicians and  
20 doulas and midwives and anyone who was interested to the  
21 conversation. So that's how we started with the CAT  
22 model.

23           And then because of whole person care and having  
24 the funding that they provided physicians in SPAS 1 and 2  
25 and 3 and 4 and 5 and 6 and 7, we were able to get some of

1 the team members there. And they said, "Hey, we want to  
2 have a CAT in our area too."

3 So it was just 1, 6, and 8 at first, which was  
4 Antelope Valley, South LA, South Bay. And then  
5 San Fernando and Santa Clarita, they were, like, on  
6 Dr. Allen at the time, and we said let's go. And so we  
7 had folks there in the those communities and other County  
8 leaders who said, "Yeah. It's impacting here."

9 And then when we got the data in 7 -- SPA 7 had  
10 high rates -- almost as high -- getting as high as 6 and  
11 8, and 2 was high and 3 was even high. And so the data  
12 showed that wherever Black people reside -- Black women  
13 and infants reside is where the needs are and they're  
14 dying in those areas.

15 And so but we have to realize data can come late.  
16 So what do we do while we're waiting for data? We have to  
17 continue to serve the northeastern division; so  
18 Commissioner Byrd, thank you, because DMH has been a  
19 partner from the onset. Some of your staff at DMH have  
20 really partnered with us in this work and are -- continue  
21 to. We're able to work with a number of the ones at  
22 various sites of the community like MLK and AV to expand  
23 our maternal mental health work to support the GBI  
24 program. So back to you President and Commissioner how --  
25 that is how we got the CATS going into those areas. And

1 continually bringing -- we have Huntington Hospital that  
2 is ready to jump on board with San Gabriel Valley as well  
3 as the various hospitals in San Fernando and Santa  
4 Clarita. Everybody's ready to be a part of this work and  
5 we're looking at how do we do that and continue the  
6 effort.

7 MS. FRANKLIN: There is a critical mass from  
8 that. And folks opted in. They wanted to see change in  
9 their service planning area. So we figured out how to get  
10 some funding to support it and leverage what reaches  
11 County-wide, which is communication, messaging, policy  
12 change.

13 And then as it relates to changing the narrative,  
14 it really came out -- came from speaking with the people  
15 who -- the feedback that we got early on in the work was  
16 that the stories about maternal deaths and folks losing  
17 their babies really was causing the Black pregnant women  
18 and individuals we came across to feel so fearful of  
19 having a baby or fearful of even becoming pregnant,  
20 fearing that they would lose their baby or die in the  
21 process. And you know we just felt that that was such an  
22 injustice and had determined in working with the steering  
23 committee Community Action Teams, developed what would be  
24 our messaging that we would land on, which is around  
25 healthy and joyous births. That just surviving one's

1 birth experience is, like, bare minimum. That thriving  
2 was the end goal and the outcome that we would point  
3 people to.

4 And then in terms of how to rally folks around  
5 that, the focus again came out of the community that it  
6 takes a village. And we just leveraged that, identifying  
7 that we all have a place in the work, and first seeing  
8 ourselves as part of the village, being clear about what  
9 the root causes are, that we're not trying to transform  
10 the behavior of folks. That we're trying to change the  
11 behavior of the systems.

12 And getting the systems to understand that  
13 they're part of the village too. And what does it look  
14 like to be a member of the village? It looks like  
15 dignity, upliftment, joy, abundance, community,  
16 well-being. And that really has been our framing.

17 I would say looking forward and, like, we'd love  
18 to hear from my colleagues as well, what is our framing?  
19 It really is anchoring the village in those things that  
20 still stand as a barrier between achieving healthy and  
21 joyous births. Our health care system, which is big --  
22 right? -- how it's structured right now, which is not --  
23 no one's happy in it, providers included.

24 The other is housing, which is at the top of the  
25 list next to mental health. You know, those are two big

1 questions that we really all need to collectively figure  
2 out how to address. Pregnant folks are not prioritized in  
3 our rapid housing and homeless shelter support services  
4 system. They're not -- there's no formula that places  
5 pregnant folks at the top of that list. And we believe  
6 that it should be. And as it relates to AAIMM, Black  
7 folks being -- disparately experiencing homelessness in  
8 our County, we see that as a direct connection.

9 And the other is mental health services. We're  
10 currently advocating with our national and state partners  
11 as it relates to home visiting to provide direct mental  
12 health services in our home visiting programs. Our  
13 guaranteed income pilot, thanks to funding from DMH, will  
14 have -- has abundant (unintelligible) coaches. Those are  
15 individuals who lock arms with stipend recipients along  
16 the pregnancy, during, with the goal of reducing stress  
17 and economic burden and stress that that causes.

18 So that really is our kind of looking ahead is  
19 anchoring the village with those big issues, those big  
20 questions that really having a system be in solidarity  
21 with community would be a game changer for what we would  
22 see as outcomes of joy and abundance for our families.

23 Systems can be in solidarity; right?

24 COMMISSIONER BYRD: Yes.

25 So I think we need to take a break. But I just

1 want to check on the urgency.

2 Do we do public comment first?

3 MS. VO: Yes, we would do public comments first  
4 before we go on to the next item.

5 COMMISSIONER BYRD: Thank you, again, very much.

6 Ms. Vo, are there any public comments.

7 MS. VO: Yes there are public comments for this  
8 item. We have a couple on Zoom.

9 The first one will be Jacqueline Jones. And your  
10 item will begin now. You'll be given the ability to  
11 speak, Ms. Jones.

12 Speaker: Hi. This is Jacqueline Chung. Good  
13 afternoon, Commissioners. This is Jacqueline Chung with  
14 the Carl and Roberta Deutsch Foundation. I'm the chief  
15 programs and operations officer at the foundation.

16 The Deutsch Foundation encourages First 5 LA to  
17 continue its support of the AAIMM initiative through  
18 ongoing financial investment. The Foundation's mission is  
19 to build healthy communities in Los Angeles County. The  
20 Foundation's journey in learning about the persistent  
21 disparities in birth outcome of African-American babies  
22 and mothers in comparison to other race and ethnic groups  
23 began in 2019. The data spoke volumes and could not be  
24 overlooked. The Foundation began its support of the AAIMM  
25 initiative in 2020, the timing of which dovetailed with

1 the Covid-19 health pandemic and the nation's racial  
2 reckoning.

3           What surfaced for the Nation from these  
4 co-occurring crises is that they were not happening in  
5 isolation of each other, rather in direct correlation.

6           Since its inception in 2018, the AAIMM initiative  
7 has lifted up exactly this -- the relationship between  
8 race and health outcomes. African-American babies and  
9 mothers are dying because of their race. And this is  
10 simply unacceptable. In recognizing that the disparity of  
11 birth outcome of Black infants and mothers is uniquely  
12 theirs and racially driven, the AAIMM initiative is  
13 (unintelligible) deep-seated systemic and social issues.  
14 Its partnership with Black communities across LA County  
15 empowers those most effected to create solutions and make  
16 decisions on what's best for their communities and what  
17 resources go and to where.

18           This is a public health crisis that we are  
19 responsible for addressing. We know the contributing  
20 factors. We know that the solutions require embedding  
21 racial justice and inclusion in our public health systems.  
22 Too many families have experienced unspeakable loss and  
23 continue to do so.

24           We are severely behind in this work, but it's  
25 important to look forward to what we can do in the future.

1 To address the generational years of harm to Black  
2 communities and realize long-term sustained change that  
3 builds on the positive ground made by this initiative,  
4 there requires ongoing investments through leveraged and  
5 direct resources from public and private partners.

6 Thank you.

7 MS. VO: Thank you so much, Ms. Chung. My  
8 apologies, again, for stating your name incorrectly.

9 Our next public comments speaker is Jennifer  
10 Robeson.

11 Jennifer, you do now have the floor.

12 Speaker: Thank you so much. Good afternoon. I  
13 work for Breast Feed LA, a breast-feeding organization and  
14 (unintelligible) advocacy organization. And we hold work  
15 closely with the AAIMM Committee Action Teams and the  
16 Village Fund along with First 5 especially in the south  
17 region of Los Angeles since its inception. In this past  
18 year, we work with the South LA South Bay family-centered  
19 models of care work group to engage with Black home visit  
20 (unintelligible) to normalize breast feeding in public  
21 spaces through the Breast Feeding Safe Spaces campaign.

22 Breast Feed LA also received a Village Fund grant  
23 to provide a breast-feeding support group which centers  
24 Black families in Carson and surrounding areas. The  
25 support group is run by (unintelligible) and myself,

1 Jennifer Robeson, as the program coordinator. By  
2 providing lactation support, Black community members for  
3 community members, we have built trust and a growing and  
4 thriving support group community. And to date, we have  
5 served over 150 families through the support groups and  
6 lactation clinics.

7 And more recently, we received funding to provide  
8 outreach towards the guaranteed basic income through the  
9 California (unintelligible). And not only are we grateful  
10 to be part of this important work, this work has enabled  
11 us to provide work force development to the moms in our  
12 program who are now outreach workers to increase awareness  
13 as well as assist mothers mowers in completely the  
14 application process.

15 Work being done by the CATS, Village Fund, and  
16 AAIMM is essential for supporting pregnant and parenting  
17 families, connecting people around this important work and  
18 most important, saving lives among birthing people and  
19 babies. As we all know, funding for maternal and child  
20 health is limited, and First 5 LA's investment in this  
21 important issue has and continues to make a real  
22 difference.

23 Thank you for your time.

24 MS. VO: Thank you so much, Ms. Robeson.

25 That does conclude our public comments for this

1 item.

2 COMMISSIONER BYRD: So we're going to move on to  
3 the next item, which is a break. So we're going to take a  
4 ten-minute break.

5 It's 3:08. Let's do a five-minute break. Let's  
6 let's be back at 3:13.

7 MS. VO: Yes we will be returning at 3:13.  
8 Thank you so much.

9 (A brief break.)

10 COMMISSIONER BYRD: So I'm on First 5 LA's  
11 program at 8, sustainability strategies. So I'm going to  
12 hand it over to John Wagner to kick us off.

13 MR. WAGNER: Thank you, Commissioner.

14 And recognizing we're a little behind on the  
15 agenda, I will just summarize some of the remarks I was  
16 going to make on this item.

17 So the key points in getting into the next item  
18 on sustainability is our fiscal context of the fiscal  
19 reality. And though we have and the board is well aware  
20 of our declining revenues, which were anticipated given  
21 our main funding stream, it's important to see the  
22 connection across several of the items we're bringing  
23 forward on today's agenda.

24 So we just heard a lot about the important work  
25 with the system partner, in this case, the Department of

1 Public Health, and how funders came together to pool  
2 funding to support the AAIMM work -- the critical work of  
3 AAIMM. And it allowed us to do work in ways that were  
4 well beyond what just First 5 LA could do alone.

5 We're about to get into an item on  
6 sustainability, focused more on home visitation. Home  
7 visiting, specifically Welcome Baby and select home  
8 visiting, as we refer to it is the single largest  
9 investment in our budget. And so we're going to talk a  
10 little bit about staff work and some opportunities  
11 including tapping into entitlement programs that could  
12 fund this work, and acknowledge the partnership that we  
13 have with DMH in this area,

14 And then the next couple of items on the agenda  
15 include the Equity Index, which is bringing forward some  
16 very early and very initial thinking on ways in which we  
17 might think about targeting resources. Knowing that our  
18 resources are declining, how best do we target resources  
19 in a way that addresses those furthest from opportunity.

20 And we will wrap up at the -- with the last item,  
21 acknowledging the role that policy and advocacy can play  
22 in advancing our work. Keeping the fact that, although  
23 our revenues may be going down, we want to maintain the  
24 impact that First 5 LA can continue to have on the lives  
25 of kids and families.

1           So with that, we're going to get into this  
2 presentation. Do you want to start?

3           And as I mentioned, we will be talking a little  
4 bit about the early initial successes on ways in which we  
5 have leveraged other resources to move First 5 LA's  
6 programmatic investment on Welcome Baby, select home  
7 visiting forward. And we'll dig into that a little bit  
8 more. Diana -- my colleague, Diana Careaga is the head of  
9 our Family Supports team and has done a lot of the  
10 important work in that. So we'll be drilling down a lot  
11 into home visiting, but it does include opportunities  
12 across a lot of the other work we do here on First 5,  
13 including in the health arena.

14           So this is a what we refer to as our  
15 sustainability framework. And this was introduced to the  
16 board. This isn't the first time you've seen it. In  
17 fact, our Vice President of Operations and Sustainability,  
18 JR Nino has shared this in previous board presentations.  
19 And it's really looking at what assets First 5 LA has and  
20 how do we maximize those assets, including things like the  
21 building, but also the investments that we're currently  
22 making in some of our programmatic areas.

23           And this is an example of where we will be  
24 getting into further in the following slides. And you'll  
25 also note the other areas of sustainability in our

1 framework including policy advocacy and collective impact,  
2 which, again, is an example well illustrated by AAIMM  
3 where different funders were coming together, pooling  
4 resources to move a body of work forward. So just to  
5 connect it to the sustainability framework.

6 And with that, I will turn it over to my  
7 colleague Diana.

8 MS. CAREAGA: Thank you, John.

9 Good afternoon, everyone. So I'm going to begin  
10 with the broader context of sustainability opportunities.  
11 You know, there's an increasing focus on the local, state,  
12 and federal level on shifting funding streams towards  
13 primary prevention, towards promotion of child and family  
14 well-being.

15 So I wanted to call out a few examples that we  
16 know of. So we have LA County prevention promotion  
17 systems governing committee which has a zero to five  
18 focus. The Family First Prevention Services Act, or FFPSA  
19 -- you'll hear that acronym a lot today. It's a federal  
20 funding that's shifting funds from a focus to children in  
21 out-of-home care to those at risk of entering the child  
22 welfare system. There's FFPS bloc grant funding which  
23 covers programming that is not allowed under the Federal  
24 FFPSA. And also, finally, the State's Medicaid program,  
25 or Medi-Cal, which is working to transform the public

1 health care system with a focus on the social determinants  
2 of health and equity.

3           So the increasing focus on more upstream  
4 prevention translates into focus on these two major  
5 federal funding streams -- FFPSA and Medi-Cal. So while  
6 they're separate programs, there are many commonalities  
7 that are important to keep in mind as considerations for  
8 First 5 LA. So both can pay for some activities but not  
9 all, and FFPSA is the true payer of last resort. so if  
10 Medi-Cal covers an activity, it's not covered by FFPSA.  
11 Both will require up-front funding from many  
12 community-based organizations as these are reimbursement  
13 based funding streams. And additionally, both reimburse  
14 for only 50 percent of the cost of services of services  
15 amount that is needed. And finally, there's additionally  
16 infrastructure that's likely needed to support the process  
17 of drawing down the funds; so this could be a claiming  
18 system or a collection of additional data elements or even  
19 staff to fulfill administrative duties.

20           So First 5 LA has undertaken extensive  
21 exploration of these two strategies as a means to either  
22 offset or reduce First 5 LA's (unintelligible) across  
23 programmatic areas. So the examples in the slide are just  
24 a few that we have selected for this presentation, though  
25 they do not represent the entirety of what we have

1 explored or we're working on.

2 The examples here include the MediCal Doula  
3 benefit which may help sustain the African American Infant  
4 Mortality or AAIMM initiative which you all just listened  
5 to.

6 FFPS funds which are being used to test how to  
7 draw down funds with pilots currently in SPAs 2 and 6 that  
8 are created (unintelligible) pathways to eligible  
9 programming such as home visiting. And we're exploring  
10 how the community health worker benefit or CSW can fill  
11 for Help Me Grow staff activities.

12 So we did want to callout a number of successes  
13 that we've had across our programmatic areas and  
14 (unintelligible) worked so far. So we've mentioned we've  
15 been able to successfully partner with DMH for prevention  
16 and early intervention funds for home visiting for a  
17 three-year contract. We secured a contract with Blue  
18 Shield Providence Health Plan for home visiting. We have  
19 an ongoing commitment from system partners to continue  
20 funding Help Me Grow. And finally, to go back in time a  
21 bit, we did partner with DPSS for a home visiting pilot  
22 back in 2017 with phenomenal results which influenced the  
23 State to begin funding CalWorks and (unintelligible)  
24 California which continues to this day. So there have  
25 been great opportunities and wins across multiple

1 programmatic areas with our effort to run on  
2 sustainability strategies.

3 We wanted to do a shift now to take a deep dive  
4 into home visiting, given, as John said, it's the largest  
5 direct services investment for First 5 LA. So you may  
6 have seen this slide before. This is an overview of the  
7 home visiting landscape by funding stream, LA County, for  
8 the fiscal year '23-'24. It shows a County-wide  
9 investment of \$96 million, expands six program models and  
10 nine funding sources, five of which are administered by  
11 Department of Public Health.

12 In 2018, First 5 LA funded more than half of the  
13 services. But due to successful advocacy efforts and  
14 increased State funding for home visiting, DPH now  
15 administers the majority of the funding at 49 percent.  
16 For First 5 LA, home visiting still remains our largest  
17 direct service investment at \$32.5 million, that's 33  
18 percent of the total. While we did want to call out on  
19 the slide the DMH funding of 5 percent is passed through  
20 First 5 LA.

21 So what happens if we continue at status quo? So  
22 what does status quo mean? We would have no  
23 sustainability strategy; so there would be no DMH funding  
24 for home visiting, no engagement with health plans, no  
25 Medi-Cal, no FFPSA. And funding all three of our current

1 program models -- Welcome Baby, (unintelligible) America,  
2 and Parents as Teachers -- represents 25 organizations  
3 including hospitals and community-based organizations.  
4 That is the status quo.

5 In case you were wondering, the dip in funding  
6 there represents strategic reductions that we undertook in  
7 this fiscal year. It does represent about -- 61 percent  
8 of that dip was removing vacant positions from grants, and  
9 there was some Welcome Baby right sizing staffing  
10 adjustments.

11 So without any offset or reimbursement, the  
12 projected budget would reach 32.9 million by fiscal year  
13 '26-'27. That annual increase is largely due to  
14 work-force compensation. And given First 5 LA's fiscal  
15 reality, the status quo of funding the same scale or the  
16 same level of services for the three models is not  
17 sustainable over time.

18 So given that we cannot maintain that same level  
19 or scale, staff has been undertaking a strategic analysis  
20 of two key questions: What is First 5 LA's role and  
21 contribution to the County-wide system of home visiting;  
22 and, given what we currently know about sustainability  
23 strategies and their time lines, how can we best align to  
24 First 5 LA's sustainability planning efforts?

25 So the question of what we currently know about

1 these strategies takes us to potential opportunities. So  
2 in 2021, we leveraged funding from Hysen Simon (phonetic)  
3 Foundation to commission a fiscal mapping project for home  
4 visiting in LA County. We worked with a national expert  
5 and consultant, K. Johnson (phonetic), who facilitated a  
6 County-wide process and included research on possible  
7 funding sources for home visiting and interviews with  
8 stakeholders across the system.

9 So the results of the report recommended two  
10 Federal entitlement programs that could potentially fund  
11 home visiting, which I highlighted earlier, FFPSA and  
12 managed care plans and Medi-Cal. Based on analysis of  
13 this report and local partners, there is great potential  
14 in these strategies for home visiting and we've done  
15 extensive exploration and work in these areas.

16 So to dig into these two opportunities in the  
17 context of home visiting, for FFPSA, State included three  
18 evidence-based home visiting models in its now approved  
19 parenting plan to the Federal government. That includes  
20 two plans that First 5 LA funds, Healthy Families American  
21 and Parents as Teachers. This means that these services  
22 will be eligible for 50 percent reimbursement when  
23 provided to eligible children.

24 The State also included motivational interviewing  
25 as an evidence-based practice that is eligible for

1 reimbursement, and home visitors in our Welcome Baby  
2 program are already using this practice. So we have an  
3 additional opportunity to explore how to draw down funds  
4 for that program.

5 And finally, based on the information provided to  
6 date by the State, our understanding is that the majority  
7 of children already enrolled in our home-visiting program  
8 would qualify for FFPSA funding.

9 So looking at Medi-Cal now, as you may know there  
10 are transformative efforts underway by the State Health  
11 Care Services and Medi-Cal Managed Care Plans. Under  
12 Medi-Cal, we see commonalities between some of the  
13 activities of home visitors and community health workers  
14 which CSW use, and CSW is now a Medi-Cal eligible provider  
15 population. We also see significant alignment between the  
16 measures for which Medi-Cal Managed Care Plans are  
17 accountable for, and the data we have on the outcomes for  
18 home visiting clients, which far exceed what is being  
19 reached in State-wide quality measures. So three quick  
20 examples: More than 90 percent of children in home  
21 visiting First 5 LA funded programs attend their well  
22 child visit. 90 percent. The State-wide rate is 37  
23 percent. 98 percent home visiting receive developmental  
24 screening compared to 30 percent State wide. And over 90  
25 percent of parents in home visiting report their children

1 reach up to date immunization. And that's 35 percent  
2 State wide. So we definitely exceed many of the measures  
3 that matter to Medi-Cal.

4 We feel that Medi-Cal holds a lot of promise and  
5 we are also seeing and hearing from others that the  
6 current reimbursement rates proposed by the State for  
7 providers such as Community Health Workers is relatively  
8 low; so additional advocacy is needed and additional  
9 infrastructure could be needed to draw down that funding.

10 We have continued to explore other opportunities  
11 beyond Medi-Cal FFPSA as well. Many of these come with  
12 their own considerations; so we continue to analyze each  
13 opportunity to determine what appears to be the most  
14 fruitful or most likely to advance sustainability  
15 strategies for First 5 LA and County-wide home visiting.

16 So some examples include MIECHV, -- Maternal  
17 Infant and Early Childhood Home Visiting. That funding is  
18 being increased for the coming fiscal year. First 5 does  
19 not administer MIECHV funding, but we are coordinating  
20 with DPH to explore and support sustainability strategies  
21 that benefit home visiting County-wide.

22 We continue to monitor other opportunities as  
23 some may or may not be a good fit. So as an example, the  
24 State Children and Youth Behavioral Health Initiative did  
25 include funding for home visiting; however, the funding

1 was for startup or expansion of services. And, therefore,  
2 First 5 LA chose not to apply, given that we're not  
3 currently in a position to start up or expand services  
4 given our fiscal reality.

5 We also support and are involved in coordination  
6 -- coordination efforts for FFPSA pilots in SPAs 2 and 6  
7 and referral pathways as I mentioned previously, and  
8 remain in communication with DMH as we all continue to  
9 learn about the impact of the passage of Prop 1.

10 So these are the key considerations under each of  
11 these sustainability strategies for home visiting. So for  
12 our work with DMH, the passage of Prop 1 will shift the  
13 funding categories for the Mental Health Services Act and  
14 impact the current contract for home visiting. And we're  
15 still discussing what this could mean.

16 For FFPSA, re- -- reimbursement rate for home  
17 visiting is still unknown and the launch has been delayed  
18 various times and is currently anticipated for fall 2026.  
19 We also do not know the motivational interviewing  
20 reimbursement rate.

21 For Medi-Cal services, we are leveraging First 5  
22 California home visiting grant funding to implement a  
23 pilot about how to draw down State (unintelligible) funds.  
24 However, we know, as I said, the State reimbursement rate  
25 is low, and additional discussions and negotiations would

1 be needed with local health plans. And finally, we  
2 continue to explore opportunities given the changes in  
3 Medi-Cal.

4           And we'll go to key take-aways, which is:  
5 Applying what we know right now about time lines and  
6 reimbursements for FFPSA, community health worker benefit,  
7 health plan engagement, our conservative estimates show  
8 that in Fiscal Year '27-'28, we would be able to reduce  
9 home visiting expenditures by only \$6.6 million, leaving  
10 First 5 LA with a cost of 27 million. Which, as you know,  
11 sustainability strategies can only take us so far. And  
12 given the declining revenue, it will still be necessary to  
13 significantly reduce the scale of First 5 LA's investment,  
14 which will impact service levels.

15           So for this year, the goal of staff is to develop  
16 a plan to align the scale of home visiting investment to  
17 sustainability planning with clear guard rails. So as an  
18 example of a guard rail, staff identified that once First  
19 5 LA is living within its means, 15 to 25 percent of  
20 annual revenue will be spent on direct services. And any  
21 additional costs will need to be offset by sustainability  
22 strategies. Many factors are being taking into  
23 consideration in these planning efforts including what are  
24 the available sustainability strategies per program model,  
25 the impact of those strategies to offset or reduce First 5

1 LA expenditures, the availability of home visiting data to  
2 perform County-wide efforts and geographic considerations.

3 So in closing, while programmatic -- even though  
4 the scale of direct services and programmatic investments  
5 must be reduced in light of the fiscal reality, First 5 LA  
6 can still achieve a positive impact with its focus on  
7 systems change, policy change, and community engagements.  
8 And as we have moved into the development of tactics for  
9 the strategic plan this year, we'll be assessing the roles  
10 and activities that best maximize impact with a few  
11 possible examples called out on slides. And as we know,  
12 home visiting touches multiple objectives that roll into  
13 our strategic plan.

14 That brings us to our ending and our questions  
15 for you. If there are any clarifying questions you may  
16 have, considering important considerations in scaling down  
17 direct services to reach alignment to the long-term fiscal  
18 realities.

19 Thank you.

20 COMMISSIONER BYRD: Thank you. And I do  
21 apologize for having to truncate your presentation.

22 Any questions from the commissioners?

23 COMMISSIONER TILTON DURFEE: Does green mean on  
24 or off?

25 COMMISSIONER BYRD: On.

1           COMMISSIONER TILTON DURFEE:  It's been on the  
2 whole time I've been sniffing over here.  I'm so sorry.

3           Thank you so much.  As you know, I'm really  
4 invested in this issue and in home visiting; so I have a  
5 little bit of knowledge about what you're up against.  And  
6 I do understand that -- I appreciate that we have had this  
7 major investment and I understand that it's a little bit  
8 of a problem now with the diminishing resources.

9           I just want to know can we, even with our issues  
10 here with diminishing funding, still continue to take a  
11 look at home visiting for the high-risk families?  I've  
12 said this a hundred times, but when we review a thousand  
13 child death cases and find that only two had a home  
14 visitor, and if you then see that most of these deaths  
15 were babies and toddlers, then in my mind, I'm thinking  
16 why wasn't there somebody in that home?

17           I also realize it's a challenge because home  
18 visitors don't want to go into high-risk situations.  But  
19 they aren't always violently high-risk, they're just a  
20 stressful environment.  There's isolation, there's  
21 loneliness, there's -- you know, sometimes domestic  
22 violence, sometimes there's just an incredibly  
23 over-stressed single parent.  That -- that horrible case  
24 of the woman who killed all three of her little kids,  
25 nobody ever went inside her condominium, and nobody --

1 people on either side of her -- her neighbors, you know,  
2 had things to say about what they thought they observed.  
3 Not one of them knocked on the door.

4 So in my mind, I think I wish there had been a  
5 home visitor; so I guess I'm asking is that something we  
6 can continue to keep on the burner?

7 MS. CAREAGA: I think one of the values of home  
8 visiting, regardless of the model, is a pair of eyes in  
9 the home where other professionals cannot go. So we're  
10 definitely looking. It's really taking a County-wide  
11 perspective. There's many programs, and it's how do we  
12 have a way to connect families to whatever program can  
13 best meet their needs. And that's part of the value of  
14 having the network and partnerships between First 5 LA and  
15 DPH and other home visiting programs. So we're definitely  
16 looking at how to support families and fit them where they  
17 have the most needs.

18 COMMISSIONER TILTON DURFEE: Right. And I'm  
19 really pleased about that. I'm just wondering if maybe  
20 the information we have about the families where there was  
21 a tragic outcome -- and again, were all infants -- not  
22 almost. All. Sometimes several in one family. So I'm  
23 just trying to think if maybe we can inform what we're  
24 doing with a little more what was happening in that  
25 household, where could we have -- what information was

1 shared from the hospital, what information should have  
2 been advised with DCFS. Most of them do not really have  
3 DCFS involved, frankly.

4 So it would have been probably the hospital that  
5 would have had the most information. And, of course, we  
6 know about postpartum depression and psychosis and all  
7 that. So I'm just trying to make sure that stays sort of  
8 the top of the stack of priorities with this.

9 Thanks.

10 COMMISSIONER BYRD: Other questions, comments.

11 So you know I will -- I made some notes. For me,  
12 as a (unintelligible), DMH is willing to partner with  
13 First 5 and DPH. I'm looking at how do we map what's  
14 going to be coming out of the Prop 1 work groups that are  
15 starting at the State. So if you haven't joined a  
16 stakeholder work group, or -- what can I say? There's  
17 this State website that you can go to about the Behavioral  
18 Health Services Act, and they are starting their  
19 stakeholder work groups and their birth to five services  
20 are called out specifically within the Behavioral Health  
21 Services Act. So there will be stake holder opportunities  
22 for feedback and to help guide services and directions.  
23 So I do think there's opportunity coming.

24 But as I said earlier, this is a priority for our  
25 department to stand up our services for children and youth

1 and families. It's also a priority for the County as your  
2 President and CEO is aware. So I think there's momentum  
3 here to do some exploration to partner with us.

4 Please, Commissioner.

5 COMMISSIONER ALBARRAN MOSES: It took me a second  
6 to process my thoughts, and I'm not quite sure that I've  
7 quite done that. But I will share some of the things that  
8 initially come to mind.

9 I appreciate that you mentioned the County,  
10 because I know that the policy roundtable part of what we  
11 are working on is, you know, how are we better linking  
12 systems so that we're all talking to each other. Right?  
13 Because as you mentioned, part of this is just people  
14 don't know resources exist or have the ability to get to  
15 them.

16 And so I do think that, you know, messaging about  
17 options and ensuring that if I go to one place, that I get  
18 access to an array of other options and connections, and  
19 really thinking about how are we linking the system in a  
20 way that hopefully makes it easier for people who need  
21 services. Right? As well as ensuring that our staff who  
22 are in the system know about these other services. But  
23 even that's definitely another piece that we don't -- not  
24 just do we not always talk to each other, but I don't  
25 think we always know of what is happening. And we're

1 realizing that, I think, more and more.

2 But my other question or my other thought was  
3 looking at these options, what do you think or what do you  
4 anticipate is the time line? Because some of them are a  
5 little bit up in the air; right? And so this is not a  
6 tomorrow solution. Right?

7 And so just curious about your thoughts on time  
8 line. And I think all of your options are going to have a  
9 different time line. But just generally curious.

10 MS. CAREAGA: I think generally we will probably  
11 come closer to knowing by the fall. We want to keep our  
12 partners and grantees aware and connected to what's  
13 happening and what's coming down the pipeline. So  
14 definitely be digging into this during this calendar year.

15 MR. WAGNER: I would -- I think I would just add,  
16 I appreciate your comment, and yours as well, Commissioner  
17 Byrd, on partnering with the County. I think as Diana  
18 mentioned, these are all different time lines. And FFPSA  
19 is an example where the State needs to have certain things  
20 in place in order to begin to start claiming Federal  
21 revenues. And the things that need to be in place are  
22 probably a few years away.

23 Right now, we have the benefit of the State bloc  
24 grant. But given the fiscal situation with the State,  
25 it's not a guarantee that that will continue indefinitely.

1 So I think we're looking at all of those kinds of  
2 realities that it might impact sustainability.

3 The other thing getting to your point about  
4 partnering with the County, we didn't focus on this a lot,  
5 but Diana's example of how this investment informed the  
6 State's decision to fund CalWorks is a really good  
7 example. Where now in the budget there's over a hundred  
8 million dollars that flows into home visiting through the  
9 Counties through the CalWorks distribution. And that's  
10 one where we can look at options for maximizing those  
11 resources that already exist. And that is something we're  
12 looking at.

13 COMMISSIONER BYRD: Commissioner?

14 COMMISSIONER HEGER: I think my concern is that  
15 we've invested a lot of our State money -- thank you very  
16 much, Dr. Byrd, in getting people off the streets and  
17 putting them in -- in -- incarcerated or locking them in  
18 the hospitals or whatever, which is kind of too late. And  
19 I'm a little discouraged about the lack of funding or the  
20 diminished funding in dealing with the zero to five or  
21 with families early on to prevent them from needing those  
22 services.

23 I don't -- I don't set policy for the State yet,  
24 and I probably never will, but I would certainly want to  
25 see that we argue that more money goes into prevention,

1 which is certainly -- home visitation is, and I would echo  
2 what Deanne is saying in terms of looking at targeting the  
3 highest-risk families and highest-risk areas, and maybe we  
4 should partner and create resource centers in -- as pilots  
5 in the highest-risk areas of the County that look at --  
6 home visiting, certainly, but a real access to resources  
7 rather than 211, but a real access. And health and mental  
8 health access early on, and just see the impact in that  
9 community. And that's community driven, which I think  
10 we're all in favor of.

11 And I don't -- I know we don't have the funds to  
12 do it across the board, but maybe we could target -- we  
13 could be a policy maker, and see if DCFS, DMH, and the  
14 public school system would like to create a triple-wide  
15 trailer on the grounds of elementary schools in the  
16 highest-risk neighborhoods and begin to talk about  
17 prevention, intervention, home visitation, the whole thing  
18 at that level.

19 And it's just a thought, but I'm very discouraged  
20 about money going to putting 16-year-olds away rather than  
21 dealing with them when they were 16-months old. But, I  
22 mean, it's -- that's why I'm a 4 on the 1 to 10 scale in  
23 terms of delivering service, because 60 percent of the  
24 people on the street are graduates of the foster care  
25 system. Right? 60 percent. So if you really want to

1 talk about prevention and getting people off the street,  
2 you start very early on talking about what do you do to  
3 sustain a family so that that child doesn't end up in  
4 foster care, which we're not talking about.

5 So any way, that's my -- one of my soap boxes  
6 this week.

7 COMMISSIONER BYRD: Okay.

8 COMMISSIONER HEGER: I think that if we  
9 consolidated funds and did that, we would demonstrate, A,  
10 we could afford to do that, we can take credit for doing  
11 that, and we could show a definite change in the  
12 community. And it could incorporate everything we're  
13 doing with, you know, community-driven, helping people  
14 have access to what they need. And, I mean, it's a  
15 logical step to take. It's multi-disciplinary,  
16 community-driven in what they want and what they need.

17 And in doing that, we could access funds that are  
18 sitting out there saying we'll help you help families in  
19 need and sustain them where they are. But the way it is  
20 now, it's so chaotic that -- I mean, there's one huge fund  
21 in LA that will help us help families, particularly if  
22 they're at risk for DCFS. They do not want to see kids  
23 going into foster care.

24 But think -- how do you access that? Because  
25 it's a prevention strategy. Let me know if you figure it

1 out.

2 MS. PLEITEZ HOWELL: So adding to that, I think  
3 what we're hearing really, really clearly is the targeted  
4 resources for this investment, making sure we do that.  
5 Hearing really clearly, let's leverage our County and  
6 relationships and partnerships in this (unintelligible)  
7 expertise. And how do we bring that unique expertise to  
8 services that are needed in programs.

9 So I think we can take that as guidance as we  
10 noodle through -- continue to noodle through this question  
11 of what home visiting will look like. Thank you.

12 COMMISSIONER BYRD: And one last thing I would  
13 add is that as we're looking at these options, how are we  
14 using data to actually inform where those services go?  
15 Learning data around what's been successful, but also  
16 around our equity mapping in the County.

17 MR. WAGNER: Which is a great segue to the next  
18 item.

19 COMMISSIONER BYRD: But before we go to the next  
20 item, Ms. Vo, are there any public comments on this item?

21 S. VO: Yes, we do have one public comment.  
22 Winnie Wechsler.

23 Speaker: Yeah. Hi. Thanks so much. Excellent  
24 presentation. And it just really made me start to  
25 question -- I'm making less of a comment and just asking

1 some questions, because I think the questions you're  
2 asking are the right ones. How can we figure out how  
3 these future revenue streams can continue to fund these  
4 critical services?

5 And so one of the questions I had was I would  
6 imagine the other First 5s in other counties are also  
7 thinking about how to leverage for family first. I don't  
8 know to what extent the State of California operation can  
9 help you or help LA County, because you would think they  
10 should be helping all the counties figure this out. And  
11 likewise, here in LA County, we have the advantage of  
12 partnering with Chapin Hall on a lot of the family first  
13 analysis. And so some of the questions that you raised,  
14 which are the right ones, about how do we actually  
15 transition from, you know, grant money to all this, you  
16 know, money that might come in and (unintelligible) graphs  
17 from multiple sources over extended periods of time.

18 They may help refine that analysis and maybe help  
19 you to understand maybe this is more of an opportunity.  
20 I'm agreeing with you, though, that we're not going to see  
21 family first dollars until at least 20- -- the State  
22 hasn't even given us an estimate as to the dates since  
23 they are first creating this data system that has no date  
24 for being rolled out.

25 But that being said, as you said, the bloc grant

1 until then; so I think the more we can refine your  
2 analysis, we can then prove, okay. This is a plan that  
3 deserves to be supported and implemented.

4 So I'm also volunteering to the extent it's  
5 helpful to help you with this.

6 MS. VO: That does conclude our public comments  
7 for this item.

8 COMMISSIONER BYRD: Thank you. Thank you both.

9 We're going to move onto Item 7. And Item 7 will  
10 be a brief overview on LA's Equity Index. And I will hand  
11 it over to Kim Hall to lead, allowing her a second to  
12 settle in. Thank you. Thanks.

13 MS. HALL: Good afternoon, Commissioners -- good  
14 afternoon, commissioners, staff, and members of the  
15 public. I'm Kimberly Hall, the Director of Impact and  
16 Accountability. And I'm excited that today we're going to  
17 begin a conversation about the development of an Early  
18 Childhood Equity Index.

19 In the brief time that I have with you today, I'm  
20 going to introduce the concept and the rationale. I'm  
21 also going to share with you where we are in the process;  
22 so what we've done thus far and what's coming up next.  
23 And then finally, I'll pose some questions to get your  
24 input.

25 So staff are exploring the idea of developing an

1 Equity Index focused on divisions of well-being for young  
2 children and families. An index would provide a single  
3 score that really gives us a sense of how children and  
4 families are doing that takes into account multiple  
5 indicators of well-being. So in contrast to looking at  
6 indicators in isolation in front of you one by one,  
7 looking at each condition, an index would allow us to  
8 consider different factors of well-being simultaneously.

9 So to be clear, an index wouldn't negate our need  
10 to have a deep understanding of specific issues or  
11 specific conditions, but it would be a tool for helping us  
12 to identify where the most significant and pervasive  
13 geographic and racial disparities exist so that we can  
14 target our efforts and resources accordingly.

15 You might be wondering why does First 5 LA need  
16 an Equity Index when there are already an plethora of  
17 existing indices. So one of the things we've done thus  
18 far is to look at the landscape to see what already  
19 exists. And based on what we've seen, there's really been  
20 a proliferation of Equity Indices in recent years as  
21 issues of systemic and structural inequities have come to  
22 the fore. But really, the answer to the question of why  
23 we are thinking about developing one is that, given what  
24 we've seen of the landscape, there isn't anything that  
25 exists specifically for our target population. So we're

1 focused on early childhood. Many indices are looking at  
2 the entire population. There are some that are focused on  
3 children under 18. But given our focus on early  
4 childhood, there seems to be a gap.

5 Some of the other limitations of what exists are  
6 some of what we need specifically are indices that help us  
7 to look at LA County and the different and diverse  
8 communities that exist within the County. So if we want  
9 to figure out how to target our resources within the  
10 County and where do the disparities exist, an index could  
11 help to us sort of realize that and look more closely at  
12 specific geographic areas and populations.

13 Finally, we need an index that focuses on the  
14 conditions that we're trying to change through our  
15 strategic plan. So of the existing indices, some of them  
16 focus on very specific issues around health, around  
17 economic opportunities. They have very specific areas of  
18 focus. And so what we're looking at is one, as the slide  
19 indicates here, that's focused on early childhood on LA  
20 County and aligned with our strategic plan.

21 So you may be wondering how we would use an  
22 Equity Index. I'm going to start by saying that the idea  
23 of developing an index emerged in response to  
24 conversations that have happened among this board about  
25 the need for First 5 LA to target our resources,

1 especially given our fiscal context. So in light of what  
2 we're hearing from the board, our thinking is that we  
3 could use an Early Childhood Equity Index to inform how  
4 we're allocating our resources, to ensure that we're  
5 allocating our resources to communities that experience  
6 the most disparities.

7 We can also use an index to target and tailor the  
8 efforts that we implement to specific communities and  
9 populations. So an index not only is a -- represent a  
10 global score, it's one that we can look at specific  
11 geographic areas and get a sense for how is this  
12 particular area doing? Or how is this specific population  
13 doing across a number of indicators.

14 So now that I've shared with you some of our  
15 initial thinking about an index, just kind of that idea of  
16 the concept, I want to give you a sense of where we are in  
17 the process.

18 And so our work really began with direction from  
19 leadership growing out of the conversations happening  
20 among the board. So basically -- as we got that  
21 direction, we thought: Okay. Well, let's take a look at  
22 what's already out there. So we've done an initial  
23 landscape. We've looked at dozens of indices to see what  
24 are they focused on, how are they being used, what  
25 variables are they measuring.

1           We wanted to get an understanding if there's  
2 something out there that can meet our need. And even if  
3 there isn't something that specifically meets our needs,  
4 are there existing indices that we can maybe build on or  
5 supplement or are really focused in a way that can help to  
6 support our goals.

7           We're now entering the phase where we'd like to  
8 gather additional information. So our landscape was  
9 pretty much looking at what's available to us on the  
10 Internet, you know, through information that exists. But  
11 we'd like to go a little bit deeper and start to gather  
12 more information to get a better understanding about  
13 what's out there and what our specific needs are and how  
14 we'd like to use an index.

15           Once we've done this additional information  
16 gathering, we plan to develop a framework. That framework  
17 is going to kind of give us a sense for what are we  
18 talking about measuring. How are we going to score? What  
19 are we going to include? We want to get into some of the  
20 specifics. And then finally, once we have the framework  
21 and we know exactly what it is that we're trying -- that  
22 we want to include in the index and how we want to use it,  
23 we'll move into actually designing and implementing the  
24 index.

25           And then finally we expect that we're going to

1 need to refine it over time. So this is an ongoing  
2 process. And one of the things that I do want to note is  
3 that throughout the process, we expect to engage key  
4 internal and external stakeholders. So the data team  
5 within First 5 LA is taking the lead in thinking about or  
6 conceptualizing the index. But we can only do so by  
7 understanding both the need internally as well as what's  
8 happening outside the organization.

9 So in terms of next steps, I wanted to share what  
10 we're going to be doing in the near term. There are three  
11 things I really want to highlight here, and kind of spoke  
12 to them on the last slide. But I just want to highlight  
13 these.

14 So as I mentioned, we're moving into information  
15 gathering. And when we say that we're thinking about both  
16 internal and external conversations, internally, we want  
17 to talk to our staff to make sure we are clear about what  
18 are our needs, how specifically might we use an index when  
19 we're making decisions about investments and about tactics  
20 and initiatives. We want to understand what are some  
21 features that staff think are going to be important for  
22 staff in an index.

23 We also want to talk to people outside of the  
24 organization. We know others are using information about  
25 the population of LA County to make decisions. We want to

1 know what's working in terms of what's already out there  
2 and what are some of the limitations and gaps and some of  
3 the lessons learned.

4 We anticipate using what we learn from internal  
5 and external conversations to create this framework. And  
6 as I mentioned, the framework is really going to get into  
7 the content. So what domains are we looking at? We  
8 talked about well being, well, what do we mean? Are we  
9 thinking about well being in terms physical health?  
10 Mental health? Social skills? Like, what -- what  
11 specifically are we looking at and what are some of the  
12 indicators that we're going to include?

13 We also need to think about things like scoring.  
14 And so that gets a little bit more technical. But when I  
15 talk about looking at different facets of well-being, one  
16 question is do we weight them all equally? When we're  
17 making decisions about how to use our resources, are some  
18 conditions more important than others in terms of how we  
19 determine the level of need for a specific area or  
20 population?

21 We also have a question of do we want sub scores.  
22 If we're looking at domains, would it be helpful to know  
23 how different communities vary when you're thinking about,  
24 you know, physical health or mental health or other areas.

25 So information gathering will support development

1 of the framework. And what we are planning to do in terms  
2 of our next engagement with the board is to come back to  
3 you in June to sort of share what we've learned in  
4 information gathering.

5 We also want to get your input on the emerging  
6 framework. We expect to do a lot of the work in terms of  
7 the design over the summer. And so what we'd like to do  
8 is have a conversation with you to let you know what we're  
9 thinking and to get your -- your input and your guidance  
10 as we continue with the next steps.

11 So now that I've provided a very brief overview,  
12 I'd like to pose some discussion questions. So there are  
13 three here. Curious to hear what questions you have,  
14 would also like to know your thoughts on the potential  
15 benefits of an index, especially given our fiscal context.  
16 So a part of this thinking was informed by the board  
17 saying you need to figure out how to target your  
18 resources. And we're proposing that an index can help us  
19 to do that. So I wanted to hear what your thoughts were  
20 in response to that and some of the benefits that you see.

21 And then lastly, if you have ideas about the kind  
22 of indicators, the kinds of conditions that we should be  
23 looking at given our strategic plan and that we want to  
24 make resource allocation decisions that align with our  
25 strategic plan, what are some of the conditions or

1 indicators that we should be looking at including.

2 So that concludes my presentation and I will open  
3 it up for any questions or reactions.

4 COMMISSIONER HEGER: Thank you, Kimberly. That's  
5 great. And I would again like to see us move from equity  
6 to excellence in every community.

7 Let me give an idea out there. Right? Just for  
8 the discussion potential, and because Robert's trying to  
9 keep us on time and I'm trying to undermine him.

10 You know, years ago, I took a proposal to the  
11 university campus of USC. And the idea being is how do we  
12 build a community that embraces nonviolence and excellence  
13 for everybody that lives there, thinking about communities  
14 that really didn't have power in our society, and how do  
15 we build it by bringing in a focus on education, on  
16 health, on access to legal services.

17 And I sit on a board of trying to change access,  
18 legal advocacy for teens in various communities. The idea  
19 of how to use structured parks, how do you do urban  
20 planning, what does the architecture look like, how  
21 welcoming is it. In other words, bring in all the  
22 disciplines. And maybe we could pawn this off on a  
23 project at a university to create a -- my thought process  
24 -- I was bored at the time; so my thought process went to  
25 the idea of creating a minor for individuals seeking a

1 master's degree in a field that would look at building  
2 equity into communities, building a sense of safety.  
3 Like, what would we -- how would we engage various  
4 entities within the County to go in and put a park in or  
5 make a walking road. Or how do we bring shops back in.  
6 How do we have a healthy food -- you know, in other words,  
7 we create a different image because we all know that we  
8 live in a world in which there is inequity everywhere,  
9 especially for minorities and poor people.

10 So how do we do that? How do we get street  
11 sweepers to clean the streets and those kinds of things?  
12 I'm just suggesting that instead of just -- you know, that  
13 we all -- we know that we sit around this table, we  
14 understand the inequity. Maybe asking for university  
15 that's wealthy and now has seven Heisman trophies in their  
16 athletic hall, and ask them if they would be willing to  
17 work with us on building the different disciplines  
18 together at their cost -- not at our cost, to make  
19 recommendations on how do we change -- change communities.

20 I just -- I was commenting in my own mind. I  
21 drove into -- I drove down Central -- to Central and Adams  
22 down that direction yesterday and noticing all the  
23 absolutely gorgeous houses that are built from the turn of  
24 the last century, and wondering what would happen if a  
25 community of young people came in there and offered to

1 help, you know, landscape, clean, paint, make a walking  
2 street, create a park in in an empty lot. Like, what  
3 would happen if we're looking at a community that they  
4 invest in themselves and bring the community in to engage?

5 That's just telling you that was a boredom factor  
6 22 years ago in my life, the idea of how do you build a  
7 nonviolent community. I think that's the question could  
8 be asked. And, again, it goes back to resource center and  
9 giving pride back to communities rather than -- it's a  
10 thought.

11 COMMISSIONER BYRD: Commissioner?

12 COMMISSIONER RAMIREZ: Thank you, first, for your  
13 presentation. I think it's really important to be able to  
14 come up with an Equity Index. You know, data will always  
15 help us make better decisions, and having this information  
16 is also really helpful because earlier somebody mentioned  
17 services; right? So if people are looking at Equity  
18 Index, this will help us to be able to look across  
19 agencies to see how people are being served.

20 And then finally, I just wanted to make a comment  
21 about making sure that the things that we are paying  
22 attention to, we go beyond access to actual engagement  
23 with services as well.

24 COMMISSIONER BYRD: And I believe that university  
25 might actually have a School of Social Work that could be

1 helpful in this arena. I'm just throwing it out there.

2 COMMISSIONER HEGER: I was thinking about social  
3 work, architecture, urban planning, governments, all  
4 around.

5 COMMISSIONER BYRD: Relations.

6 COMMISSIONER HEGER: They have all those  
7 divisions down there. Education, legal, medicine, even  
8 over in different campuses. But I think -- I just thought  
9 -- I'm -- we have limited resources, and I like to know  
10 that somebody's gone down and mowed that ladies lawn that  
11 I saw down on Central. I want actions.

12 COMMISSIONER BYRD: Please, Commissioner Sigala.

13 COMMISSIONER SIGALA: Thank you. I agree with  
14 you. I think we should seek out universities, and I think  
15 USC would be a nice place to start. And also the richness  
16 of the data itself being used as an indicator, I really  
17 love that idea. Thank you for championing that, because I  
18 think it's well needed.

19 COMMISSIONER McBRIDE: Quickly, I just want to  
20 also thank you for your presentation. And on the slide  
21 where it says how we can use an Equity Index in relation  
22 to -- inform the allocation of resources and target  
23 resources, I'm not well versed in the stock market. But I  
24 know an Equity Index also measures, like, the market  
25 change. And I think this would be a good way of really

1 honing in on the impact of the work that we're doing and  
2 how to measure that so we know what is actually the return  
3 of our investment when we're trying to do fewer direct  
4 services and have a larger impact. So I really appreciate  
5 the thoughtfulness behind this, because that's where we're  
6 -- we can hopefully start to, in the long term, identify  
7 the ways that our changes today have had sustainable  
8 impacts on the community.

9 MS. HALL: I really appreciate that. One of the  
10 things that we noticed when we were conducting the  
11 landscape is that some indices, they do sort of track  
12 scores and change the scores over time. So they're  
13 measuring need and they're looking at whether the level of  
14 need changes, which I think it kind of what you're  
15 speaking to.

16 COMMISSIONER McBRIDE: Absolutely. And it could  
17 allow us to adjust closer in real time to the growing or  
18 changing needs of the communities we serve over the years.

19 COMMISSIONER BYRD: So, I mean, will it be  
20 helpful? For sure. I think that without question, I  
21 think an index will be helpful. I also think that --  
22 Karla and I had a chance to talk last week, and I shared  
23 out with her some of the outcomes that the Children  
24 (unintelligible) initiative is looking at because we sit  
25 in common places throughout the County. And to the extent

1 we can align with other outcomes, other indices that are  
2 being used in other spaces, I think that that would be  
3 welcome from our provider communities who have to  
4 implement and report out on.

5 I was on a call before coming here today with the  
6 Mental Health Services Act OAC, and they were presenting  
7 about some of their thoughts and why they aligned things  
8 the way they did. And the communities and the priority  
9 populations that they've identified for the Behavioral  
10 Health Services Act are aligned with the Medicaid  
11 population. So I think that that becomes another good --  
12 another nice connection, given the percentage of children  
13 in the State and in LA County that are on Medi-Cal. So  
14 the more we can have those intersections and leverage what  
15 we're already going to have to report out on, measure what  
16 we're already seeing as change identifiers, I think that  
17 that would be fantastic.

18 So Ms. Vo, are there any public comments on this  
19 item?

20 MS. VO: Confirming there are no public comments  
21 on this item.

22 COMMISSIONER BYRD: Fantastic.

23 So let's move on to Item 8.

24 Thank you, again, for your presentation.

25 And I'm going to hand this over to Ofelia and

1 Jamie to take it away.

2 MS. MEDINA: My apologies. We're trying to  
3 figure out time for the rest of the meeting -- or  
4 afternoon.

5 Good afternoon, Commissioners. We're really  
6 excited to come back to you today with a discussion and  
7 review of First 5 LA's recent policy and advocacy efforts.

8 This conversation is very timely as the Public  
9 Policy and Early Care and Education department is actively  
10 engaged in advocacy efforts, even as we speak right now in  
11 Sacramento, as we near the halfway point to the federal  
12 and state legislative cycles.

13 Before we start, I want to give you an overview  
14 of the brief time that you have with us this afternoon.  
15 We will begin with a brief overview and review of our most  
16 recent policy agenda and how it guides our policy and  
17 systems work, sharing how it is grounded in First 5 LA's  
18 commitment to equity and community engagement. After  
19 that, we will do a very high-level context and priority  
20 overview for our State and Federal opportunities since  
21 there's a lot of pieces moving. And then finally, we'll  
22 dive into our policy and federal priorities along with our  
23 government affairs engagement so far.

24 To get us started, I want to quickly review our  
25 (unintelligible) First 5 LA policy agenda. First 5 LA's

1 2024 policy agenda was approved by our Board of  
2 Commissioners last fall and acts as the authorizing  
3 document for First 5 LA's policy and government affairs  
4 work. We're required an annual board approval of our  
5 policy agenda so that we as an organization can take  
6 decisions on proposed budget, legislative and  
7 administrative proposals.

8 Based on our 2024-2029 strategic plan and  
9 learnings and discussions from our program colleagues, we  
10 will again work to update our policy agenda later this  
11 fall, and come back again sometime in the fall to approve  
12 our 2024 policy agenda. So believe it or not, we're  
13 already working for next year.

14 Now I want to quickly round up and highlight a  
15 few of the foundational pieces that dictate how and where  
16 we show up in policy spaces.

17 In an ongoing process, we continue to center  
18 equity in all of our work and we seek equity as a value  
19 foundational for our overall policy agenda. Promoting  
20 equity and working closely to close disparities are not  
21 separate or individual priorities, but rather they're  
22 front and center to our work and embedded throughout the  
23 policy work. As such, the three overarching goals within  
24 our policy agenda specifically for 2024 are to work to  
25 close race-based disparities across health, well-being,

1 and opportunity; utilize best available data and advocate  
2 for the ability of full and complete and disaggregated  
3 data; and promote a holistic system of supports that are  
4 linguistically and culturally responsive.

5 This overall orientation is branded in a  
6 commitment to close disparities and ending inequalities  
7 that impact many children in LA County because we know  
8 that disparities exist even before birth, especially as we  
9 saw that presentation earlier today.

10 The 2024 policy agenda features four  
11 interconnected priority areas, specifically the agenda is  
12 centered on a whole child, whole family framework, with  
13 priority mutually connected as part of the broader  
14 framework and agenda, hence the puzzle illustration on the  
15 screen. The whole child whole family framework recognizes  
16 the interconnection of multiple domains of child  
17 development and that child well-being cannot be separated  
18 from broader family stability and social determinants of  
19 well-being.

20 As such, the 2024 policy agenda seeks to uplift  
21 key interdependencies across systems, and the four  
22 overarching goals for our policy agenda are to promote a  
23 comprehensive system of family supports to advance  
24 positive outcomes for the whole child and the whole  
25 family, to improve systems to promote the optimal

1 development of children through early identification and  
2 support, to expand access to affordable quality, early  
3 care and education, and to ensure communities have the  
4 resources and environment that supports optimal  
5 development for children prenatal to five.

6 Before I turn it over to Jamie to walk us through  
7 our current State and Federal priorities, I want to set  
8 the policy context for both the State and the Federal  
9 governments currently. As a reminder to the board, back  
10 in 2023, Sacramento welcomed its largest class of freshman  
11 legislators in over a decade and voted a new Assembly  
12 Speaker and most recently a new Senate Pro Tem. This  
13 means that we have a new era in California politics,  
14 making the legislature its most diverse ever.

15 While this is exciting, this has also meant that  
16 we have very few policymakers at the capitol who have  
17 experience working in a budget shortfall, rather than a  
18 surplus like we've been operating, and we also have a  
19 large number of policy makers and their staff that we need  
20 to engage and educate on child development.

21 In terms of the State budget, we are seeing back  
22 to back years of budget deficits that have shifted ongoing  
23 discussions to focus more on protecting investments made  
24 over the last two years, rather than increasing --  
25 increasing funds. The Governor and the legislature's

1 Analyst Office have also been debating whether we see a 20  
2 -- 30 billion or closer to 73 billion State deficit; so  
3 those questions have been very interesting.

4 Early action on the Governor's budget was taken  
5 by the legislature earlier this month to try to buffer the  
6 impact of significant budget shortfall prior to the new  
7 revise that we're anticipating next month.

8 Early action include program reductions, delays,  
9 (unintelligible) which include a reduced budget shortfall  
10 by about 17.3 billion. However, as we know, the  
11 legislature can still revisit, change, negotiate, and  
12 expand upon early actions all the way until the June final  
13 budget.

14 On the Federal level context, after several  
15 continuing resolutions, Congress finely passed a Fiscal  
16 '24 appropriations packet worth 1.2 trillion. First 5 LA  
17 advocated for several early childhood programs that  
18 received funding increases, including CCBDG or Chapter  
19 Development Block Grant, Head Start, and WIC.

20 Now, for Fiscal '25 appropriations conversations  
21 have also started, and we're focused on supporting and  
22 advocating for legislation that aligns to the policy  
23 priorities for the remainder of the year.

24 I'll now turn it over to Jamie to close us out by  
25 discussing our State, Federal, and government priorities.

1 MR. ZAMORA: Great. Thank you, Ofelia.

2 Good afternoon, Commissioners. Now, since the  
3 beginning of January, as Ofelia just mentioned, our policy  
4 team has essentially been reviewing every single State and  
5 Federal policy that might align with our policy agenda.  
6 This could be legislative, budgetary, or administrative.

7 Now, at least with -- at least with respect to  
8 the State budget, we're standing in coalition with our  
9 partners at the EC Coalition, specifically in the ECE  
10 space to continue to push for childhood spaces to be  
11 appropriated. And they were appropriated in last year's  
12 budget to be awarded and distributed by June 30th, 2024.

13 Overall, essentially, we're asking for the state  
14 to keep their multi-year promise to add 200,000 spaces by  
15 FY 20'6, 20'7.

16 Additionally, we continue to urge the  
17 administration to prioritize childcare provider rate  
18 reform by continuing to work on the implementation of an  
19 alternative rate methodology in collaboration with  
20 providers, families, and advocates. As with last year,  
21 one of our top priorities also in the health systems space  
22 is continuing to advocate for resources that will support  
23 the continuous eligibility of Medi-Cal services for  
24 children under the age of five.

25 One of the other conditional last priorities for

1 the State context is continuing to prevent cuts related to  
2 the CalWorks program. Considering we understand this is a  
3 program that really does help lift families out of poverty  
4 and really help support their healthy developments. One  
5 piece of this, too, also, that we're trying to ensure that  
6 we're providing a lot of advocacy tactics around is making  
7 sure that we are advocating around any redirection from  
8 the CalWorks safety-net program to programs that are  
9 outside of the CalWorks systems as well.

10 With respect to legislation, I think we had  
11 mentioned that the legislature produced over 2,000 bills  
12 this year; so ultimately our team is working to analyze a  
13 few bills that might align with our policy agenda. We  
14 just took positions on two pieces of legislation, most  
15 recently related to our policy agenda which are AB2268 and  
16 AB2319. The first one, AB2268, seeks to exempt TK  
17 students from being tested for English language  
18 proficiency using the English Language Proficiency  
19 Assessment of California until a developmentally  
20 appropriate solution can be created.

21 With a large percentage of young dual language  
22 learners entering into the TK system, we want to really  
23 ensure we're supporting their linguistic and cultural  
24 assets.

25 The second bill is AB2319, related to updating

1 and improving the implementation of a bill that was  
2 mentioned earlier, SB464, which mandated -- which mandated  
3 hospitals, alternative work centers, and primary care  
4 clinics to implement implicit bias training for their  
5 staff.

6 Now, the bill that was just introduced would  
7 essentially put more teeth onto the original bill which  
8 would establish firm deadlines for penalties for  
9 noncompliance and incorporate the recognition of nonbinary  
10 and transgender birthing populations.

11 Two additional bills that you might see on the  
12 PowerPoint are AB2982, which is a bill sponsored by the  
13 First 5 Association which seeks to create a State-wide  
14 prenatal to three work group. Additionally, we're  
15 continuing to monitor SB1396, which -- excuse me. Which  
16 would extend the length of the CalWorks home visiting  
17 program to a minimum of 24 months and extend the  
18 enrollment period, too, as well.

19 Administratively, we've been pretty busy, too, as  
20 well. One major process that we talked a little bit about  
21 is we're continuing to monitor the California Department  
22 of Social Services Early Learning Rate Reform  
23 Implementation. Besides monitoring and attending the rate  
24 and quality advisory panel meetings, First 5 LA is  
25 currently assessing what First 5 LA's added value will be

1 in the next year as a new cost methodology is implemented.

2 In terms of our advocacy around CalAIM and the  
3 new Medi-Cal benefits implementation, we continue to  
4 monitor opportunities to improve that roll-out as well.

5 Like last year, we're monitoring the doula  
6 implementation work group, which just produced a report on  
7 the utilization of doula services. And this year, First 5  
8 LA actually became a member of the Community Health  
9 Workers and Promotoras Representatives Coalition.

10 Finally, closing out this portion, we want to  
11 provide a high-level update on the Universal PreK  
12 implementation. And to clarify, the Universal PreK is  
13 essentially a (unintelligible) term that we use that  
14 encompasses Universal transitional (unintelligible) which  
15 was enacted in the FY'21-'22 budget, and is since equally  
16 implemented in the FY'25-'26 budget.

17 To ensure all equitable -- to ensure and  
18 equitable roll-out of this program, the State created the  
19 UPK Mixed Delivery Quality and Access Work Group led by  
20 the California Department of Education as well as the  
21 California Department of Social Services to develop  
22 recommendations for preschool quality standards and review  
23 practices to have spent access to high quality preschool  
24 programs in the mixed-delivery system.

25 Federally, we've been busy too as well. Most

1 recently, President Biden released his -- his proposed  
2 budget for Fiscal Year '25 which included several early  
3 childhood priorities that we're going to be monitoring,  
4 which essentially includes expanding the earned income tax  
5 credit, the child tax credit, extending the Medicaid and  
6 children's health insurance program from the existing 12  
7 months to continuous eligibility for children to 36  
8 months.

9 And, now, while the president -- while the  
10 president's budget is mainly symbolic, it really does  
11 serve as a foundation for our team to continue to think  
12 about advocacy going into next year.

13 With regards to legislation, we've taken a few  
14 positions on a few high-level bills related to this,  
15 including the Tax Relief for Americans Family Working Act,  
16 which essentially expands the tax credit. Additionally,  
17 we've taken a position on the Childcare Stabilization Act  
18 which would increase childcare efforts for working  
19 families and for childcare providers too as well.

20 Again, we continue to support the  
21 (unintelligible) reauthorization which would increase and  
22 expand support (unintelligible).

23 Administrative too as well, we're doing some  
24 advocacy around tracking and developing our own strategies  
25 to leverage a MIECHV funding opportunity that is being

1 administered through the health resources and services  
2 administration.

3 And now I'm going to talk quickly about our  
4 government affairs priorities. Which essentially, in a  
5 nutshell for the commissioners here, is a way we  
6 ultimately engage elected officials to be advocates for  
7 children. So we do that in an assortment of ways.

8 I will say, Ofelia just mentioned we had an  
9 election recently; so our job is to educate and uplift  
10 early childhood with any of our elected officials here in  
11 California, specifically within the LA County delegation  
12 which is about 38 members. In Congress, it's about 18.

13 We rely heavily and focus a lot of our attention  
14 to the Legislative Women's Caucus in Sacramento who have  
15 been huge proponents of our policy in Sacramento for the  
16 last few years.

17 Additionally, our team is in Sacramento, they're  
18 in Washington DC doing a lot of this advocacy work  
19 directly with legislative staff as well as elected  
20 officials. More so, we're actually in the districts, too,  
21 as well. We attend many of the elected official events,  
22 elevating these priorities. We most recently been holding  
23 several early childhood site visits with some of our site  
24 partners to, again, try and educate and uplift our  
25 priorities with elected officials.

1           Again, we just had an election; so we're going to  
2 have 12 new State policy makers in LA County as well as 3  
3 Congressional members. So for us, that's a huge  
4 opportunity. And what we'll do in the summer and the fall  
5 months is begin to contact all of these candidates that  
6 participate in the candidate education program where we  
7 essentially talk about First 5 LA and we try and get them  
8 early so when they are members they know who we are.

9           I will try to wrap up quickly. We are continuing  
10 to engage one of our bigger champions, Congressman Judy  
11 Gomez, who actually founded the Dad's Caucus a couple  
12 years ago (unintelligible).

13           One of the more exciting projects we're actually  
14 working on now is First 5 LA day in Sacramento, which will  
15 be June 12th, which will provide an opportunity for our  
16 team as well as the commissioners to go up to Sacramento  
17 to advocate on many of the priorities that we just talked  
18 about with State policymakers, committee chairs.

19 Hopefully, you'll be receiving an email soon from Karla  
20 that will be all inviting you to participate if you like.

21           I think everybody in my front panel here has  
22 participated in advocacy day, whether it's virtual or in  
23 person; so we welcome you. And, again, I'll just wrap up  
24 by saying we do a lot of work in coalition with partners  
25 of the ECE coalition, Community Health Workers Coalition,

1 as well as the Whole Child Equity Partnership, as well as  
2 Nonearly Childhood, which would include the LA Chamber who  
3 were participating in some other advocacy days in DC and  
4 Sacramento, as well as locally, too, with a couple of the  
5 ECE groups.

6 So with that, I'd like to stop there. But also  
7 acknowledge that there was a lot thrown at you, and we  
8 have a few minutes for questions -- for one question.

9 COMMISSIONER McBRIDE: So I imagine -- thank you  
10 for this presentation and thank you for it being brief. I  
11 imagine that it would have been included if there was  
12 something related to it, but are there any bills or  
13 legislation that you are aware of on the horizon  
14 concerning early identification and -- or early -- and  
15 intervention, especially considering public schools -- the  
16 CARES funding, (unintelligible), it's all sunseting, and  
17 schools are now facing reduction. They're having to do  
18 budget cuts, and a lot of the increase in the  
19 social-emotional learning, mental health, early  
20 intervention came from some of that additional funding  
21 over the last several years.

22 And with younger children entering TK, the need  
23 for early identification is greater than ever before.  
24 We're seeing more students entering schools at younger  
25 ages already displaying, you know, behaviors that might

1 indicate that there is a developmental delay.

2 Is there anything that's on the horizon to  
3 address that?

4 MS. MEDINA: There are a couple of bills that  
5 we're tracking. The question was also, like, are there  
6 any State bills that you have seen that we should take a  
7 look at?

8 SB1112 is one of them. It's specifically on a  
9 childcare study. The tricky part with that one is it's a  
10 bill that we haven't taken a position that we continue to  
11 monitor, but we're asking, at least in this bill,  
12 providers to do a lot of the early identification work  
13 when we already have providers doing quite a number of  
14 things and not adequately getting paid. So there are a  
15 couple of bills. That's one that immediately came to  
16 mind, but it is something that we have in our tracker as  
17 well.

18 COMMISSIONER BYRD: So thank you very much for  
19 your presentation. That was the one question we could  
20 take; so I'm going to ask -- unless anybody else has  
21 anything?

22 Are there any public comments on this item?

23 S. VO: We do not have any public comments on  
24 this item.

25 COMMISSIONER BYRD: Fantastic.

1           So are there any public comments on items that  
2 were not on the agenda?

3           S. VO: Confirming there are no public comments  
4 for items that are not on the agenda.

5           COMMISSIONER BYRD: Thank you very much. Thank  
6 you for your time. Those who called in on Zoom, thank  
7 you. And we're going to adjourn the meeting.

8           (At 4:31 p.m., the meeting was adjourned.)

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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 stenographically 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 25th day of June 2024.

DocuSigned by:

*Heatherlynn Gonzalez*

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CERTIFIED SHORTHAND REPORTER

FOR THE STATE OF CALIFORNIA

**FIRST 5 LA**

**SUBJECT:**

Fiscal Year 2023-2024 Annual Report to First 5 California (State Commission)

**RECOMMENDATION:**

This memo is provided as preliminary information of the Annual Report for the Board's consideration at the September 26, 2024, Special Meeting of the Board of Commissioners, Program & Planning Committee, Budget and Finance And Executive Committees. First 5 LA recommends that at the next Commission Meeting on October 10, 2024, the Board approve the final Annual Report for submission to the State Commission.

**BACKGROUND:**

As required by law, each year First 5 LA staff prepares an Annual Report to the State Commission that provides financial and programmatic information following a State Commission-designated template. Staff will be seeking approval of the First 5 LA Annual Report for Fiscal Year 2023-2024 (July 1, 2023 – June 30, 2024), which is due to First 5 California by October 31, 2024. First 5 LA staff will submit the report via the web-based platform provided by the State Commission. This request is brought as information at the September 26, 2024, Special Meeting of the Board of Commissioners Program & Planning Committee, (per the Bylaws) and will be brought for a Public Hearing and action at the October 10, 2024, Board of Commissioners meeting.

The Annual Report consists of the following three sections:

- **Section 1: Revenue and Expenditure Summary:** This section includes information on First 5 LA's revenues and expenditures aligned with the financial audit data, including programmatic expenditures across First 5 California's four Result Areas.
- **Section 2: Demographic Worksheet:** This section includes information on the populations reached through First 5 LA's direct service investments in total and by demographics such as age and race and ethnicity.
- **Section 3: Evaluation Summary/County Highlights:** This section provides a summary of First 5 LA's evaluations focused on improved family support, child development, child health, and systems of care. This section also includes county highlights that describe accomplishments.

As part of the data submission requirement, staff must categorize First 5 LA programmatic efforts into the four Result Areas established by First 5 California outlined below, which include the following investments:

- **Improved Child Health:** includes general health education and promotion programs, perinatal and early childhood home visiting services, prenatal and infant/toddler pediatric supports, and early intervention services.
- **Improved Child Development:** includes quality early learning supports and early learning program direct costs.
- **Improved Family Support:** includes short-term non-intensive general family support programs, targeted intensive family support services, and family literacy and book programs.
- **Improved Systems of Care:** includes policy and public advocacy as well as program and systems improvement efforts.

**DISCUSSION:**

The preliminary findings summarize First 5 LA's FY23-24 investments and the populations reached through these investments. Some key findings include the following:

1. More than half (56%) of First 5 LA's grants focused on advancing systems change and were categorized under First 5 California's Improved Systems of Care Result Area.

2. First 5 LA's direct service investments reached more caregivers (84,471) than children (68,903) and providers (449).
3. The majority of children (78%) reached through First 5 LA's direct service investments were within the critical development period of birth to age 3. This is comparable to FY 22-23, where 77% of the children reached through First 5 LA's investments were in the same age group.
4. The majority of children reached by First 5 LA's direct service investments are children of color, which is consistent with the race/ethnicity of children from low-income households in LA County.
5. English was identified as the primary language spoken in homes for almost two-thirds of children reached by First 5 LA's direct service investments.

**NEXT STEP:**

First 5 LA staff will incorporate expenditure data and add details on county highlights and evaluation summary for the final Annual Report.

A public hearing will be held to present the final Annual Report and request Board approval to submit to the State Commission at the October 10, 2024 Board meeting.



# First 5 LA Annual Report to the State, FY 23-24: Preliminary Results

**September 26, 2024**

HaRi Kim Han, Impact and Accountability Department

# Objectives

1. Share background on the Annual Report
2. Review preliminary results for First 5 LA's Annual Report
3. Summarize key takeaways from today's presentation
4. Provide an overview of next steps for State Annual Reporting



# Background on the Annual Report

# Background: Annual Report

- Requirement of Prop 10 Funding
- First 5 CA collects data from all First 5 county commissions to summarize the past fiscal year's work
- Each counties' report includes the following :
  - Section 1: Revenue and Expenditure Summary
  - Section 2: Demographic Worksheet
  - Section 3: Evaluation Summary & County Highlights

## Background: Where do we get the information?

Sections	Grantee Survey	Financial Audit Data	F5LA Staff
Section 1: Revenue and Expenditure Summary	✓	✓	
Section 2: Demographic Worksheet	✓		
Section 3: Evaluation Summary & County Highlights	✓		✓

# Background: First 5 CA Result Areas

## Child Health

- Welcome Baby
- Select Home Visiting

## Child Development

- Quality Start Los Angeles

## Family Support

- Little by Little

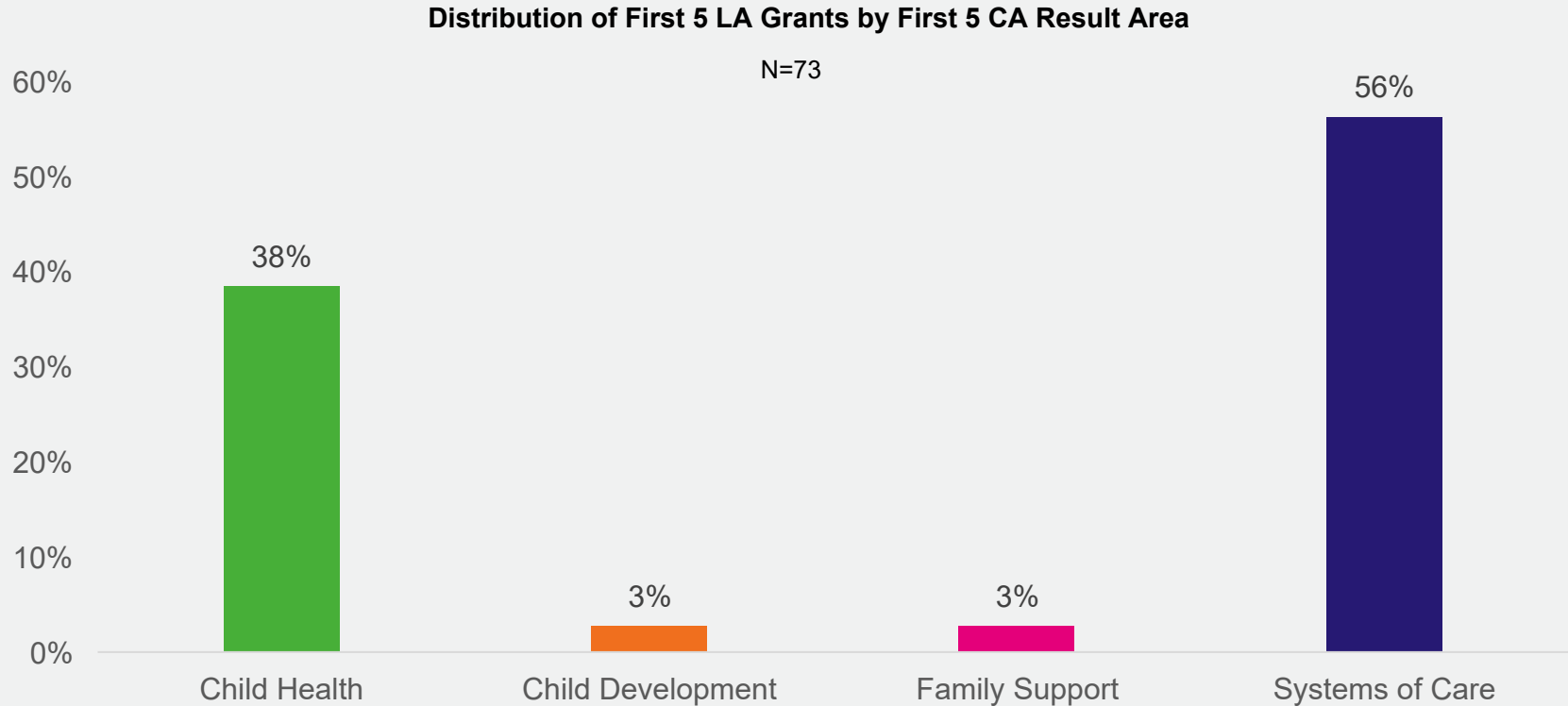
## Systems of Care

- Best Start Regional Network Grantees
- EC Policy Advocacy Funds
- Help Me Grow LA

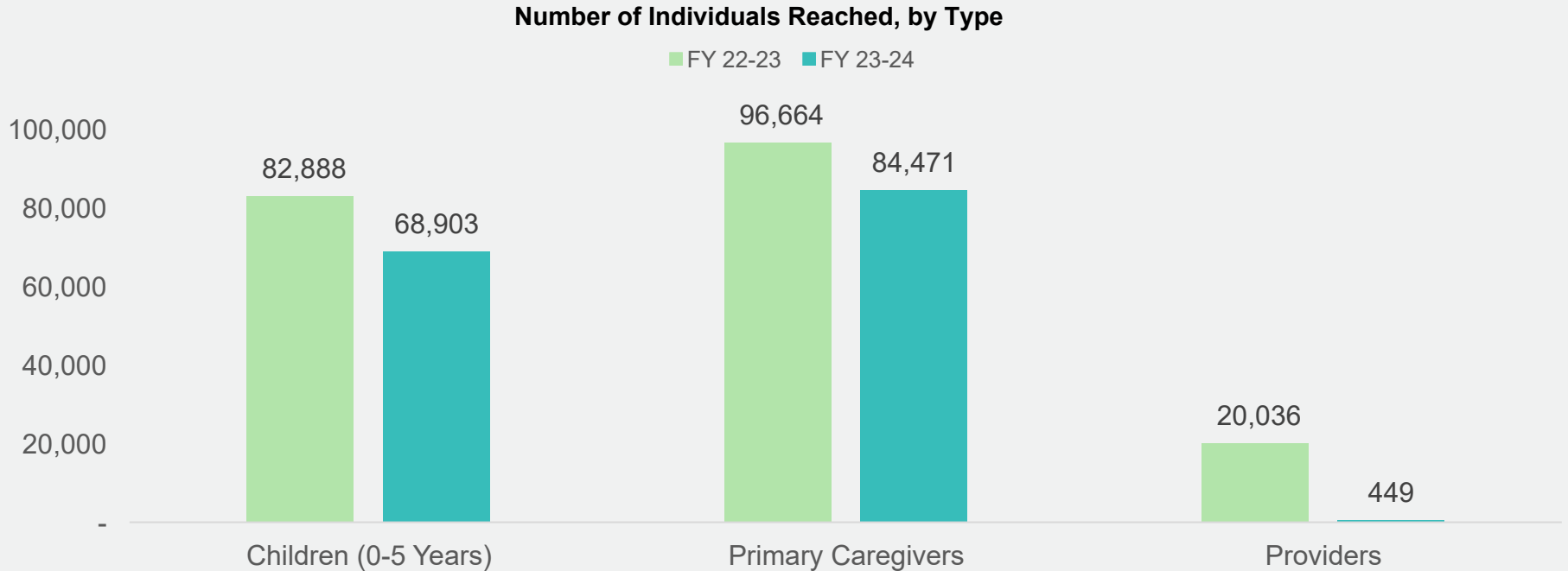


# Preliminary Results

In FY 23-24, over half of First 5 LA's grants were categorized as systems of care grants.

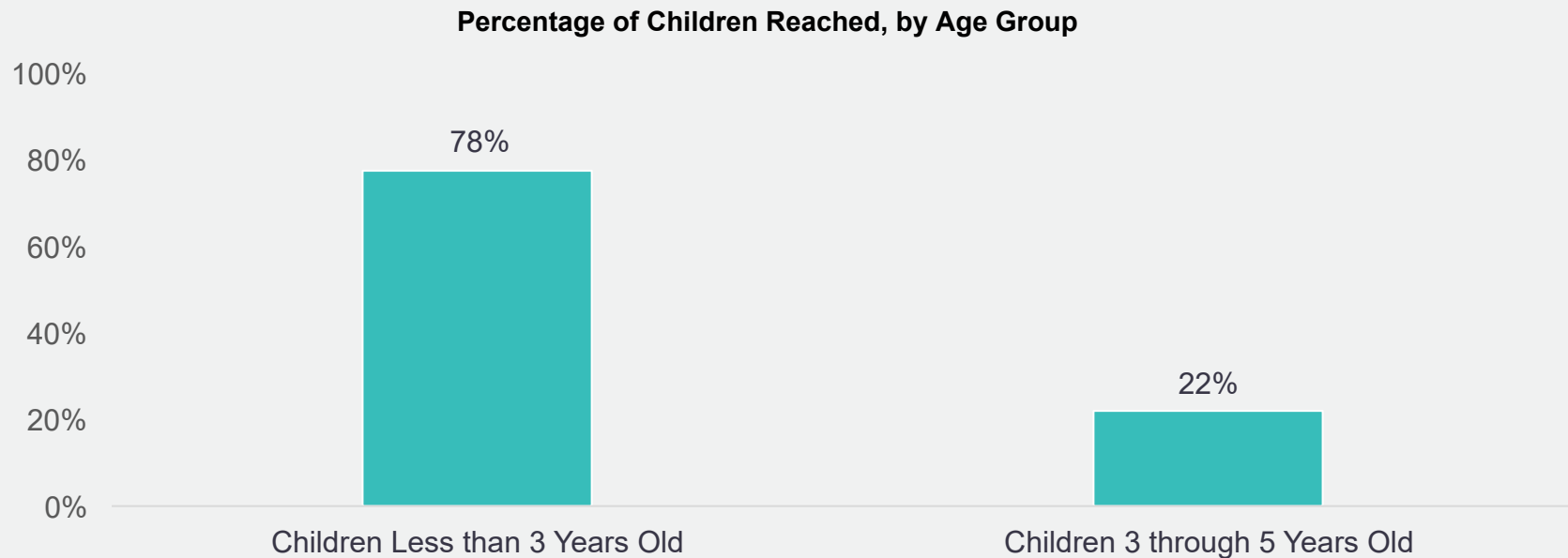


In FY 23-24, First 5 LA's direct service investments reached more caregivers than other groups of individuals.



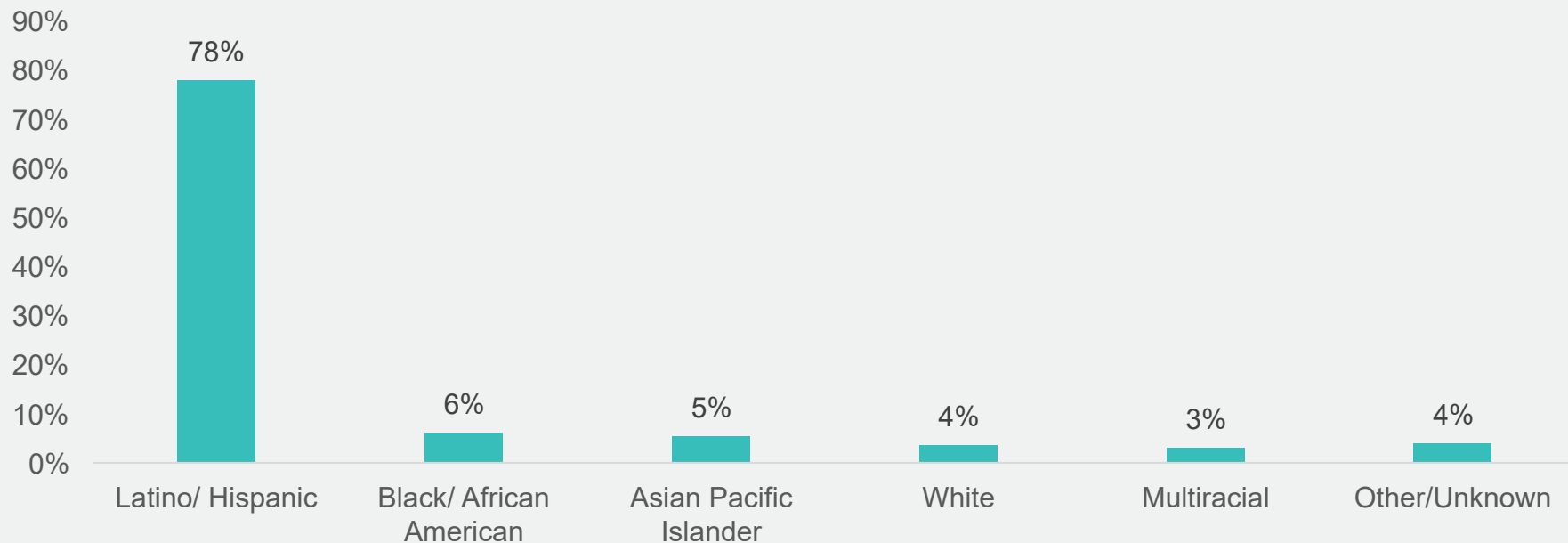
**Note:** Based on First 5 CA guidelines, Primary Caregivers include other family members, which includes older siblings more than 5 years old.

In FY 23-24, more than 3 out of 4 children reached by First 5 LA's direct service investments were younger than three years old



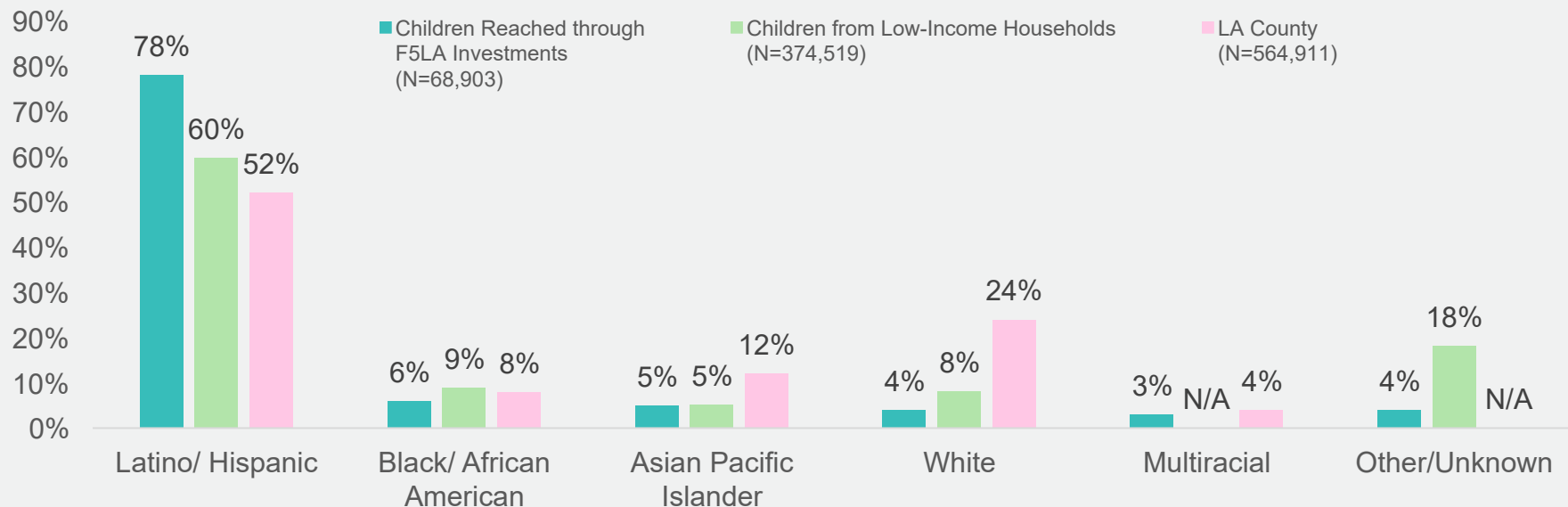
More than 9 out of 10 children reached through First 5 LA's direct service investments are children of color

**Percentage of Children Reached, by Race/Ethnicity**



The race/ethnicity of children reached by First 5 LA's direct service investments are more consistent with children from low-income households than LA County overall.

### Percentage of Children 0 through 5 Years, by Race/Ethnicity



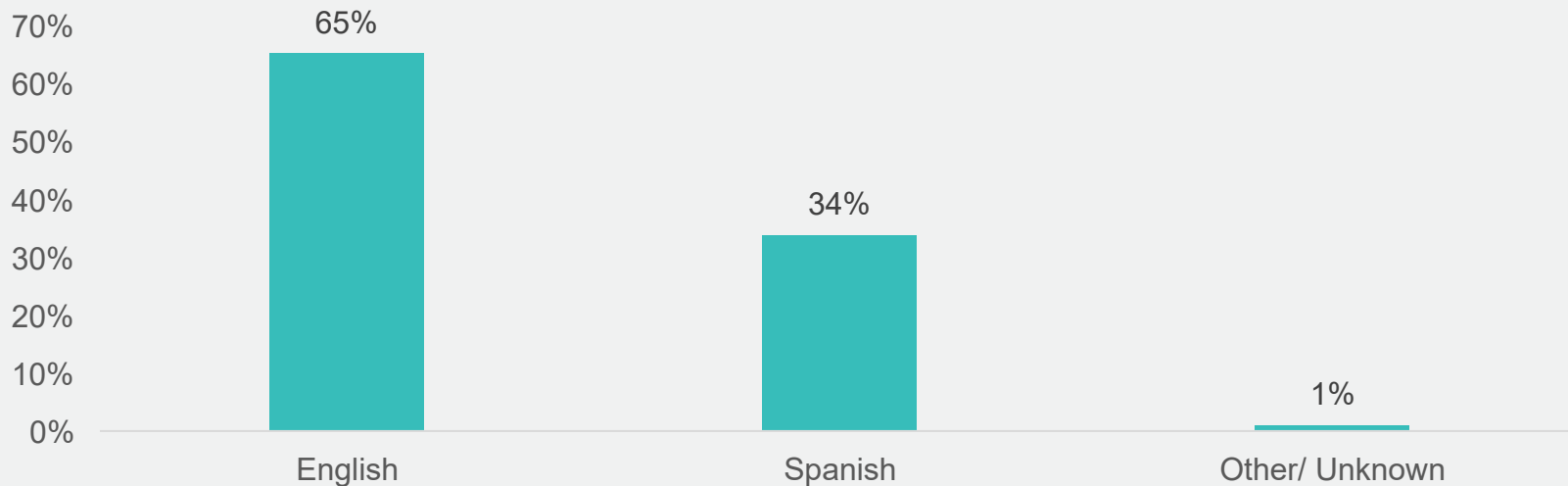
**Note:** MediCal enrollment of children under age 5 in LA County is used as a proxy for children from low-income families. MediCal data does not include a “Multiracial” option. Children who fall under the “Multiracial” category could be under “Other/Unknown”. LA County data does not include a “Other” or “Unknown” option.

Source for MediCal: 2023 Linked Administrative Data, Children's Data Network

Source for LA County: California Department of Finance. Demographic Research Unit. Report P-3: Population Projections, California, 2010-2060 (Baseline 2019 Population Projections; Vintage 2024 Release). Sacramento: California. July 2024.

English is reported as the primary language spoken in most homes of those reached by First 5 LA's direct service investments

**Percentage of Children Reached, by Primary Language Spoken in the Home**





# Summary of Findings & Next Steps

# Key Takeaways from FY 23-24

1. More than half of First 5 LA investments were focused on advancing systems change.
2. First 5 LA's direct service investments reached more caregivers than other groups.
3. The majority of children reached through First 5 LA's direct service investments are less than 3 years old.
4. The majority of children reached by First 5 LA's direct service investments are children of color, which is consistent with the race/ethnicity of children from low-income households in LA County.
5. English is reported as the primary language spoken in the majority of homes of children reached by First 5 LA's direct service investments.

## Next Steps





# Questions?

**FIRST 5 LA**

**SUBJECT:**

2024 Biennial Update to First 5 LA's Local Conflict of Interest Code

**RECOMMENDATION:**

Approve the updated Local Conflicts of Interest Code and direct staff to file the updated Code with the County of Los Angeles at the October Board Meeting

**BACKGROUND:**

The Commission has adopted a local conflict of interest code as required by California's Political Reform Act ("PRA") and the statutes that implement Proposition 10. Because the Commission is a local public entity, the PRA requires that the Commission have this local code in place to designate which officials and employees are required to file various categories of annual statements of economic interests. The local code also sets forth the basic rules that prohibit public officials and employees from making, participating in making, or using their official positions to influence decisions of the Commission.

Every two years, the Commission is required to conduct a biennial review and update of the Code. This year, the review and update must be completed prior to the end of December. Staff is presenting this item as information to Commissioners at the September 26 Special Board/Program & Planning Committee Meeting and will be presenting it for action on Consent at the upcoming Commission meeting on October 10, 2024.

**DISCUSSION:**

The last time First 5 LA made substantial revisions to its organization structure that impacted its conflict of interest code was in November 2020, when First 5 LA made additional changes to its structure to align with the refined 2020-2028 Strategic Plan. During that time, First 5 LA informed LA County that its code would need to be revised to reflect these changes during the next biennial review period for 2022. These updates reflect the addition of several new positions and deletion of old positions, as shared with the Board in 2020.

This year's biennial update to First 5 LA's COI code will also include updates that reflect a new organization structure aligned with the newly approved Strategic Plan 2024-2029. The amendments required by the County (see Attachment A) are solely reflective of organizational and/or title changes for First 5 LA previously shared with the Board.

Upon adoption of the proposed amendment, staff will file the amended code with the County of Los Angeles as required by the PRA.

Conflict of Interest Code  
of the

**LOS ANGELES COUNTY CHILDREN AND FAMILIES FIRST –  
PROPOSITION 10 COMMISSION  
(Aka First 5-LA)**

Incorporation of FPPC Regulation 18730 (2 California Code of Regulations, Section  
18730) by Reference

The Political Reform Act (Government Code Section 81000, *et seq.*) requires state and local government agencies to adopt and promulgate conflict of interest codes. The Fair Political Practices Commission has adopted a regulation (2 Cal. Code of Regs. 18730), which contains the terms of a standard conflict of interest code. After public notice and hearing, it may be amended by the Fair Political Practices Commission to conform to amendments in the Political Reform Act. Therefore, the terms of 2 California Code of Regulations Section 18730, and any amendments to it duly adopted by the Fair Political Practices Commission, are hereby incorporated into the conflict of interest code of this agency by reference. This regulation and the attached Appendices (or Exhibits) designating officials and employees and establishing economic disclosure categories shall constitute the conflict of interest code of this agency.

Place of Filing of Statements of Economic Interests

All officials and employees required to submit a statement of economic interests shall file their statements with the agency head; or his or her designee. The agency shall make and retain a copy of all statements filed by its Board of Commissioners, Alternate Commissioners, Ex-Officio Representatives and the Executive Director and forward the originals of such statements to the Executive Office of the Board of Supervisors of Los Angeles County.

The agency shall retain the originals of statements for all other Designated Positions named in the agency's conflict of interest code. All retained statements, original or copied, shall be available for public inspection and reproduction (Gov. Code Section 81008).

**LOS ANGELES COUNTY CHILDREN AND FAMILIES FIRST –  
PROPOSITION 10 COMMISSION  
(Aka First 5-LA)**

**EXHIBIT “A”**

**CATEGORY 1**

Persons in this category shall disclose all business positions, investments in, or income (including gifts, loans and travel payments) received from any entities that provide services of the type, which are eligible to receive Proposition 10 funding.

**CATEGORY 2**

Persons in this category shall disclose all interests in real property within the jurisdiction. Real property shall be deemed to be within the jurisdiction if the property or any part of it is located within or not more than two miles outside the boundaries of the jurisdiction or within two miles of any land owned or used by the agency.

Persons are not required to disclose a residence, such as a home or vacation cabin, used exclusively as a personal residence; however, a residence in which a person rents out a room or for which a person claims a business deduction may be reportable.

**CATEGORY 3**

Persons in this category shall disclose all business positions, investments in, or income (including gifts, loans and travel payments) received from business entities that manufacture, provide or sell services and/or supplies of a type utilized by the agency and associated with the job assignment of designated position assigned to this disclosure category.

**CATEGORY 4**

Persons in this category shall disclose all income from any Proposition 10 employee, any represented or association of such employee; and business positions or income (including gifts, loans and travel payments) from any entity owned or controlled by such employee or his/her spouse or other financial dependent.

**LOS ANGELES COUNTY CHILDREN AND FAMILIES FIRST –  
PROPOSITION 10 COMMISSION  
(Aka First 5-LA)**

**EXHIBIT “B”**

<b><u>Designated Position</u></b>	<b><u>Disclosure Categories</u></b>
Board of Commissioners & Alternates	1, 2, 3, 4
<del>Chief Communications Officer</del>	<del>1, 3, 4</del>
<del>Chief Data Officer</del>	<del>1, 3, 4</del>
<del>Chief Government Affairs Officer</del>	<del>1, 2, 3, 4</del>
<del>Chief Operating Officer</del>	<del>1, 2, 3, 4</del>
<del>Chief of Staff</del>	<del>1, 2, 3, 4</del>
<del>Chief Transformation Officer</del>	<del>1, 3, 4</del>
<b><u>Vice President of Operations &amp; Sustainability</u></b>	<b>1, 3, 4</b>
<b><u>Vice President of Community Engagement &amp; Policy</u></b>	<b>1, 3, 4</b>
<b><u>Vice President of Strategy &amp; Culture</u></b>	<b>1, 3, 4</b>
<b><u>Director of Impact &amp; Accountability</u></b>	<b>1, 3</b>
<b><u>Director of Public Policy &amp; Early Care and Education</u></b>	<b>1, 3</b>
<b><u>Director of Communications</u></b>	<b>1, 3</b>
Communications Coordinators	1, 3
Consultants/New Positions*	
Director of Communities	1, 3
Director of Contract Administration and Purchasing	1, 3, 4
<del>Director of Early Care Education</del>	<del>1, 3</del>
Director of Finance	1, 2, 3
Director of Family Supports	1, 3
Director of Health Systems	1, 3
<del>Director of Human Resources and Talent Management</del>	<del>1, 3, 4</del>

**LOS ANGELES COUNTY CHILDREN AND FAMILIES FIRST –  
PROPOSITION 10 COMMISSION  
(Aka First 5-LA)**

**EXHIBIT “B” (Cont’d)**

<u><b>Designated Position</b></u>	<u><b>Disclosure Categories</b></u>
<u><b>Director of Human Resources</b></u>	<u><b>1, 3, 4</b></u>
Director of Information Technology	3
<del>Executive Director</del>	<del>1, 2, 3, 4</del>
<u><b>President and Chief Executive Officer</b></u>	<u><b>1, 2, 3, 4</b></u>
Board Relations Manager	3
Executive Vice President	1, 2, 3, 4
Ex-Officio Representatives	1, 2, 3, 4
Finance Manager	<del>1, 3</del>
<u><b>Financial Planning &amp; Analysis Manager</b></u>	<u><b>1, 3</b></u>
IT Project Manager	3
Legal Counsel	1, 2, 3, 4
<del>Executive Vice President, Center for Child and Family Impact</del>	<del>1, 2, 3, 4</del>

\* Consultants/New Positions are included in the list of designated positions and shall disclose pursuant to the broadest disclosure category in the code, subject to the following limitations:

The Executive Director or his or her designee may determine in writing that a particular consultant or new position, although a “designated position,” is hired to perform a range of duties that is limited in scope and thus is not required to fully comply with disclosure requirements in this section. Such written determination shall include a description of the consultant’s or new position’s duties and, based upon that description, a statement of the extent of disclosure requirements. The Executive Director or his or her designee’s determination is a public record and shall be retained for public inspection in the same manner and location as this conflict-of-interest code. (Gov. Code Section 81008.)

Individuals who perform under contract the duties of any designated position shall be required to file Statements of Economic Interests disclosing reportable interests in the categories assigned to that designated position.

**EFFECTIVE DATE: 9/13/2023**

**First 5 LA**

**SUBJECT:**

Information regarding a review of the 2024 Policy and Advocacy activities.

**RECOMMENDATION (FOR INFORMATION):**

This memo is provided as information for the Board's consideration at the September 28, 2024, Special Joint Meeting of the Board of Commissioners and Program and Planning Committee.

**BACKGROUND:**

In partnership with others, First 5 LA's Public Policy and Early Care and Education (PPECE) team executes policy and advocacy strategies to advance policies that strengthen systems of support at the local, state, and federal levels of government on behalf of Los Angeles County's youngest children and their families. To support this work, the First 5 LA Board of Commissioners approves annual policy agendas to allow First 5 LA staff to take positions on proposed policy proposals (administrative, legislative, budget) aligned with F5LA's Strategic Plan.

**DISCUSSION:**

The purpose of the conversation at the September PPC meeting is to review the 2024 Policy and Advocacy activities.

**2024 STATE POLICY PRIORITIES**

Budget

On June 29, 2024, Governor Newsom signed the 2024-2025 California state budget into law. The \$297.9 billion budget, which will take effect on July 1, 2024, includes a general fund of \$211.5 billion. The budget will cover the state's projected \$46.8 billion deficit by shifting funds, including \$17 billion in early action cuts the Governor and Legislature agreed to earlier this year. The spending plan pulls \$5 billion from the state's reserves with an additional \$7 billion more to be tapped in 2025-2026. The final agreement staved off significant reductions and protected safety net programs central to First 5 LA's policy agenda priorities, including restoring funding for childcare spaces, home visiting supports, and the implementation of continuous Medi-Cal eligibility starting in 2026. In addition, certain Medi-Cal related provisions were upheld by shifting revenues from the Managed Care Organization (MCO) tax. Notably, voters will decide this November whether the MCO tax, set to expire in 2026, is adopted permanently – this would ensure sustained revenues for Medi-Cal programs, but reduce the flexibility of the funding.

- **Maintaining 200,000 additional child care spaces** - First 5 LA, in collaboration with the Early Care and Education Budget Coalition (ECE Coalition), advocated for the state to not delay the expansion of 200,000 child care spaces. These seats were originally part of the 2021-22 State Budget but were pushed to 2024-25. Despite the significant budget deficit faced by state leaders this year, the final budget awarded 11,000 spaces and codified the fulfillment of the remaining spaces by 2028.
- **Early learning rate reform** - Comprehensive reform of California's early learning rate reimbursement system continued to be a top priority for First 5 LA this year and a leading talking point during Advocacy Day. Our advocacy strategy included significant partnership with the ECE Coalition, where we took 35 additional meetings with members of the Los Angeles Delegation, and the Whole Child Equity Partnership, who we collaborated with on letters to policymakers to ensure that early learning rate reform implementation would

remain in the budget and meet the necessary federal deadlines. These efforts were successful as the final budget included reporting requirements for the Department of Social Services through January 2026 on the rate reform process to create an alternative methodology.

- **General child care and development program spaces** - Due to underutilization, general child care spaces (CCTR) were at risk of being cut. However, this was due to an inefficiency within the contracting process. First 5 LA, alongside ECE Coalition partners, successfully advocated for the departments of Education and Social Services to authorize contract expansion streamlining to existing contractors.
- **Early care and education reversion account** - As part of the ECE Coalition budget priorities, First 5 LA also advocated for the creation of an early care and education reversion account. This account would have effectively acted as a rainy-day fund to protect early care and education against future economic downturns. Given the tough fiscal outlook California was facing this year, this priority did not make it into the final state budget.
- **Continuous Medi-Cal eligibility for young children** - As in the prior year, advocating for this policy was a key priority for First 5 LA during Advocacy Day meetings with state lawmakers. Using revenue from the MCO Provider Tax, the final budget agreement funds continuous Medi-Cal eligibility for children 0-5, effective January 1, 2026. Allocations from the Medi-Cal Provider Payment Reserve Fund (MPPRF) are expected to be \$17 million in 2025-26 and \$33 million in 2026-27 and annually thereafter. *This provision will be inoperable if the November 2024 ballot measure related to the Managed Care Organization tax is approved.*
- **CalWORKs Home Visiting Program funding** – Home Visiting continued to be at the forefront of all F5LA’s advocacy efforts. In 2024, First 5 LA advocated to avoid cuts to the CalWORKs Home Visiting Program. The final budget ultimately reverted \$30 million in 2023-24 funds and added temporary annual reductions up to \$25 million in 2024-25 and 2025-26 to align with program utilization.
- **Community Health Worker/Promotoras/Representatives (CHWPR) workforce** - The January and May Budget Proposals included significant reductions to Health Care Access and Information (HCAI) workforce funds which are critical to recruiting and training CHW/P/Rs that reflect the populations served by the Medi-Cal program. Through various advocacy efforts, the final budget maintained \$357.7 million General Fund from previous workforce investments, including for community health workers. The revenues from the MCO tax were also allocated for additional provider rate increases beginning January 1, 2025, to achieve 100 percent of the Medicare rate. *This rate increase will be inoperable if the November 2024 ballot measure related to the Managed Care Organization tax is approved.*
- **CalWORKs** - Another priority of F5LA during various advocacy efforts was potential cuts and program eliminations in CalWORKs. Knowing that CalWORKs Family Stabilization ensure families get comprehensive supports when they are in crisis improving the financial security and health of the individual, family, and children within the family, F5LA lifted this priority in various advocacy efforts when it was subject to elimination. Ultimately, the final budget rejected the elimination of the CalWORKs Family Stabilization program and provided a 0.3-percent increase to the CalWORKs Maximum Aid Payment level beginning October 1, 2024.

## Legislative

First 5 LA supported and monitored several state bills aligned to the organization's policy priorities. Below are the bills F5LA officially supported in 2024. September 30<sup>th</sup> is the deadline for the governor to sign or veto bills.

- **AB 2268 (Muratsuchi), English learners: initial identification: English language proficiency assessment** - This bill exempts students in transitional kindergarten from the English Language Proficiency Assessment (ELPAC) until the state can identify a developmentally appropriate, long-term solution.
  - Status: Signed into law by Governor Newsom
- **AB 2319 (Wilson), California Dignity in Pregnancy and Childbirth Act** - This bill will update and improve the California Dignity in Pregnancy and Childbirth Act of 2019 (SB 464), which mandates that hospitals, birth centers, and primary care clinics that provide perinatal care implement implicit bias trainings. AB 2319 recognizes the need for ongoing monitoring, firm deadlines, and strong enforcement mechanisms and incorporates nonbinary and transgender birthing populations within implicit bias trainings, reflecting Los Angeles County's diverse families and helping medical professionals offer more compassionate, competent, and patient-centered care.
  - Status: To Engrossing and Enrolling.
- **SB 1396 (Alvarado-Gil), CalWORKs: Home Visiting Program** - This bill would have made statutory changes to the California Department of Social Services' (CDSS) CalWORKs Home Visiting Program (HVP). Currently home visitors typically provide services beginning prenatally or right after the birth of a baby, continuing until a child reaches two years of age or for a duration of 24 months, whichever is later, and families can only enroll in the HVP up until their child reaches age 2. SB 1396 would have raised the enrollment cutoff to up to 36 months and allow for participation in the CalWORKs HVP for the full duration of the applicable home visiting model.
  - Status: Held in committee and under submission.

## Administrative

Through administrative advocacy, PPECE shares First 5 LA policy priorities with state departments and agencies, advocating for the implementation of rules, regulations, and policies that support the needs of young children and families. Currently, PPECE is monitoring several activities where administrative advocacy may be effective.

- **Early learning rate reform** - In tandem with direct advocacy with elected officials to advance early learning rate reform, First 5 LA also engaged in administrative advocacy to CDSS to ensure that the department met federal deadlines for an alternative methodology. This entailed reaching out to administrative leaders, collaborating on support letters, and monitoring the Rate and Quality Advisory Panel meetings.
- **California Advancing and Innovating Medi-Cal (CalAIM)** - CalAIM consists of a series of reforms aimed at improving outcomes for Californians enrolled in Medi-Cal, especially those with the most complex needs. The implementation of the first CalAIM reforms began in January 2022, and further reforms will be phased in through 2027. First 5 LA is monitoring these changes and attending the California Department of Health Care Services (DHCS) hosted webinars to understand the impact of CalAIM on children and families to identify opportunities to support local managed care plans in their implementation efforts, with particular focus on the areas of Population Health Management (PHM) initiative, Enhanced Care Management (ECM), Community

Supports, Behavioral Health Initiative, and Medi-Cal's Strategy to Support Health and Opportunity for Children and Families.

- **Doula Implementation Workgroup** - DHCS has convened a Doula Implementation Workgroup, in accordance with SB 65. With the implementation of the Medi-Cal doula services benefit beginning in January 2023, this workgroup serves as a space to elevate and discuss lessons learned and barriers in the process of implementing the benefit, and includes a variety of stakeholder, including doulas, managed care plan representatives, and health service providers. The workgroup and related report on utilization of doula services were extended to June 30 and July 1, 2025, respectively. First 5 LA has monitored the quarterly meetings and has leveraged this information in dialogue with local managed care plans to identify ways to support their implementation efforts. Monitoring will continue until the end of the extended workgroup and reporting period.
- **Master Plan for Developmental Services** - Legislative trailer bill language codified the Master Plan for Developmental Services, which is being facilitated under the California Health and Human Services Agency (CalHHS). The Master Plan aims to leverage recent investments (including rate increases) in the developmental services system to strengthen access, quality, and equity for the recipients of their services as well as strengthen connections with other service systems. Initial conversations throughout the first half of the year resulted in the creation of five workgroups: 1) Individuals and families experience person-centered service systems they trust; 2) Individuals receive timely, inclusive, and seamless services across all service systems; 3) Individuals and their families receive services from a high-quality, stable, and person-centered workforce; 4) Individuals and their families experience consistent, transparent, accountable and data-driven systems that focus on outcomes; and 5) Individuals Receive Quality, Life-Long, Person-Centered Services from Systems with Adequate Resources. Although PPECE encouraged Health Systems Team colleagues to apply for workgroup membership, there were many applicants, and they were ultimately not accepted to contribute as stakeholders. First 5 LA will continue to monitor these meetings and look for opportunities to participate or provide feedback.
- **Behavioral Health Services Act (BHSA) Implementation** - In March 2024, California voters adopted Proposition 1, which amended the Mental Health Services Act (MHSA). The changes to the MHSA, included additional funding aimed at addressing the needs of individuals with behavioral conditions at-risk of or experiencing homelessness – including dedicated funding for mental health and substance use treatment beds as well as housing with wraparound supportive services. In 2023, the First 5 Association of California, along with other children's advocacy groups, played a role in providing feedback and shaping the proposed categorical spending breakdown. The advocacy resulted in the BHSA largely upholding dedicated funding for Behavioral Health Supports and Services for children and youth (previously categorized under Prevention and Early Intervention services, within the MHSA). Since adopted by California voters earlier this year, First 5 LA has been tracking and monitoring the implementation of the BHSA in order to understand the implications for services in Los Angeles County and assess upcoming opportunities to help shape issues affecting young children.

## **2024 FEDERAL POLICY PRIORITIES**

### Budget and Appropriations

First 5 LA continues to actively engage on the federal level by advocating for early childhood investments that align with the First 5 LA Policy agenda, collaborating with national partners and sharing important updates and information with the First 5 network.

- **Protect and strengthen critical programs supporting young children** - Specifically, in FY 24 Appropriations, by increasing funding for 1) Head Start and Early Head Start, 2) the Child Care Development Block Grant (CCDBG), 3) Individuals with Disabilities Education Act (IDEA) Part B and C and 4) Special Supplemental Nutrition Program for Women, Infants and Children (WIC). Current level funding of these programs amounted to a cut due to increasing costs and inflation and must be increased annually. This year PPECE advocated for these programs and despite challenges and funding caps, they were funded at levels we advocated for, including an additional \$1 billion for WIC.
- **Expanding child care and education training, and tax credits** - President Joe Biden's FY 2025 Budget included expanding child care and education training, Earned Income Tax Credit (EITC), and the Child Tax Credit. Along with partners, PPECE advocated for any supplemental federal funding for early learning, including \$16 billion for child care. This priority was also included by President Joe Biden's domestic emergency aid priorities. This appropriation would allow the sector to stay afloat from expired aid during the pandemic. As many as 1 in 3 child-care centers could soon close, leaving some 3.2 million children without care, according to estimates from the Century Foundation. In California, more than 87,000 children are expected to lose child care and more than 13,000 child care programs are expected to close.
- **Momnibus Provisions in President Joe Biden's 2025 Budget** - The United States has the highest maternal mortality rate of any high-income country and significant disparities in outcomes. The Black Maternal Health Momnibus Act is a package of 12 bills that will address this crisis through historic investments that comprehensively address every driver of maternal mortality, morbidity, and disparities in the United States.

#### Legislative

Though budget and appropriations were front and center this year, First 5 LA simultaneously advocated for legislation in alignment with our Policy Agenda and asked our Los Angeles County Congressional Delegation to support by co-sponsoring the legislation. This is the last session of the 118<sup>th</sup> Congress and any bill that doesn't pass the legislative process will have to be re-introduced in the new congress.

- **S.2777 (Murray), The Child Care Stabilization Act** - To increase child care options for working families and support child care providers. This legislation will promote the stability of the child care sector by providing a source of stable funding to eligible child care providers to help offset their operating expenses; and support sustained and increased wages for early childhood educators or other staff of eligible child care providers, in order to stabilize and grow the child care workforce without increasing costs for families. It would also expand the supply and capacity of eligible child care providers to ensure working families have a range of high-quality, affordable child care options, in a variety of settings, that meet their unique needs.
  - Status: Introduced in both Chambers
- **H.R. 7024 (Smith), Tax Relief for American Families and Workers Act** - To expand the Child Tax Credit and make it permanent. According to the report, poverty has risen by 143% for children 0-3, and 166% for children 0-5, reverting historic drops in childhood poverty. A new analysis from the California Budget & Policy Center reports that poverty is rapidly increasing for California's youngest children due to the end of key pandemic-era supports.
  - Status: Passed the House; In Senate

## Administrative

First 5 LA engaged deeply in the reauthorization of the Maternal, Infant, and Early Childhood Home Visiting (MIECHV program) in 2022 and since then have been monitoring and sharing out important implementation information with colleagues and the First 5 network. We're currently also monitoring other activities within administrative agencies where advocacy may be effective and/or align with our state priorities in support of children and families. Additionally, since it is an election year, we plan to prepare a transition memorandum with a list of priorities we may want to preserve and advance with the new Administration come January 2025.

- **Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program** - First 5 LA remains monitoring the Health Resources and Services Administration to clarify promising practices within MIECHV and work with partners to implement the expansion of the newly reauthorized program.
- **Medicaid Continuous Eligibility** - Alignment with our state priorities, First 5 LA supports the U.S. Centers for Medicare and Medicaid Services (CMS) expanding Continuous Eligibility for Medicaid and Children's Health Insurance Plan (CHIP) coverage so that states have the option to provide children beyond the 12 months of continuous coverage through Medicaid (Medi-Cal) and the Children's Health Insurance Program (CHIP). Continuous eligibility is a valuable tool that helps states ensure that children stay enrolled in the health coverage for which they are eligible and have consistent access to needed health care services.

## **2024 ADVOCACY ACTIVITIES**

Throughout 2024, PPECE employed and participated in several advocacy activities including advocacy days, coalition participation, legislative tracking, committee hearing testimony, district event participation, and candidate education at the local, state, and federal levels of government. These efforts provided First 5 LA direct access to policymakers that have the authority to impact the organization's Advocacy Agenda priorities.

Specifically, First 5 LA joined network partners in the annual First 5 Association Advocacy Day in Sacramento to advocate for budget and legislative priorities, which kicked off the state legislative year. These efforts continued throughout the spring months, where PPECE participated in multiple advocacy days with partners, including the Early Care and Education (ECE) Coalition, and testified at several budget committee hearings in support of F5LA's policy priorities. Throughout the year, staff advocacy efforts included reviewing and taking positions on policy proposals in partnership with the Whole Child Equity Partnership (WCEP) and the Community Health Workers Coalition (CHWC). As the budget cycle came to an end, PPECE coordinated the organization's first "First 5 LA Day in Sacramento" which included First 5 LA Commissioners, Chair Holly Mitchell, Summer McBride, Alma Cortes, President/CEO Karla Pleitez Howell, and department staff traveling to the state capitol to advocate directly to LA County state policymakers on the importance of supporting First 5 LA's priorities.

Locally, PPECE coordinated child care site visits with state policymakers including Assemblymember Blanca Pacheco, and Assemblymember Al Muratsuchi (Chair, Assembly Education Committee) in partnership with the Child Care Alliance of Los Angeles (CCALA), Mexican American Opportunity Foundation (MAOF), and Connections for Children. During district work periods PPECE participated in policymaker district events including community clean-ups, town-halls, and partner receptions. In addition, in preparation for the large turnover of new policymakers that will enter office after the November 2024 Presidential General Election, PPECE

hosted a select few candidate education briefings for candidates to introduce them to First 5 LA before they take office.

At the federal level, PPECE participated in congressional advocacy with business partners through the LA Chamber's ACCESS DC and Child Care Aware of America. These activities allowed First 5 LA the opportunity to share federal policy priorities with LA County congressional policymakers. In addition, this fall PPECE plans on coordinating several virtual congressional legislative meetings to reinforce federal strategic priorities as the FY 25 federal appropriations process is being negotiated in Congress.

**NEXT STEPS:**

PPECE will return to the Board at the October and November meetings to ask for approval and adoption of the 2025 Policy Agenda.



# 2024 Advocacy Review

John Bamberg, Local Policy Specialist  
Ofelia Medina, Senior Policy Strategist  
September 26, 2024

# Discussion Overview

## 1. Political Context

- State & Federal

## 2. Policy Priorities

- Budget, Legislative, and Administrative
- Federal

## 3. Advocacy Activities

- Advocacy Days
- Partner Efforts

## 4. 2025 Roadmap

- Policy Agenda
- Board Timeline

# 2024 Policy Context

## **State Context**

- New Assembly and Senate Leadership
- Back-to-back years of record budget deficits.
- Early actions taken; program reductions, delays, and borrowing.
- Election year; 11 new state policymakers in LA County.

## **Federal Context**

- FY 2024 Appropriations passed after several Continuing Resolutions.
- FY 2025 Appropriations.
- Legislative opportunities.
- Last year before a new Congress & Administration.

# 2024 State Policy Priorities - Budget



Funding for all 200,000 ECE spaces that was promised in the 2021-22 budget.

Adoption of a timeline for implementing the Alternative Rate Methodology.

Adoption of an ECE Reversion Account.

Release General Child Care and Development Program (CCTR) Spaces.

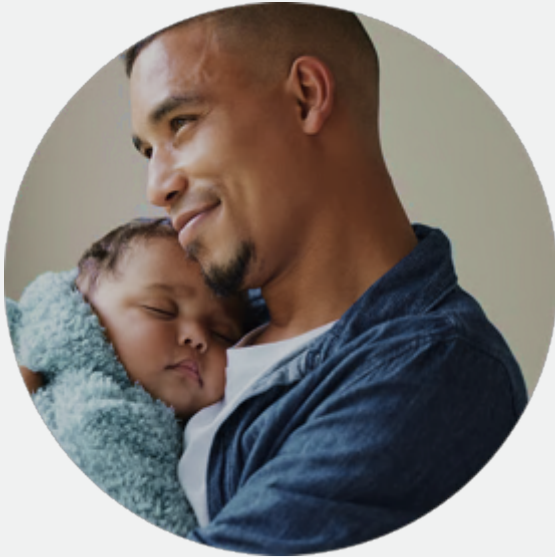
Preserve Medi-Cal Continuous Eligibility for Children under 5 years old.

Restore essential funding intended for the development of the Community Health Worker/Promotoras/Representatives (CHWPR) workforce.

Prioritize and maintain funding for CalWORKs programs to strengthen and support families in permanently exiting poverty.

Preserve CalWORKs Home Visiting funding.

# 2024 State Policy Priorities - Legislation



## Support

- **AB 2268** (Muratsuchi), English learners: initial identification: English language proficiency assessment.
- **AB 2319** (Wilson), California Dignity if Pregnancy and Childbirth Act.
- **SB 1396** (Alvarado-Gil), CalWORKs: Home Visiting Program

## Watch

- **AB 1895** (Weber), Public health: maternity ward closures.
- **AB 1947** (L. Rivas), California state preschool programs: contracting agencies: staff training days
- **AB 2110** (Arambula), Medi-Cal: Adverse Childhood Experiences trauma screenings: providers.
- **AB 2342** (Schiavo), CalWORKs: child care programs
- **AB 2982** (Reyes), Prenatal-to-3 working group
- **SB 1016** (Gonzalez), Latino and Indigenous Disparities Reduction Act.
- **SB 1112** (Menjivar), Medi-Cal: families with subsidized childcare.

# 2024 State Policy Priorities - Administrative



Early Learning Rate  
Reform  
(CDSS & CDE)

Master Plan for  
Developmental  
Services (CalHHS)

Doula  
Implementation  
Stakeholder  
Workgroup (DHCS)

California Advancing  
& Innovating Medi-  
Cal  
(CalAIM) (DHCS)

Behavioral Health  
Services Act  
Implementation  
(DHCS, CalHHS)

# 2024 Federal Policy Priorities – Budget & Appropriations



Increased funding in FY 24 Appropriations for-

1. Head Start and Early Head Start,
2. Child Care Development Block Grant (CCDBG),
3. Individuals with Disabilities Education Act (IDEA) Part B and C,
4. Special Supplemental Nutrition Program for Women, Infants and Children (WIC).

Early learning provisions in President Joe Biden's FY 2025 Budget, to expand child care and education training, the Earned Income Tax Credit (EITC) and the Child Tax Credit.

M omnibus Provisions in President Joe Biden's 2025 Budget, to address maternal mortality, morbidity, and disparities in the United States.

# 2024 Federal Policy Priorities – Legislative & Administrative



## Legislative

- **S.2777 – The Child Care Stabilization Act:** Increase child care options for working families and support child care providers.
- **H.R. 7024 – Tax Relief for American Families and Workers Act:** Expand the Child Tax Credit and make it permanent.

## Administrative

- Maternal, Infant, and Early Childhood Home Visiting (MIECHV) Program
- Medicaid Continuous Eligibility

# 2024 Advocacy Activities

## Capitol Engagement

- First 5 Association Advocacy Day
- First 5 LA Day in Sacramento
- ACCESS Sacramento/DC
- Child Care Aware DC
- Virtual Federal Advocacy
- Public comment at policy/budget hearings

## District Engagement

- ECE Site Visits with R&R Partners
- Community Clean-Up Events
- Town Halls

## Candidate Engagement

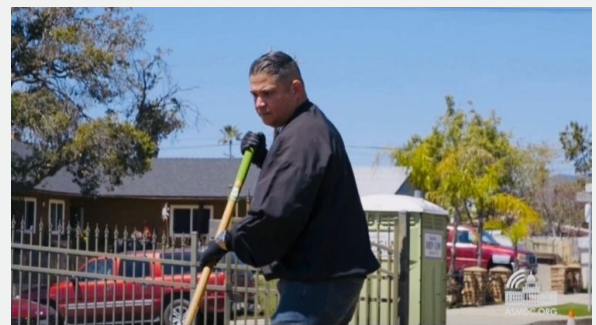
- 11 new state members
- 3 new federal members

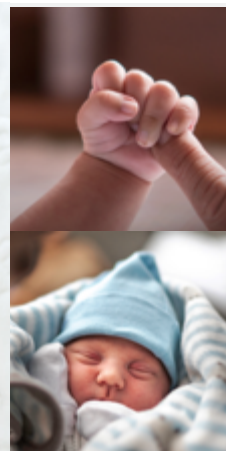
## Coalition Focus

- ECE Coalition/ECE Thrive LA
- Whole Child Equity Partnership
- Community Health Workers Coalition



# 2024 Advocacy Activities





## Roadmap Ahead - 2025 Policy Agenda



Annual Comprehensive Financial Report  
For the Year Ended June 30, 2024

**Los Angeles County Children and  
Families First – Proposition 10  
Commission**

(a Component Unit of the County of Los Angeles, California)

Los Angeles County Children and Families First – Proposition 10 Commission

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Los Angeles County Children and Families First – Proposition 10 Commission

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October 10, 2024

To the Board of Commissioners and  
Citizens of County of Los Angeles  
750 North Alameda Street, Suite 300  
Los Angeles, CA 90012

Dear Commissioners and Citizens of County of Los Angeles:

The Annual Comprehensive Financial Report of the Los Angeles County Children and Families First – Proposition 10 Commission (First 5 LA) for the year ending June 30, 2024, 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, has issued an unmodified (“clean”) opinion on First 5 LA’s financial statements for the year ending June 30, 2024. The independent auditor’s 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 25 years, First 5 LA has made a lasting positive impact in Los Angeles County through its allocation of more than \$2.5 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.

## OUR EVOLVING STRATEGIC DIRECTION

In Fiscal Year 2023-2024, First 5 LA began developing a new Strategic Plan. Fiscal Year 2024-2025 will serve as a transitional period as we move from the 2020-2028 Strategic Plan to the newly approved

### COMMISSIONERS

Los Angeles County Supervisor  
Holly J. Mitchell  
*Chair*  
Summer McBride  
*Vice Chair*

Robert Byrd, Psy.D.  
Alma Cortes  
Barbara Ferrer, Ph.D.,  
M.P.H., M.Ed.  
Astrid Heger, M.D.

Abigail Marquez  
Maricela Ramirez  
Carol Sigala

### EX OFFICIO MEMBERS

Deanne Tilton Durfee  
Jacquelyn McCroskey, DSW  
Alejandra Albarran Moses  
Brandon Nichols

### PRESIDENT & CEO

Karla Pleitéz Howell

### EXECUTIVE VICE PRESIDENT

John A. Wagner

### A PUBLIC ENTITY

2024-2029 Strategic Plan. This transition is driven by changes in our funding and our commitment to addressing the evolving needs of our communities based on our learnings.

Over the past 25 years, First 5 LA has evolved from solely funding direct services to partnering broadly to drive systems change that improves outcomes for young children and families. The new Strategic Plan outlines goals aimed at ensuring well-being for all children from prenatal to age 5 in Los Angeles County, addressing needs across a continuum—from physiological safety to self-fulfillment. The key goals are:

- Goal One: Children prenatal to age 5 and their families have their basic needs met.
- Goal Two: Children prenatal to age 5 have nurturing relationships and environments.
- Goal Three: Children prenatal to age 5 have a solid foundation for well-being, lifelong learning and success.

To implement this plan and support children in reaching their full developmental potential, First 5 LA will serve as a:

- Convenor: brings together public agencies, philanthropy, nonprofit organizations and communities to share data, access and learn from new and diverse perspectives
- Connector: cultivates existing and new relationships to improve collaboration to advance better outcomes for children and families
- Trusted thought partner on early childhood: ensures issues impacting children, prenatal to age 5 are part of diverse agendas and spaces
- Advocate: influences resource allocation and distribution, policy and practice changes, and implementation of public policy

This strategic approach reflects First 5 LA's commitment to directing resources for maximum impact on families and children prenatal to age 5 in Los Angeles County as *“we envision a future where every child is born healthy and thrives in a nurturing, safe and loving community.”*

## **ORGANIZATIONAL HIGHLIGHTS**

As we conclude the fourth year of the 2020-2028 Strategic Plan, we have established a solid foundation for aligning our organizational priorities and structure. This foundation will continue to evolve next year as we implement the 2024-2029 Strategic Plan and the updated Long-Term Financial Plan. These updates are designed to better align with our fiscal reality and more accurately reflect the resources needed to support our strategic priorities through FY 2028-29.

First 5 LA's primary funding source, the Proposition 10 Tobacco Tax, has been declining gradually since FY 2004-05 due to decreases in smoking rates and births in L.A. County. The passage of Proposition 31, which banned the sale of certain flavored tobacco products starting November 2022, has reduced state tobacco tax revenues, leading to a further decline in funding for First 5 Commissions, including First 5 LA. The result is a steep decline in projected revenue for Fiscal Year 2022-23 and 2023-24, as well as a significant reduction in the available fund balance by FY 2029.

In response to this revenue impact, we are using the new strategic plan to review and reassess our priorities, short-term and long-term work, and proposed spending. We will continue to apply a diversity, equity, and inclusion lens to ensure our investments are reflective of and responsive to community needs.

As First 5 LA evolves, our work remains informed by experience, learning, and the dynamic context in which we operate. It is clear that our efforts to promote systems change and *build a future where every child is born healthy and thrives in nurturing, safe and loving communities* require substantial time and effort to build the necessary partnerships. We will continue to invest in these efforts while maintaining a focus on sustainability, particularly in light of the recent changes to tobacco tax revenue. This ongoing emphasis will guide our investment decisions to achieve the best outcomes for children and families in our communities.

## LOOKING AHEAD

- **Implementation of our 2024-2029 Strategic Plan.** The FY 2024-2025 budget represents resources that will support the first-year implementation of the 2024-2029 Strategic Plan. Completion of year four of the prior Strategic Plan and pivot to the new five-year plan represents the culmination of internal collaboration across teams, alignment of program costs to our strategic direction and fiscal realities of declining tobacco tax revenues, and the continued evolution of First 5 LA as it fulfills its multiple roles. The reduced level of spending, compared to the prior year, largely driven by the Proposition 31 approved ballot, has forced us to think more critically and creatively about how we employ our funds for greatest impact as we continue to uphold and advance the goals and priorities of the strategic plan through our work. First 5 LA will continue to evolve as we revisit and update key elements of our strategic plan in an effort toward greater alignment of the Commission's objectives and fiscal realities, as well as the evolving needs of the children and families we serve.
- **Long term financial planning.** First 5 LA's approach to sustainability requires that we take a multi-year view beyond the budget year. Towards that end, the Board-approved Long Term Financial Plan (LTFP) provides financial guardrails to focus and discipline First 5 LA's expenditures over the course of the 2024-2029 Strategic Plan. Given the evolving context of our work, guided by refinements to the strategic plan, as well as recent legislative changes impacting our primary source of tobacco tax revenue, First 5 LA will be revisiting the long-term plan spending limits and revenue projections to identify the appropriate level of resources for distribution in support of our new fiscal reality and revised strategic plan goals.

## 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 adjust 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.

The approach to budgeting at First 5 LA has undergone significant evolution in recent years and will continue to do so, driven by experience, to achieve greater precision, clarity, and transparency. Annually, the Commission adopts a budget that reflects the staff's best estimate of the financial resources needed to advance work in alignment with the strategic direction. The format and approach for the FY 2024-25 Budget signifies ongoing efforts to enhance financial accountability and transparency while maintaining flexibility within the evolving operational landscape of First 5 LA. As First 5 LA experiences declining revenue, the Commission must refine the resources necessary to pursue the goals and strategies outlined in the Strategic Plan. Additionally, it's crucial to assess the alignment of current initiatives with new objectives. The FY 2024-25 Budget underscores the organization's dedication to fiscal responsibility by aligning budget estimates with realistic expenditures.

### Long Term Financial Plan

First 5 LA's approach to sustainability involves a multi-year perspective that extends beyond the current budget year. The Board-approved LTFP establishes financial guidelines to focus and discipline First 5 LA's expenditures throughout the 2024-2029 Strategic Plan. The LTFP serves as a framework for multi-year financial planning to manage the ongoing reduction in tobacco revenue. By adopting proactive measures with a long-term view, First 5 LA can responsibly plan for the future and avoid the need for drastic and disruptive cuts.

We will continue to advance Commission priorities with a focus on sustainability and strategic leveraging, while considering the fiscal outlook outlined in the most recent Long-Term Financial Projection (LTFP) and the revised LTFP which will be presented to the Board in FY 2024-25. The revised LTFP will provide an opportunity to adjust spending limits, approved by the Board in July 2020, to align with changes in projected revenue, fund balance, and the new Strategic Plan. This adjustment aims to reflect our fiscal reality, reinforce our role as fiscal stewards, and proactively address potential risks to our long-term success through strategic planning, budgeting, and policy development.

## **CERTIFICATE OF ACHIEVEMENT**

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 annual comprehensive financial report for the fiscal year ended June 30, 2023. This was the 16th 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 annual comprehensive 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 annual comprehensive 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 Annual Comprehensive 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,

Karla Pleitéz Howell  
Executive Director

KPH:ro

**FIRST 5 LA**

**Commissioners**

Holly J. Mitchell, Los Angeles County Supervisor, Chair  
Summer McBride, Vice Chair  
Robert Byrd, Psy.D.  
Alma Cortes  
Barbara Ferrer, Ph.D., M.P.H., M.Ed.  
Astrid Heger, M.D.  
Abigail Marquez  
Maricela Ramirez, Ed.D.  
Carol Sigala, Ph.D.

**Ex-Officio Commissioners**

Deanne Tilton Durfee  
Jacquelyn McCroskey, DSW  
Alejandra Albarran Moses  
Brandon T. Nichols, J.D.

**Alternate Commissioners**

Priya Batra  
Mary Romero Barraza  
Luis Bautista  
Victor Manalo, Ph.D.  
Kristin McGuire  
Frank Ramos  
Sylvia S. Swilley, M.D.  
Winnie Wechsler  
Julie Taren

**President & CEO**

Karla Pleitéz Howell, J.D.

**Executive Vice President**

John A. Wagner

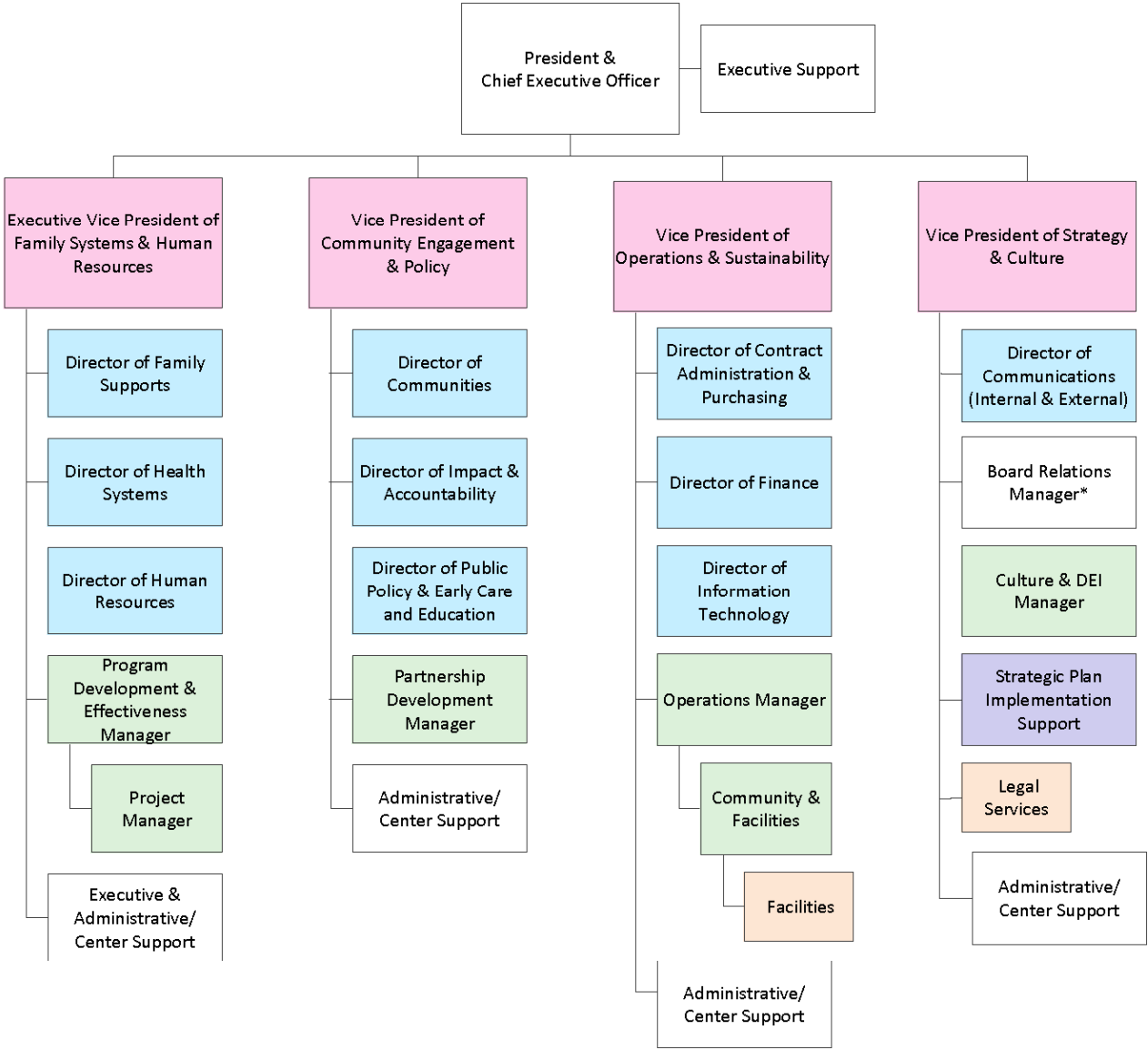
**Vice President**

Teofilo "JR" Nino

**Team/Center/Office Directors**

Diana Careaga, Family Supports  
Galina Collins, Human Resources & Talent Management  
Jennifer L. Eckhart, Contract Administration & Purchasing  
Tara Ficek, Health Systems  
Jasmine Frost, Information Technology  
Kim Hall, Impact & Accountability  
Raoul Ortega, Finance

# Organization Structure



- Center Oversight
- Department Oversight
- New Manager Position
- New Function
- Outsourced Function

\*Function Already Exists



Government Finance Officers Association

Certificate of  
Achievement  
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in Financial  
Reporting

Presented to

**First 5 LA  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christopher P. Morill*

Executive Director/CEO

## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited 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, 2024 and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2024, 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.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditor’s Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Commission’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Commission’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the 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 is the responsibility of management and, 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 GAAS, 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.

***Supplementary 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 Schedule of First 5 California Funding is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information 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. The 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 GAAS. 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.

***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated [report date], 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

[report date]

**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”) annual comprehensive financial report presents management’s discussion and analysis of the Commission’s financial performance during the year ending June 30, 2024. 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 \$65.6 million in program revenues which include tobacco taxes, Proposition 56 backfill, IMPACT/Hubs funds, Refugee Family Support Grant, Local Entity Program Funding and pass-through funds. Revenues through First 5 California (the State) totaled \$58.7 million, reflecting a 15.8% decrease of \$11.0 million from \$69.7 million in FY 2022-23.
- Commission expenses totaled \$86.8 million in FY 2023-24, representing a 5.6% decrease of \$5.1 million from \$91.9 million in FY 2022-23.
- The Commission’s liabilities decreased from \$21.7 million in FY 2022-23 to \$15.4 million in FY 2023-24, reflecting a total decrease of \$6.3 million or 29.1%.
- The Commission’s total net position decreased from \$292.1 million in FY 2022-23 to \$287.7 million in FY 2023-24, a decline of approximately \$4.4 million, or 1.5%.

**Overview of the Financial Statements**

The annual comprehensive 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 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 when the change occurs, regardless of the timing of related cash flows.

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 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 condensed summary of the Commission's assets, liabilities and net position comparing FY 2023-24 with FY 2022-23:

	FY 2023-24	FY 2022-23	Percent Increase (Decrease)	Increase (Decrease)
<b>Assets:</b>				
Current and other assets	\$289,830,097	\$300,335,306	-3.50%	(\$10,505,209)
Capital assets	13,272,466	13,464,635	-1.43%	(192,169)
Total assets	\$303,102,563	\$313,799,941	-3.41%	(\$10,697,378)
<b>Liabilities:</b>				
Long-term liabilities	\$826,211	\$883,953	-6.53%	(\$57,742)
Other liabilities	14,553,337	20,809,081	-30.06%	(6,255,744)
Total liabilities	\$15,379,548	\$21,693,034	-29.10%	(\$6,313,486)
<b>Net Position:</b>				
Unrestricted	\$274,450,549	\$278,642,272	-1.50%	(\$4,191,723)
Investment in capital assets	13,272,466	13,464,635	-1.43%	(192,169)
Total net position	\$287,723,015	\$292,106,907	-1.50%	(\$4,383,892)
Total liabilities and net position	\$303,102,563	\$313,799,941	-3.41%	(\$10,697,378)

The Commission’s FY 2023-24 total assets of \$303.1 million represent a decrease of \$10.7 million, or a 3.4% decline, compared with the prior year. Of this total, the decrease in current and other assets is approximately \$10.5 million. A 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 \$4.4 million, as anticipated.

Total liabilities decreased by \$6.3 million or 29.1% as a result of year-end grantee accruals being significantly lower than in the prior year.

The \$192,169 decrease in capital assets is a result of the organization’s incremental start of Phase 2 of its Capital Improvement Project to provide additional physical improvements to the 750 N. Alameda Street building, which will continue into FY 2024-25. The depreciation expense for FY 2023-24 was \$437,195. 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 2023-24 with FY 2022-23:

	FY 2023-24	FY 2022-23	Percent Increase (Decrease)	Increase (Decrease)
<b>Revenues:</b>				
<b>Program revenues</b>				
Tobacco taxes	\$39,331,539	\$47,253,504	-16.76%	(\$7,921,965)
Proposition 56	15,382,483	16,236,701	-5.26%	(854,218)
CA Electronic Cigarette Excise Tax	900,231	1,114,427	-19.22%	(214,196)
State Commission Program Funds	3,083,396	5,109,088	-39.65%	(2,025,692)
Medi-Cal Administrative Activities	0	132,945	-100.00%	(132,945)
Local Entity Program Funding	6,948,184	550,017	1163.27%	6,398,167
<b>Total program revenues</b>	<b>\$65,645,833</b>	<b>\$70,396,682</b>	<b>-6.75%</b>	<b>(\$4,750,849)</b>
<b>General revenues</b>				
Investment income	\$12,965,425	\$9,440,982	37.33%	\$3,524,443
Net increase in fair value of investments	3,805,000	3,649,787	4.25%	\$155,213
Other general income	75	2,500	-97.00%	(\$2,425)
<b>Total general revenues</b>	<b>16,770,500</b>	<b>13,093,269</b>	<b>28.08%</b>	<b>3,677,231</b>
<b>Total revenues</b>	<b>\$82,416,333</b>	<b>\$83,489,951</b>	<b>-1.29%</b>	<b>(\$1,073,618)</b>
<b>Expenses:</b>				
Provider grants and other allocations	\$69,291,109	\$73,000,450	-5.08%	(\$3,709,341)
Salaries and benefits	14,128,762	15,672,576	-9.85%	(1,543,814)
Operating services	1,227,536	1,136,076	8.05%	91,460
Consultant services	1,231,750	1,274,116	-3.33%	(42,366)
Professional services	329,402	293,063	12.40%	36,339
Professional development	79,753	68,743	16.02%	11,010
Other expenses	74,718	66,365	12.59%	8,353
Depreciation	437,195	438,429	-0.28%	(1,234)
<b>Total expenses</b>	<b>\$86,800,225</b>	<b>\$91,949,818</b>	<b>-5.60%</b>	<b>(\$5,149,593)</b>
<b>Change in net position:</b>	<b>(4,383,892)</b>	<b>(8,459,867)</b>	<b>-48.18%</b>	<b>4,075,975</b>
Net position – beginning	292,106,907	300,566,774	-2.81%	(8,459,867)
<b>Net position – ending</b>	<b>\$287,723,015</b>	<b>\$292,106,907</b>	<b>-1.50%</b>	<b>(\$4,383,892)</b>

## Revenues

The Commission received a total of roughly \$82.4 million in revenues for FY 2023-24, reflecting a decrease of \$1.1 million, or 1.3% compared with the prior year's total revenues of \$83.5 million. The overall changes in revenue are due to the following:

### Tobacco Tax

Tobacco tax revenue decreased from \$47.3 million in FY 2022-23 to \$39.3 million in FY 2023-24, a decrease of roughly \$7.9 million, or 16.8%. Revenue decreased due to an accelerated decline in overall tobacco sales and the enactment of Proposition 31 (SB 793) in November 2022, which prohibits in-person stores and vending machines from selling most flavored tobacco products or tobacco product flavor enhancers.

### Proposition 56

Proposition 56 backfill (or "hold harmless") amounts are calculated in arrears, which considered in FY 2016-17 actual revenue loss was attributable to Proposition 56. The backfill amount decreased in FY 2023-24 to \$15.4 million compared to \$16.2 million in the prior fiscal year, a decrease of \$854,218 million, or 5.3%. The backfill is received the following fiscal year and the actual amount represented here is for FY 2022-23.

### California Electronic Cigarette Excise Tax

Beginning July 1, 2022, retailers of electronic cigarettes (in-state or out-of-state) are required to collect from the purchaser at the time of sale the California Electronic Cigarette Excise Tax (CECET) at the rate of 12.5% of the retail selling price of electronic cigarettes containing or sold with nicotine. First 5 California receives 12% of that total tax, which is then distributed following the First 5 County disbursement guidelines to the 58 individual counties. CECET revenue of \$900,231 was recognized in FY 2023-24 a decrease of \$214,196 from \$1.1 million in FY 2022-23. This was due to lower consumption of electronic cigarettes and declining birth rates across Los Angeles County.

### State Commission Program Funds

State Commission program funds decreased from \$5.1 million in FY 2022-23 to \$3.1 million in FY 2023-24, a decrease of \$2.0 million or 39.7%. This source of revenue was primarily from First 5 CA related programs including IMPACT/Hubs funds and the Refugee Family Support Grant.

### Medi-Cal Administrative Activities

The Medi-Cal Administrative Activities (MAA) reported no revenue in FY 2023-24 due to the discontinuation of the program in the prior year. The program, contracted through the County of Los Angeles, assisted in the administration of the Medi-Cal program by improving the availability and accessibility of Medi-Cal services to eligible participants.

### Local Entity Program Funding

Local Entity program funding increased from \$550,017 in FY 2022-23 to \$6.9 million in FY 2023-24. This is a significant year-to-year increase of \$6.4 million. This revenue includes grants from Los Angeles County Office of Education (\$2.0 million), Los Angeles County – Department of Mental Health (\$4.58 million), and Los Angeles County – Department of Public Health (\$360,000).

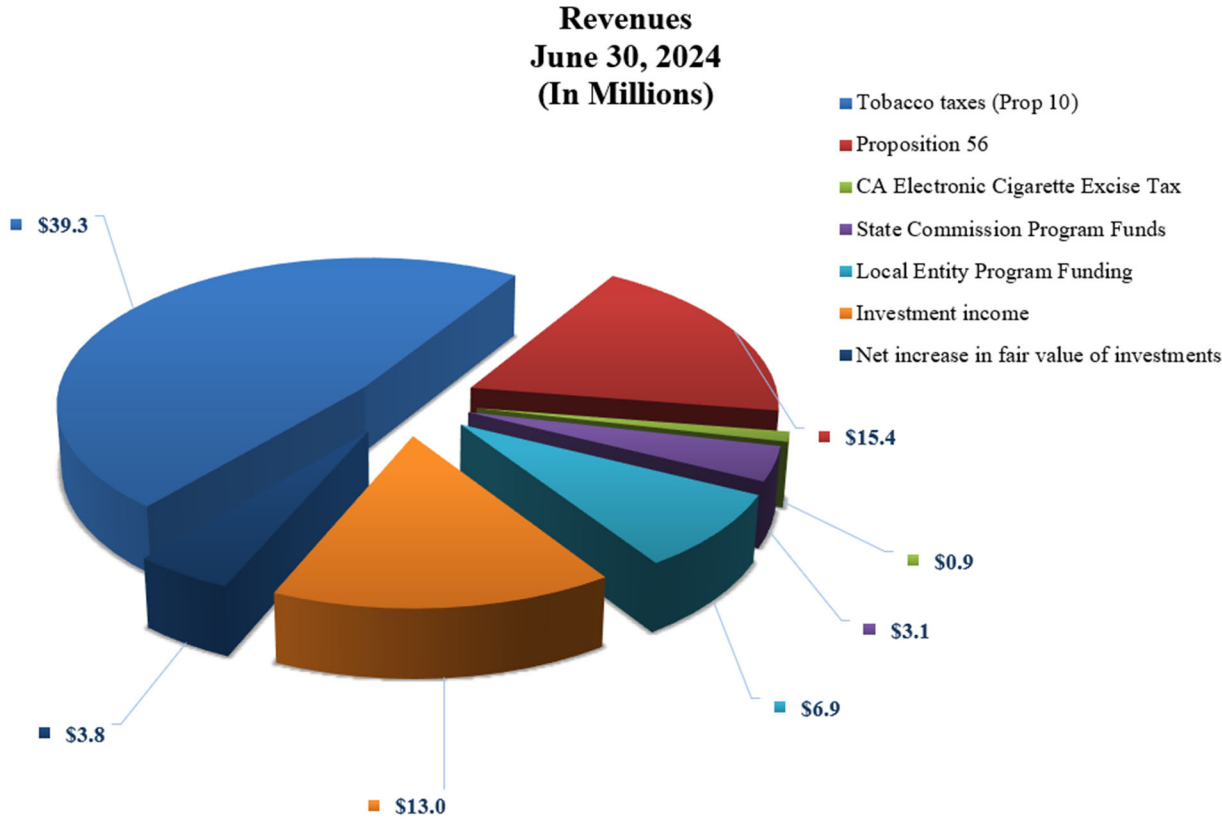
### Investment Income

The Commission recognized roughly \$13 million of investment income in FY 2023-24, which was an increase of \$3.5 million, or approximately 37.3%, compared with the \$9.4 million recognized in the prior year. The overall rate of return for FY 2023-24 was 4.02%, an increase of 1.13% over the prior year. This was due to sustained high interest rates over the course of the fiscal year and the continuation of the three-year specific investment with the County of Los Angeles over the course of FY 2023-24, which yielded a 5.16% rate of return.

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 recognized. In FY 2023-24, the fair value of First 5 LA’s investment portfolio adjustment increase was roughly \$3.8 million, compared to the \$3.6 million adjustment in FY 2022-23. This increase can be attributed to higher interest rates in the current year and ongoing external macroeconomic factors affecting overall economic health.

The fair value adjustments included an unrealized gain on investments in the County Pooled investment account of approximately \$4.0 million offset by an unrealized loss of \$184,300 for the 3-year specific investment with Los Angeles County.



Expenses

The Commission recognized expenses of \$86.8 million in FY 2023-24 compared with \$91.9 million in FY 2022-23, a decrease of \$5.1 million, or 5.6%. The \$5.1 million net decrease in overall expenses encompasses the following in FY 2023-24:

Provider Grants and Other Allocations

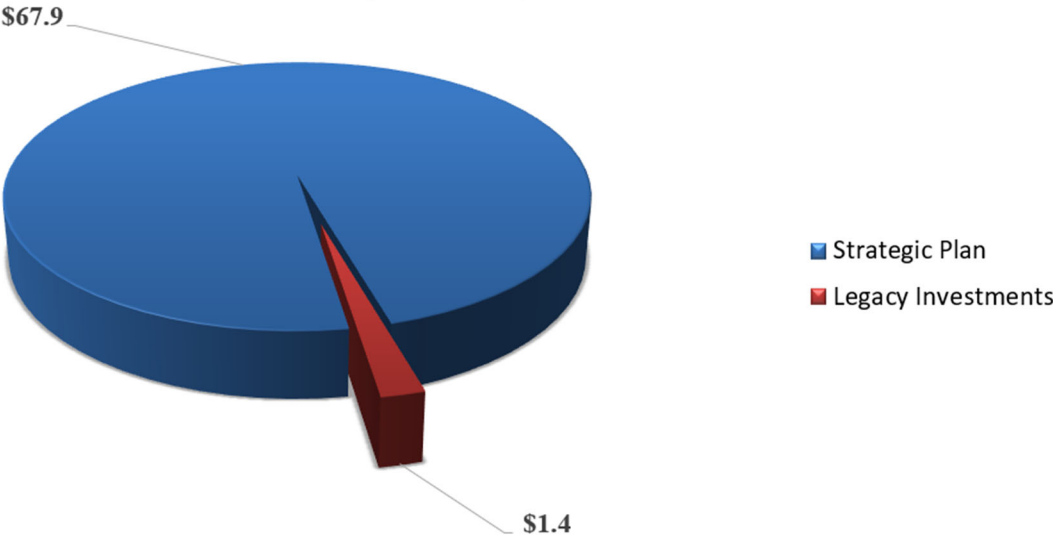
The Commission experienced a decrease of \$3.7 million, or 5.1% in support of “Provider grants and other allocations,” spending approximately \$69.3 million in FY 2023-24 compared to \$73.0 million in FY 2022-23. The net decrease is the result of the continued learning and refinement to the work and proposed spending in alignment to the Long-Term Financial Plan spending limits and downward revenue trajectory, as well as adjusted activity timelines and sunsetted or ramped down projects. The following details activity based on the Commission’s investment categories, during the fiscal year:

- 2020-2028 Strategic Plan: Focusing for the Future: FY 2023-24 marked the fourth year of the now concluded 2020-2028 Strategic Plan and a transition to the enactment of the 2024-2029 Strategic Plan. Roughly \$67.9 million was expended in FY 2023-24, a decrease of

approximately \$3.2 million or 4.5% as compared to FY 2022-23. A significant driver of the strategic plan is a long-term emphasis on sustainability, particularly considering recent changes to tobacco tax revenue, which has and will continue to undergird the investment decisions to advance results for children and families in Los Angeles’ communities. As such, the decline in spending was anticipated and was consistent with the long-term financial plan and annual spending limits.

- Legacy Investments: This category includes existing multi-year funding representing ongoing work of the Commission that is expected to end according to the terms of the project approval or was determined to be aligned with the 2020-2028 Strategic Plan. There is only one legacy investment remaining—Little by Little. Approximately \$1.4 million of the remaining allocation balance was expended in FY 2023-24 which reflected a \$530,059 decrease or roughly 26.3% from FY 2022-23. This investment, with an original allocation of \$30 million, is anticipated to fully expend by 2025.

**First 5 LA Funded Provider Grants and Other Allocations Expenses  
Fiscal Year Ended June 30, 2024  
(In Millions)**



Salaries and Benefits

Salaries and Benefits decreased from FY 2022-23 by \$1.5 million or 9.9%. This was primarily due to staff turnover over the course of the fiscal year and the reduction of FTE from 120 to 117.

Operating Services

Operating Services increased by \$91,460 or 8.1% from the prior year due to ongoing inflationary pressures and macroeconomic factors affecting general operating costs, particularly in facilities, maintenance, and utilities.

Consultant Services

The Commission recorded \$1.2 million in expenses for consultant services in FY 2023-24, a 3.3% decrease from FY 2022-23. The decrease is primarily due to the reduced engagement of firms and individuals for assistance in ongoing strategic plan related work, temporary labor support and building management services.

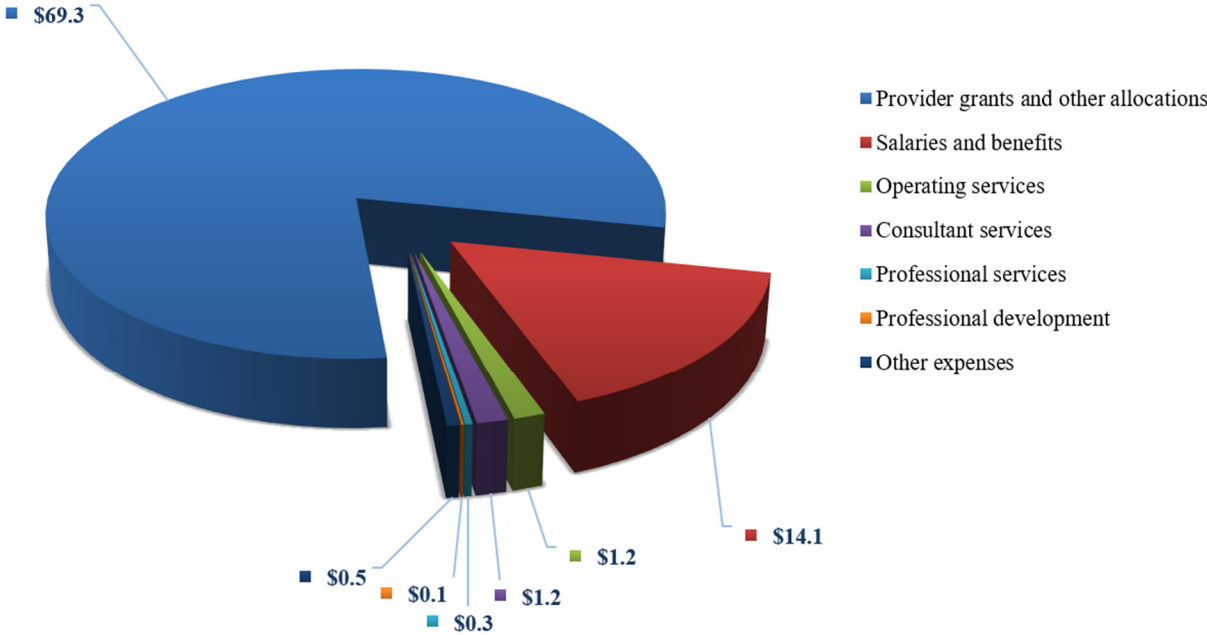
Professional Services

Professional services increased from FY 2022-23 by \$36,339 or 12.4%. The increase is largely due to slight increases in expense for legal, audit and staff recruitment services.

Professional Development

Professional development increased in FY 2023-24 by \$11,010 or 16% from FY 2022-23. The increase is due to a variety of factors, including the increase of staff travel to in-person conferences and development opportunities across the State.

**Program and Operating Expenses  
Fiscal Year Ended June 30, 2024  
(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.

At the end of FY 2023-24, the Commission’s general fund reported a total ending fund balance of \$268.7 million, a decrease of \$7 million, or 3% in comparison with the prior fiscal year balance of \$275.7 million.

Total fund balance decreased due to an ongoing decline between annual incoming revenue and the expenditures that are required to advance the activities and strategies outlined in the 2020-2028 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:

**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, Prop 56, and CA Electronic Cigarette Excise Tax (CECET)**

Tobacco tax revenue recorded for FY 2023-24 was \$36 million of tobacco tax revenue, \$15.4 million of Proposition 56 backfill, and \$906,273 in CECET revenue. The total combined amount of \$52.3 million was approximately \$4.3 million or 7.6% lower than the anticipated amount of \$56.7 million. The original estimate of \$56.7 million was based on data provided by the California Department of Tax and Fee Administration, updated January 2024.

**Other Program Revenue**

Other program revenue, including Local Entity Program Funding and State Commission Program Funds, recorded for FY 2023-24 was \$10.3 million which is close to the \$10.3 million estimated in the Long-Term Financial Plan approved by the Commission in June of 2024. The other revenue category includes funding from First 5 California, the Los Angeles County Department of Mental Health (DMH), and Los Angeles County Department of Public Health (DPH).

**Investment Income**

Investment income of \$13.2 million was recognized in FY 2023-24. The monthly average return of 4.02% is higher than the 1.3% anticipated and included in the Long-Term Financial Projection approved by the Commission in June 2024. In November 2022, the Commission invested in a 3-year specific investment which is earning an approximate \$581,000 in monthly interest in addition to the interest the Commission is earning from its County Treasurer Surplus Investment Pool.

**Original Expenditure Budget vs. Final Expenditure Budget**

In February 2024, the Commission received and filed the proposed mid-year adjustments to the FY 2023-24 budget, increasing the original approved \$99.1 million budget by \$2.0 million or 2.0%. This streamlined approach, presented to the board and approved in November 2023, bypassed formal board-approval of the mid-year adjustments in favor of a lighter touch engagement with the board and staff. Approval of this approach was grounded in full transparency of the detailed spending plan and adherence to the board-approved annual spending limit. Materials shared for board review were comparable to those shared in previous years. Like the previous four years, the net change to the original board-approved budget for FY 2023-24 was less than 3%. 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 \$2.0 million or 2.6%. In February 2024, through the process of receiving and filing, the Commission agreed to a mid-year revised budget adjusting Early Care & Education upward by a net \$2 million. The increase to the Early Care & Education Systems budget is due to the receipt of funds from the Los Angeles County Office of Education (LACOE). In November 2023, the Board authorized the receipt of \$2,000,000 from LACOE to expand implementation of the QSLA Dual Language Learner (DLL) Communications Campaign, whose intent is to widely disseminate key messages about the benefits of bilingualism and the value of home language use, and encourage families, programs, and communities to prioritize children's bilingual development. In addition to the budget adjustment in response to the receipt of funds, there were other cost neutral adjustments within ECE. One cost neutral

adjustment was a \$5,000 increase to the Provider Advisory Group project budget due to a potential increased need for translation and honorariums, with a proportional reduction in the Kindergarten Readiness budget due to lower than anticipated spending. There was also a shift of \$500,000, reducing the proposed spending in the IMPACT Legacy budget and increasing the QSLA Database budget to cover the cost of the database. The QSLA Impact line reflects funds pulled down from the state funding streams IMPACT and HUB.

### **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 2023-24 was approximately \$11.1 million lower than anticipated spending in FY 2023-24 due to several interrelated factors. First, there were incremental reductions in spending across many projects, with specific activities like Help Me Grow and African American Infant and Maternal Mortality (AAIMM) scaling down as direct funding and partnership activities decreased. Second, fewer memberships and reduced funds needed for advocacy partners led to lower expenditures. Third, underspending was further exacerbated by understaffing in a few departments and an overall organizational shift in priorities toward developing and transitioning to a new strategic plan, resulting in postponed objectives and delays in the timeline for several activities. And finally, new external funds were received to offset some budgeted costs.

#### Salaries and Benefits

Salary and Benefit costs were lower than budgeted, with a total variance of \$2.1 million. This is due to a combination of regular employee turnover during this fiscal year and vacant positions that were budgeted but not filled.

Operating Services were less than final budget by \$275,459. Below is an analysis of the significant activities comprising this variance:

#### Utilities

Utilities expenses were higher than budgeted, with a variance of \$24,022. This is due to macroeconomic factors including higher energy prices and a full year of staff working hybrid in the office building, which all yielded higher than anticipated costs.

#### Mileage and Parking

Mileage and parking costs were lower than budgeted, with a variance of \$19,200. This is informed by staff turnover and vacant positions, and varying staff travel trends.

#### Telephones and Modems

Telephones, modems and related expenses were lower, with a savings of \$8,577. Existing technology and equipment were able to support much of the needs in this category, resulting in an overall decrease in expenses.

#### Cell Phones and Mobile Devices

Cell phone and mobile device costs came in lower than budgeted, with a variance of \$21,300. This is due to overall lower cellular reimbursements than expected due to staff vacancies and absences.

#### Office Supplies

Office Supplies were lower than budgeted, with a variance of \$46,968. This is due to hybrid work and lower utilization of the building and offices for meetings, as well as the increased utilization of digital applications and platforms to bypass traditional means for documentation and storage.

Building Repairs and Maintenance

Building repairs and maintenance expenses were below the final budget by \$17,478. Maintenance costs were lower than anticipated due to the upgrades performed to the building before staff returned to the office for full hybrid work in FY 2023-24.

Hardware & Software Maintenance

Hardware & Software Maintenance was lower than budgeted with a variance of \$123,237. This is primarily due to fewer software subscriptions and applications that were not utilized in FY 2023-24 which resulted in cost savings.

Miscellaneous/Contingency

Miscellaneous and Contingency expenses came in below budget by \$30,974 for FY 2023-24. This is due to a reduction in one-time events or emergency needs over the fiscal year.

Internal Meetings

Internal Meeting expenses were lower than budgeted, with a variance of \$43,548. This is due to hybrid work promoting fewer in-person meetings.

Division Capacity Building

Division Capacity Building spending was \$8,240 below budget. Hybrid work schedules and lack of in-person meetings with internal staff and contractor/external partner meetings have created ongoing delays in spending within this expense category.

Consultant Services

Consultant services costs came in under budget by \$517,750. The variance is primarily the result of a lower anticipated need for consultants.

Professional Services

Professional services costs came in under budget for a total savings of \$156,968. Considerable decreases in legal services and web-based services led to cost savings for the organization.

Travel

Travel and travel-related expenses were considerably lower than budgeted. The \$204,958 in cost savings coincides with the ongoing use of virtual meetings, in addition to lower levels of travel for a variety of uses, including professional development, in-person conferences and offsite meetings.

Professional Development

Professional Development expenditures were \$246,727 less than the final budget. This is a result of continuing to leverage virtual opportunities for professional development at a fraction of the price of in-person trainings, as well as ongoing delays in the ramp up of in-person professional development opportunities, particularly for in-person leadership cohorts and conferences.

**Other Potentially Significant Matters**

The State projections of Proposition 10 funding have assumed a 3-5% rate of revenue decline on an annual basis over the last several years. However, approval of the ballot measure prohibiting the sale of certain flavored tobacco, Proposition 31, resulted in an accelerated decline in First 5 LA’s Proposition 10 tobacco tax funding for FY 2022-23 and FY 2023-24. Based on the most recent forecast from the Department of Finance (DOF) and the California Department of Tax and Fee Administration (CDTFA) updated January 2024, which was adjusted in response to Proposition 31, following two years of higher-than-average decline in revenues, the future rate of decline is anticipated to return to the average state of 3-5% rate of revenue decline per year.

The long-term impact to our primary source of funding, and ever-changing tobacco tax legislation, will require us to revisit the established spending limits. These long-term spending limits will be informed by the impact of Proposition 31 and the new strategic plan implementation process. A revised long-term financial plan will be shared with the First 5 LA Commission for review and approval in FY 2024-25. The revised LTFP should allow us to continue manage the transition to a more sustainable spending plan with greater alignment to the new strategic plan and evolving fiscal realities.

First 5 LA continues to receive backfill “hold harmless” payments from the State to keep Proposition 10 revenue whole for participating counties following the passage and implementation of SBx2 and Proposition 56.

**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, 2024

	General Fund	Adjustments (Note 1)	Statement of Net Position
<b>Assets</b>			
Cash and investments	\$ 277,109,498	\$ -	\$ 277,109,498
State receivable	11,214,745	-	11,214,745
Interest receivable	1,139,881	-	1,139,881
Advances to grantees	365,973	-	365,973
Capital assets			
Not depreciated	-	2,039,000	2,039,000
Depreciable capital assets (net)	-	11,233,466	11,233,466
<b>Total assets</b>	<b>\$ 289,830,097</b>	<b>\$ 13,272,466</b>	<b>\$ 303,102,563</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	\$ 14,405,489	\$ -	\$ 14,405,489
Compensated absences			
Due within one year	-	147,848	147,848
Due in more than one year	-	826,211	826,211
<b>Total liabilities</b>	<b>14,405,489</b>	<b>974,059</b>	<b>15,379,548</b>
<b>Deferred Inflows of Resources</b>			
Unavailable revenue	6,754,348	(6,754,348)	-
<b>Total deferred inflows of resources</b>	<b>6,754,348</b>	<b>(6,754,348)</b>	<b>-</b>
<b>Fund Balance/Net Position</b>			
Fund balance			
Nonspendable	365,973	(365,973)	-
Committed	72,416,202	(72,416,202)	-
Assigned	128,490,922	(128,490,922)	-
Unassigned	67,397,163	(67,397,163)	-
<b>Total fund balance</b>	<b>268,670,260</b>	<b>(268,670,260)</b>	<b>-</b>
<b>Net position</b>			
Investment in capital assets	-	13,272,466	13,272,466
Unrestricted	-	274,450,549	274,450,549
<b>Total net position</b>	<b>-</b>	<b>287,723,015</b>	<b>287,723,015</b>
<b>Total liabilities, deferred inflows of resources and fund balance/net position</b>	<b>\$ 289,830,097</b>	<b>\$ 13,272,466</b>	<b>\$ 303,102,563</b>

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, 2024

	General Fund	Adjustments (Note 1)	Statement of Activities
Revenues			
Program revenues			
Operating grants and contributions			
Tobacco taxes	\$ 36,053,911	\$ 3,277,628	\$ 39,331,539
Proposition 56	15,382,483	-	15,382,483
CA Electronic Cigarette Excise Tax	906,273	(6,042)	900,231
State Commission Program Funds	4,550,388	(1,466,992)	3,083,396
Local Entity Program Funding	5,718,128	1,230,056	6,948,184
Total program revenues	<u>62,611,183</u>	<u>3,034,650</u>	<u>65,645,833</u>
General revenues			
Investment income	13,204,033	(238,608)	12,965,425
Net increase in fair value of investments	3,805,000	-	3,805,000
Other general income	75	-	75
Total general revenues	<u>17,009,108</u>	<u>(238,608)</u>	<u>16,770,500</u>
Total revenues	<u>79,620,291</u>	<u>2,796,042</u>	<u>82,416,333</u>
Expenditures/expenses			
Provider grants and other allocations	69,291,109	-	69,291,109
Salaries and benefits	14,159,195	(30,433)	14,128,762
Operating services	1,227,536	-	1,227,536
Consultant services	1,231,750	-	1,231,750
Professional services	329,402	-	329,402
Professional development	79,753	-	79,753
Travel	74,718	-	74,718
Capital outlay	245,026	(245,026)	-
Depreciation	-	437,195	437,195
Total expenditures/expenses	<u>86,638,489</u>	<u>161,736</u>	<u>86,800,225</u>
Net change in fund balance	<u>(7,018,198)</u>	<u>7,018,198</u>	<u>-</u>
Change in Net Position	-	(4,383,892)	(4,383,892)
Fund Balance/Net Position			
Beginning of Year	<u>275,688,458</u>	<u>16,418,449</u>	<u>292,106,907</u>
End of Year	<u>\$ 268,670,260</u>	<u>\$ 19,052,755</u>	<u>\$ 287,723,015</u>

## Los Angeles County Children and Families First – Proposition 10 Commission

Notes to Financial Statements  
For the Year Ended June 30, 2024

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**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.

## Los Angeles County Children and Families First – Proposition 10 Commission

Notes to Financial Statements  
For the Year Ended June 30, 2024

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**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.

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, proposition 56 taxes, CA Electronic Cigarette Excise 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 represents the resources that the Commission has available for use in providing services. Net position is composed of investment in capital assets and unrestricted funds. At June 30, 2024, the Commission reported unrestricted net position of \$274,450,549.

**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.

Los Angeles County Children and Families First – Proposition 10 Commission  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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**Adjustments Between Fund Financial Statements and Government-Wide Financial Statements****a. 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 \$13,272,466 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 \$245,026 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, 2024 amounted to \$437,195 and is included in the government-wide financial statements.

**b. Long-Term Liabilities**

As of June 30, 2024, the Commission estimated its liability for vested compensated absences to be \$974,059. 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 decrease in compensated absences during the year of \$30,433 is reported in the statement of activities and does not require the use of current financial resources.

**c. 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, 2024, the Commission has unavailable revenues of \$6,754,348. The change in unavailable revenue during the year of \$2,796,042 is reported in the statement of activities and is presented in the adjustments column on page 17 of the statements.

**Net Position**

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

- 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.

## Los Angeles County Children and Families First – Proposition 10 Commission

Notes to Financial Statements  
For the Year Ended June 30, 2024

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**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, 2024:

## 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).

## 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, 2024, 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 50% 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.

Los Angeles County Children and Families First – Proposition 10 Commission  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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

#### Effective in Current Fiscal Year

**GASB Statement No. 99** – In April 2022, the GASB issued Statement No. 99, *Omnibus*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023. The Commission has determined that there was no material impact on the Commission’s financial statements.

**GASB Statement No. 100** – In June 2022, the GASB issued Statement No. 100, *Accounting Changes and Error Corrections*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The Commission has determined that there was no material impact on the Commission’s financial statements.

#### Effective in Future Fiscal Years

The GASB has issued the following pronouncements that have effective dates which may impact future financial statement presentation. The Commission has not determined the effect of the following Statements:

GASB Statement No. 101 – *Compensated Absences*

GASB Statement No. 102 – *Certain Risk Disclosures*

GASB Statement No. 103 – *Financial Reporting Model Improvements*

#### Investments

The Commission participates in the common investment pool of Los Angeles County as well as investments in a 3-year specific investment program administered by 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 Financial Statements  
For the Year Ended June 30, 2024

**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 2023-24, the Commission entered into agreements with various grantees to support the Commission’s 2024-2029 Strategic Plan. The Commission has the following outstanding advances to grantees as of June 30, 2024.

Advances to Grantees	
Para Los Ninos	\$ 143,812
The Nonprofit Partnership	43,295
El Nido Family Centers	37,912
Community Health Councils	82,087
Martin Luther King	<u>58,867</u>
 Total advances to grantees	 <u><u>\$ 365,973</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. Subscription-Based Information Technology Arrangements (SBITAs) with a cost in excess of \$10,000 and with a period equal to one year or greater are capitalized. 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. SBITAs are amortized over the term of the agreement.

**Deferred Inflows of Resources**

Deferred inflows of resources represent an acquisition of net assets 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.

## Los Angeles County Children and Families First – Proposition 10 Commission

Notes to Financial Statements  
For the Year Ended June 30, 2024**Note 2 - Cash and Investments**

Total cash and investments at fair value, as of June 30, 2024 are as follows:

Cash	
Cash in bank	<u>\$ 3,433,435</u>
Investments	
Investments with County Treasurer	
Pooled cash and investments	139,860,363
3 Year Specific Investments	<u>133,815,700</u>
Total investments	<u>273,676,063</u>
Total cash and investments	<u><u>\$ 277,109,498</u></u>

**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 fair 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, 2024, cash held by financial institutions of \$4,596,064 was entirely insured and collateralized as described above. The book balance at June 30, 2024 was \$3,433,435.

**Investments**

Investments with the Los Angeles County Treasurer at June 30, 2024 are stated at fair value.

The fair value of 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. 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, 2024, the remaining maturity for the County pool approximated 668 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 Annual Comprehensive Financial Report.

## Los Angeles County Children and Families First – Proposition 10 Commission

Notes to Financial Statements  
For the Year Ended June 30, 2024

The Commission had the following investments and maturities at June 30, 2024:

Investment Type	Investment Maturities (in Months)			Total
	12 Months or Less	13 to 24 Months	25 to 36 Months	
Investments with County Treasurer				
3 Year Specific Investments				
Federal Agencies	\$ -	\$ 133,815,700	\$ -	\$ 133,815,700
Pooled Cash and Investments	139,860,363	-	-	139,860,363
Total investments	<u>\$ 139,860,363</u>	<u>\$ 133,815,700</u>	<u>\$ -</u>	<u>\$ 273,676,063</u>

**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.

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.

Investments' fair value measurements are as follows as of June 30, 2024:

Investment Type	Level 1	Level 2	Level 3	Fair Value
Investments with County Treasurer				
3 Year Specific Investment				
Federal Agencies	\$ -	\$ 133,815,700	\$ -	\$ 133,815,700
Investments not Leveled				
Investments with County Treasurer				
Pooled Cash and Investments				139,860,363
Total investments				<u>\$ 273,676,063</u>

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 and investments in money market mutual funds at June 30, 2024 are 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 Financial Statements  
For the Year Ended June 30, 2024

**Authorized Investments**

The Commission has adopted an investment policy that identifies the authorized investment types consistent with the California Government Code, where more restrictive. The investments authorized in the policy include Certificates of Deposits (CD’s), Commercial Paper (CP), Corporate Notes, Federal Agencies, U.S. Treasuries, Los Angeles County Investment Pool, and Money Market Mutual Funds.

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. The Commission’s investment in Federal Agencies is rated Aaa (Moody’s) and AA+ (S&P).

**Concentration Credit Risk**

Investments in any one issuer (other than Money Market Mutual Funds, U.S. Treasury Securities, or external investment pools) that represent 5% or more of the total investments of the Commission are as follows:

Issuer	Investment Type	Fair Value	Percent of Portfolio
The Federal Home Loan Bank (FHLB)	Federal Agencies	\$83,962,200	31%
The Federal Home Loan Mortgage Corporation (FHLMC)	Federal Agencies	49,853,500	18%

**Custodial Credit Risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover collateral securities that are in the possession of an outside party.

Deposits that potentially subject the Commission to custodial credit risk consist of demand deposits. The Commission had no deposits at June 30, 2024, which were not covered by the FDIC insurance. However, these amounts are secured in accordance with the California Government Code, which requires that financial institutions secure deposits made by state and local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. Collateral is considered held in the Commission's name.

Los Angeles County Children and Families First – Proposition 10 Commission  
Notes to Financial Statements  
For the Year Ended June 30, 2024

**Note 3 - Capital Assets**

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024
Capital assets, not depreciated				
Land	\$ 2,039,000	\$ -	\$ -	\$ 2,039,000
Capital assets, depreciable				
Building and improvements	15,822,441	148,358	-	15,970,799
Computer software and accessories	2,262,881	96,668	-	2,359,549
Office equipment	346,046	-	-	346,046
Furniture and fixtures	627,670	-	-	627,670
Total depreciable capital assets	<u>19,059,038</u>	<u>245,026</u>	<u>-</u>	<u>19,304,064</u>
Less accumulated depreciation				
Building and improvements	(4,570,809)	(358,145)	-	(4,928,954)
Computer software and accessories	(2,102,392)	(76,048)	-	(2,178,440)
Office equipment	(332,533)	(3,002)	-	(335,535)
Furniture and fixtures	(627,669)	-	-	(627,669)
Total accumulated depreciation	<u>(7,633,403)</u>	<u>(437,195)</u>	<u>-</u>	<u>(8,070,598)</u>
Total capital assets, depreciable (Net)	<u>11,425,635</u>	<u>(192,169)</u>	<u>-</u>	<u>11,233,466</u>
Capital assets, net	<u>\$ 13,464,635</u>	<u>\$ (192,169)</u>	<u>\$ -</u>	<u>\$ 13,272,466</u>

**Note 4 - Changes in Compensated Absences**

Compensated absences liability activities for the year ended June 30, 2024 is as follows:

	Balance June 30, 2023	Increases	Decreases	Balance June 30, 2024	Due Within One Year
Compensated absences	<u>\$ 1,004,492</u>	<u>\$ 684,382</u>	<u>\$ (714,815)</u>	<u>\$ 974,059</u>	<u>\$ 147,848</u>

Los Angeles County Children and Families First – Proposition 10 Commission

Notes to Financial Statements

For the Year Ended June 30, 2024

**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, 2024 consists of the following:

<u>Initiative/Program Allocation</u>	Nonspendable
Advances	
Para Los Ninos	\$ 143,812
The Nonprofit Partnership	43,295
El Nido Family Centers	37,912
Community Health Councils	82,087
Martin Luther King	58,867
Total nonspendable	<u>365,973</u>
	Committed
Annual Reporting	63,000
Capital Project Fund	2,231,277
Center Support	390,000
Children's Data Network (CDN)	706,000
Communities	12,502,000
Data Agenda	250,000
Data Requests	5,000
Early Care & Education	5,585,940
Early Childhood Policy and Advocacy Fund	3,600,000
Emerging Opportunities Fund	150,000
Family Supports	36,597,160
Health Systems	2,383,000
Impact Framework	153,000
Little by Little/One Step Ahead	2,579,000
Organizational Memberships	160,000
Organization-Wide Partnerships	160,000
Organization-Wide Sponsorships	275,000
Policy Advocacy Fund Technical Assistance Provider	535,000
Policy Advocacy Stakeholder Engagement	160,000
State Policy and Sustainability Advocate	300,000
Strategic Communications	1,417,825
Strategic Communications Partnerships	200,000
Strategic Marketing	1,100,000
Strategic Plan Advocacy Strategies	590,000
WIC Data Mining Research Partnership	323,000
Total committed	<u>72,416,202</u>

Los Angeles County Children and Families First – Proposition 10 Commission  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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<u>Initiative/Program Allocation</u>	Assigned
Strategic Plan	\$ 128,490,922
Total assigned	128,490,922
	Unassigned
Total unassigned	67,397,163
Total fund balance	\$ 268,670,260

**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 \$2,090,695 on program evaluation during the year ended June 30, 2024.

**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 \$753,478, comprised of \$275,842 in elective contribution and \$477,636 in non-elective contribution for the fiscal year ended June 30, 2024.

Los Angeles County Children and Families First – Proposition 10 Commission  
Notes to Financial Statements  
For the Year Ended June 30, 2024

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**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	\$	3,277,628
CA Electronic Cigarette Excise Tax		240,000
LACOE IMPACT		1,081,372
Home Visiting Coordination Program		1,574,265
Investment Income		<u>581,083</u>
Total unavailable revenue	\$	<u><u>6,754,348</u></u>

**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 - Related Party Transactions**

The Commission incurred expenditures totaling \$11,919 for County of Los Angeles services provided during the year ended June 30, 2024.

In the fiscal year, the Commission incurred \$48,680,505 of expenditures for provider grants, operating services, consultant services, and professional services to organizations which are represented by 12 members of the Board of Commissioners. As of June 30, 2024, amounts of \$7,738,712 are included in accounts payable to these organizations.

**Note 11 - 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 \$1,983,793 in IMPACT Regional Coordination and Training reimbursable expenditures for the year ended June 30, 2024.

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 \$667,449 in IMPACT Technical Assistance Hubs reimbursable expenditures for the year ended June 30, 2024.

Required Supplementary Information  
June 30, 2024

**Los Angeles County Children and  
Families First – Proposition 10  
Commission**

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, 2024

	Original Budget	Final Budget	Actual	Variance Increase (Decrease)
<b>Revenues</b>				
Tobacco Taxes	\$ 58,806,335	\$ 56,668,557	\$ 36,053,911	\$ (20,614,646)
Proposition 56	-	-	15,382,483	15,382,483
CA Electronic Cigarette Excise Tax	-	-	906,273	906,273
State Commission Program Funds	-	-	4,550,388	4,550,388
Local Entity Program Funding	-	-	5,718,128	5,718,128
Investment Income	3,944,358	4,330,413	13,204,033	8,873,620
Net Increase in Fair Value of Investments	-	-	3,805,000	3,805,000
Other General Income	8,288,000	10,288,000	75	(10,287,925)
Total revenues	<u>71,038,693</u>	<u>71,286,970</u>	<u>79,620,291</u>	<u>8,333,321</u>
<b>Expenditures</b>				
<b>Program Costs</b>				
Provider Grants and Other Allocations	78,370,282	80,370,282	69,291,109	11,079,173
<b>Operations &amp; Administration</b>				
<b>Salaries and Benefits</b>				
Salaries and Wages	12,274,806	12,274,806	10,706,322	1,568,484
Fringe Benefits	3,996,716	3,996,716	3,452,873	543,843
Total salaries and benefits	<u>16,271,522</u>	<u>16,271,522</u>	<u>14,159,195</u>	<u>2,112,327</u>
<b>Operating Services</b>				
ADP Payroll Charges	42,000	42,000	35,734	6,266
Workers' Compensation Insurance	45,000	45,000	60,404	(15,404)
Utilities	170,000	170,000	194,022	(24,022)
Corporate Insurance	113,300	113,300	128,006	(14,706)
Mileage and Parking	28,825	28,825	9,625	19,200
Telephones and Modems	71,600	71,600	63,023	8,577
Cell Phones and Mobile Devices	122,000	122,000	100,700	21,300
Outside Printing	1,450	1,450	193	1,257
Other Supplies	6,250	6,250	9,698	(3,448)
Postage and Delivery	6,000	6,000	1,514	4,486
Educational Supplies	3,850	3,850	285	3,565
Office Supplies	63,655	63,655	16,687	46,968
Subscriptions and Publications	28,325	28,325	26,221	2,104
Equipment Rental	13,000	13,000	21,812	(8,812)
Building Repairs and Maintenance	185,000	185,000	167,522	17,478
Equipment Repairs and Maintenance	7,500	7,500	-	7,500
Offsite Storage	5,500	5,500	10,849	(5,349)
Hardware and Software Maintenance	394,000	406,500	283,263	123,237
Miscellaneous/Contingency	60,000	60,000	29,026	30,974
Stipend/Honorarium	2,500	2,500	-	2,500
Internal Meetings	99,240	100,740	57,192	43,548
Division Capacity Building	20,000	20,000	11,760	8,240
Total operating services	<u>1,488,995</u>	<u>1,502,995</u>	<u>1,227,536</u>	<u>275,459</u>

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, 2024

	Original Budget	Final Budget	Actual	Variance Increase (Decrease)
Consultant Services				
Consultant Fees	\$ 1,462,500	\$ 1,458,500	\$ 936,939	\$ 521,561
Other Professional Fees	291,000	291,000	294,811	(3,811)
Total consultant services	<u>1,753,500</u>	<u>1,749,500</u>	<u>1,231,750</u>	<u>517,750</u>
Professional Services				
Audit	72,000	72,000	81,908	(9,908)
Legal	225,000	225,000	151,615	73,385
Professional Dues	55,370	55,370	48,106	7,264
Staff Recruitment	15,000	15,000	2,089	12,911
Commission Stipends	20,000	20,000	11,700	8,300
Web-Based Services	88,000	88,000	22,065	65,935
Bank & Other Service Charges	11,000	11,000	11,919	(919)
Total professional services	<u>486,370</u>	<u>486,370</u>	<u>329,402</u>	<u>156,968</u>
Travel				
Airfare	107,562	109,562	29,478	80,084
Lodging	104,354	106,354	28,820	77,534
Per Diem	47,602	49,602	11,430	38,172
Other Travel Expense	12,158	14,158	4,990	9,168
Total travel and meetings	<u>271,676</u>	<u>279,676</u>	<u>74,718</u>	<u>204,958</u>
Professional Development				
Training Materials & Supplies	15,780	15,780	-	15,780
In-house Training	77,200	57,200	-	57,200
Leadership Programs	81,500	83,500	26,490	57,010
Conference Registrations	112,300	114,300	51,099	63,201
Outside Education	57,700	55,700	2,164	53,536
Total professional development	<u>344,480</u>	<u>326,480</u>	<u>79,753</u>	<u>246,727</u>
Capital Outlay	<u>130,000</u>	<u>130,000</u>	<u>245,026</u>	<u>(115,026)</u>
Total operating expenditures	<u>20,746,543</u>	<u>20,746,543</u>	<u>17,347,380</u>	<u>3,399,163</u>
Total program costs and operating expenditures	<u>99,116,825</u>	<u>101,116,825</u>	<u>86,638,489</u>	<u>14,478,336</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (28,078,132)</u>	<u>\$ (29,829,855)</u>	(7,018,198)	<u>\$ 22,811,657</u>
Fund balance - Beginning of year			<u>275,688,458</u>	
Fund balance - End of year			<u>\$ 268,670,260</u>	

Los Angeles County Children and Families First – Proposition 10 Commission

Note to the Required Supplementary Information

For the Year Ended June 30, 2024

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**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 fiscal year 2023-24 was \$101 million, which included \$80 million for Program costs and \$21 million for Operating and Administrative costs.

Other Supplementary Information  
June 30, 2024

**Los Angeles County Children and  
Families First – Proposition 10  
Commission**

Los Angeles County Children and Families First – Proposition 10 Commission  
Schedule of First 5 California Funding  
For the Year Ended June 30, 2024

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<u>Program</u>	<u>Source</u>	<u>Revenue Funds</u>	<u>Expenditures</u>
IMPACT Regional Coordination and Training	First 5 California	\$ 1,983,793	\$ 1,983,793
Technical Assistance Hubs (Hubs)	First 5 California	667,449	667,449

Los Angeles County Children and Families First – Proposition 10 Commission

Statistical Section

(Unaudited)

The information in this section is not covered by the Independent Auditor’s Report, but it is presented as supplemental data for the benefit of the readers of the Annual Comprehensive 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.

	Page
<b>Financial Trends</b>	
These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.	37-40
<b>Revenue Capacity</b>	
These schedules contain trend information to help the reader assess the Commission's most significant revenue base.	41-43
<b>Demographic Information</b>	
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.	44-46
<b>Operating Information</b>	
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.	47-48

Sources:

Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Unrestricted	\$ 274,450,549	\$ 278,642,272	\$ 287,686,543	\$ 315,694,716	\$ 338,630,916	\$ 364,338,314	\$ 379,018,838	\$ 422,015,244	\$ 461,512,770	\$ 543,521,742
Investment in capital asset	13,272,466	13,464,635	12,880,231	10,394,423	10,628,033	10,841,379	11,046,294	11,310,273	11,593,026	11,885,041
<b>Total net position</b>	<b>\$ 287,723,015</b>	<b>\$ 292,106,907</b>	<b>\$ 300,566,774</b>	<b>\$ 326,089,139</b>	<b>\$ 349,258,949</b>	<b>\$ 375,179,693</b>	<b>\$ 390,065,132</b>	<b>\$ 433,325,517</b>	<b>\$ 473,105,796</b>	<b>\$ 555,406,783</b>

Los Angeles County Children and Families First – Proposition 10 Commission  
Changes in Net Position  
Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018*	2017	2016	2015
<b>Revenues</b>										
Tobacco taxes*	\$ 39,331,539	\$ 47,253,504	\$ 55,265,755	\$ 60,590,413	\$ 60,022,841	\$ 68,580,443	\$ 72,330,836	\$ 83,567,141	\$ 87,942,700	\$ 89,475,135
Prop. 56	15,382,483	16,236,701	18,534,434	18,215,617	18,068,329	7,482,310	-	-	-	-
CA Electronic Cigarette Excise Tax	900,231	1,114,427	-	-	-	-	-	-	-	-
State Commission Program Funds	3,083,396	5,109,088	3,574,885	2,469,410	922,472	13,986,085	896,040	556,665	5,796,252	10,283,414
Medi-Cal Administrative Activities	-	132,945	189,125	80,319	133,955	350,924	181,859	137,599	159,549	80,799
Partnership for Families Fund**	-	-	-	-	-	-	-	4,334,967	9,001,152	4,615,313
California Department of Education	-	-	-	32,830	328,658	376,551	298,700	-	-	-
Local Entity Program Funding	6,948,184	550,017	811,368	522,406	584,118	123,793	1,016,683	401,956	115,000	-
Investment income	12,965,425	9,440,982	1,629,048	1,987,840	6,938,051	8,183,532	6,830,856	4,003,489	3,759,751	3,903,275
Net increase (decrease) in FMV of investments	3,805,000	3,649,787	(11,173,321)	(2,861,364)	1,354,275	4,898,141	(2,742,856)	(3,026,254)	1,064,007	2,152,879
Other revenues	75	2,500	18,000	121,894	110,899	133,321	148,135	122,208	119,100	104,072
<b>Total revenues:</b>	<b>\$ 82,416,333</b>	<b>\$ 83,489,951</b>	<b>\$ 68,849,294</b>	<b>\$ 81,159,365</b>	<b>\$ 88,463,598</b>	<b>\$ 104,115,100</b>	<b>\$ 78,960,253</b>	<b>\$ 90,097,771</b>	<b>\$ 107,957,511</b>	<b>\$ 110,614,887</b>
<b>Expenses</b>										
Provider grants and other allocations	\$ 69,291,109	\$ 73,000,450	\$ 75,838,658	\$ 84,700,927	\$ 93,379,930	\$ 97,979,838	\$ 101,364,209	\$ 106,777,128	\$ 159,337,913	\$ 182,991,937
Pass-through grants	-	-	-	-	65,042	273,294	136,877	4,150,975	13,519,735	N/A
Salaries and benefits	14,128,762	15,672,576	15,131,025	16,838,090	17,393,319	17,532,230	17,382,747	15,763,620	14,357,480	13,423,832
Operating services	1,227,536	1,136,076	1,217,057	1,087,787	1,212,116	1,122,911	1,232,687	1,172,319	1,157,290	1,346,532
Consultant services	1,231,750	1,274,116	1,343,030	905,278	1,308,527	881,090	850,154	999,806	990,724	1,216,609
Professional services	329,402	293,063	327,245	426,218	323,816	382,450	500,050	346,529	323,336	404,560
Professional development	79,753	68,743	113,106	61,235	176,217	186,902	166,975	-	-	-
Other expenses	74,718	66,365	2,087	86	224,934	339,524	273,951	358,346	255,453	264,892
Depreciation	437,195	438,429	399,451	309,554	300,441	302,300	312,988	309,327	316,567	322,346
<b>Total expenses:</b>	<b>\$ 86,800,225</b>	<b>\$ 91,949,818</b>	<b>\$ 94,371,659</b>	<b>\$ 104,329,175</b>	<b>\$ 114,384,342</b>	<b>\$ 119,000,539</b>	<b>\$ 122,220,638</b>	<b>\$ 129,878,050</b>	<b>\$ 190,258,498</b>	<b>\$ 199,970,708</b>
<b>Change in net position</b>	<b>\$ (4,383,892)</b>	<b>\$ (8,459,867)</b>	<b>\$ (25,522,365)</b>	<b>\$ (23,169,810)</b>	<b>\$ (25,920,744)</b>	<b>\$ (14,885,439)</b>	<b>\$ (43,260,385)</b>	<b>\$ (39,780,279)</b>	<b>\$ (82,300,987)</b>	<b>\$ (89,355,821)</b>

\* 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									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Fund Balance</b>										
Nonspendable	\$ 365,973	\$ 484,581	\$ 884,546	\$ 2,239,303	\$ 2,193,116	\$ 50,000	\$ 1,044,000	\$ 19,760,505	\$ 34,279,475	\$ 39,411,636
Committed	72,416,202	80,749,917	91,366,959	175,100,818	138,338,530	154,580,859	195,282,039	216,214,576	249,515,814	340,879,636
Assigned	128,490,922	124,149,006	120,353,448	59,941,864	113,226,421	141,221,211	125,245,775	128,331,556	114,665,689	78,113,279
Unassigned	67,397,163	70,304,954	75,241,629	79,140,252	84,925,739	56,257,698	57,847,860	57,832,380	61,615,198	78,223,453
<b>Total Fund Balance</b>	<u>\$ 268,670,260</u>	<u>\$ 275,688,458</u>	<u>\$ 287,846,582</u>	<u>\$ 316,422,237</u>	<u>\$ 338,683,806</u>	<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>

Los Angeles County Children and Families First – Proposition 10 Commission  
 Changes in Fund Balances – General Fund  
 Last Ten Fiscal Years

	Fiscal Year									
	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
<b>Revenues</b>										
Tobacco taxes*	\$ 36,053,911	\$ 47,253,504	\$ 55,265,755	\$ 60,590,413	\$ 71,477,179	\$ 68,580,443	\$ 72,330,836	\$ 83,567,141	\$ 87,942,700	\$ 89,475,135
Prop. 56	15,382,483	16,236,701	18,534,434	18,215,617	18,068,329	7,482,310	-	-	-	-
State School Readiness	-	-	-	-	-	-	-	-	-	-
CA Electronic Cigarette Excise Tax	906,273	868,385	-	-	-	-	-	-	-	-
State Commission Program Funds	4,550,388	2,510,249	2,901,648	2,952,210	1,450,823	13,986,085	896,040	556,665	5,796,252	11,050,327
Medi-Cal Administrative Activities	-	132,945	189,125	80,319	133,955	350,924	181,859	137,599	159,549	80,799
Partnership for Families Funds**	-	-	-	-	-	-	-	4,334,967	9,001,152	3,701,993
California Department of Education	-	-	-	32,830	328,658	376,551	298,700	-	-	-
Local Entity Program Funding	5,718,128	1,153,255	861,659	531,868	320,982	123,793	1,016,683	401,956	115,000	-
Investment income	13,204,033	8,621,291	1,629,048	1,987,840	6,938,051	8,183,532	6,830,856	4,003,489	3,759,751	3,903,275
Net increase (decrease) in FMV of investments	3,805,000	3,649,787	(11,173,321)	(2,861,364)	1,354,275	4,898,141	(2,742,856)	(3,026,254)	1,064,007	2,152,879
Other income	75	2,500	18,000	105,414	110,899	133,321	148,135	122,208	119,100	104,072
<b>Total revenues:</b>	<b>\$ 79,620,291</b>	<b>\$ 80,428,617</b>	<b>\$ 68,226,348</b>	<b>\$ 81,635,147</b>	<b>\$ 100,183,151</b>	<b>\$ 104,115,100</b>	<b>\$ 78,960,253</b>	<b>\$ 90,097,771</b>	<b>\$ 107,957,511</b>	<b>\$ 110,468,480</b>
<b>Expenditures:</b>										
Provider grants and other allocations	\$ 69,291,109	\$ 73,000,450	\$ 75,838,658	\$ 84,700,927	\$ 93,379,930	\$ 97,979,838	\$ 101,364,209	\$ 106,777,128	\$ 159,337,913	\$ 182,991,937
Pass-through grants	-	-	-	-	65,042	273,294	136,877	4,150,975	13,519,735	N/A
AB 99	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
First 5 California (SRI)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Salaries and benefits	14,159,195	15,725,095	15,075,561	16,639,241	17,281,687	17,532,230	17,382,747	15,763,620	14,357,480	13,414,357
Operating services	1,227,536	1,136,076	1,217,057	1,087,787	1,212,116	1,122,911	1,232,687	1,172,319	1,157,290	1,346,532
Consultant services	1,231,750	1,274,116	1,343,030	905,278	1,308,527	881,090	850,154	999,806	990,724	1,216,609
Professional services	329,402	293,063	327,245	426,218	323,816	382,450	500,050	346,529	323,336	404,560
Professional development	79,753	68,743	113,106	61,235	176,217	186,902	166,975	-	-	-
Other expenses	74,718	66,365	2,087	86	224,934	339,524	273,951	358,346	255,453	264,892
Capital outlay	245,026	1,022,833	2,885,259	75,944	87,095	302,300	312,988	309,327	316,567	124,949
<b>Total expenditures:</b>	<b>\$ 86,638,489</b>	<b>\$ 92,586,741</b>	<b>\$ 96,802,003</b>	<b>\$ 103,896,716</b>	<b>\$ 114,059,364</b>	<b>\$ 119,000,539</b>	<b>\$ 122,220,638</b>	<b>\$ 129,878,050</b>	<b>\$ 190,258,498</b>	<b>\$ 199,763,836</b>
<b>Excess of revenues over expenditures</b>	<b>\$ (7,018,198)</b>	<b>\$ (12,158,124)</b>	<b>\$ (28,575,655)</b>	<b>\$ (22,261,569)</b>	<b>\$ (13,876,213)</b>	<b>\$ (14,885,439)</b>	<b>\$ (43,260,385)</b>	<b>\$ (39,780,279)</b>	<b>\$ (82,300,987)</b>	<b>\$ (89,295,356)</b>

\*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 2023-2024 – FY 2027-2028

<u>2022*</u> <u>Projected</u> <u>Births</u>	<u>2022*</u> <u>Projected</u> <u>Birthrate</u>	<u>2023-2024*</u> <u>Tax Revenue</u> <u>Projection</u>	<u>2022</u> <u>Projected</u> <u>Births</u>	<u>2022</u> <u>Projected</u> <u>Birthrate</u>	<u>2024-2025</u> <u>Tax Revenue</u> <u>Projection</u>	<u>2023</u> <u>Projected</u> <u>Births</u>	<u>2023</u> <u>Projected</u> <u>Birthrate</u>	<u>2025-2026</u> <u>Tax Revenue</u> <u>Projection</u>	<u>2024</u> <u>Projected</u> <u>Births</u>	<u>2024</u> <u>Projected</u> <u>Birthrate</u>	<u>2026-2027</u> <u>Tax Revenue</u> <u>Projection</u>	<u>2025</u> <u>Projected</u> <u>Births</u>	<u>2025</u> <u>Projected</u> <u>Birthrate</u>	<u>2027-2028</u> <u>Tax Revenue</u> <u>Projection</u>
95,478	22.744%	\$ 56,668,557	95,478	22.744%	\$ 54,553,223	93,528	22.971%	\$ 53,494,485	94,338	23.092%	\$ 52,209,117	94,040	23.002%	\$ 50,547,962

Source:  
 "First 5 California County Tax Revenue Projections for FY 2023-24 through 2027-28"  
 \*(Last Updated 3/08/24 Utilizing DOF May 2024 Updated Tobacco Tax Revenue Projections and DOF Birth Projections for California State and Counties 2020-2060)

Los Angeles County Children and Families First – Proposition 10 Commission  
Cigarette Taxes and Other Tobacco Products Surtax Revenue  
by Fiscal Year, 1959-60 to 2022-2023  
(In thousands of dollars)

Fiscal year	Cigarette tax			Other tobacco products surtax		
	Revenue a/	Distributors' discounts b/	Gross value of tax indicia c/	Refunds	Revenue	Rate
2022-23	1,332,672,000	3,959,000	1,336,630,000	1,796,000	267,494,000	61.74%
2021-22	1,552,563,789	4,611,767	1,557,175,556	847,881	288,966,313	63.49%
2020-21	1,700,943,000	5,053,000	1,705,996,000	335,000	266,694,000	56.93%
2019-20	1,708,597,000	5,075,000	1,713,672,000	1,191,000	258,560,000	59.27%
2018-19	1,786,074,000	5,305,000	1,791,379,000	3,659,000	271,772,000	62.78%
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 d/	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% e/
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 f/	7,206,000	849,117,000	6,808,000	42,137,000 g/	61.53% g/
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 h/	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 i/	6,581,000	776,623,000	11,615,000	24,956,000 h/	37.47%
1988-89	499,712,000 i/	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		

Los Angeles County Children and Families First – Proposition 10 Commission  
Cigarette Taxes and Other Tobacco Products Surtax Revenue  
by Fiscal Year, 1959-60 to 2022-2023  
(In thousands of dollars)

Fiscal year	Cigarette tax				Other tobacco products surtax	
	Revenue a/	Distributors' discounts b/	Gross value of tax indicia c/	Refunds	Revenue	Rate
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		
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 j/	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 k/	1,675,000 l/	67,726,000	76,000		
1959-60	61,791,000 m/	767,000 m/	62,558,000	67,000		

Note: Detail may not compute to total due to rounding.

**Footnotes**

- 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. Effective April 1, 2017, the overall tax rate on cigarettes was increased from 87 cents to \$2.87 per pack.
- e. 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.
- f. 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. Excludes \$87,978,766 in 1998-99 from the floor stocks taxes for both cigarettes and other tobacco products levied on January 1, 1999.
- g. 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.
- h. 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.
- i. 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, 1989.
- j. 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.
- k. 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.
- l. Effective July 1, 1960, a discount was allowed at the time tax indicia were purchased.
- m. 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 discount was 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

**Demographic Data**

	2014 (1)	2015 (1)	2016 (1)	2017 (1)	2018 (1)	2019 (1)	2020 (1)*	2021 (1)	2022 (1)	2023 (1)
Total Population	10,126,977	10,181,066	10,215,207	10,261,736	10,278,836	10,324,698	10,013,543	9,905,214	9,792,167	9,750,065
White	2,745,389	2,742,057	2,734,611	2,732,047	2,722,365	2,724,168	2,550,540	2,522,938	2,494,151	2,483,423
Black	834,117	833,564	831,614	831,069	828,565	832,355	795,612	786,999	778,033	774,678
American Indian	19,959	20,027	20,093	20,175	20,229	20,410	18,784	18,587	18,372	18,288
Asian	1,372,821	1,381,892	1,385,913	1,393,055	1,395,155	1,395,377	1,505,832	1,489,534	1,472,534	1,466,206
Native Hawaiian & Other Pacific Islander	24,085	24,189	24,289	24,403	24,476	24,597	22,043	21,810	21,565	21,481
Hispanic or Latino	4,934,442	4,979,470	5,015,652	5,054,516	5,078,483	5,114,541	4,893,290	4,840,349	4,785,108	4,764,535
Multi-race	196,164	199,867	203,035	206,471	209,563	209,563	227,442	224,997	222,404	221,454
Female	5,127,633	5,155,652	5,175,095	5,201,009	5,210,549	5,232,284	5,059,515	5,005,021	4,948,330	4,922,159
Male	4,999,344	5,025,414	5,040,112	5,060,727	5,068,287	5,092,414	4,954,028	4,900,193	4,843,837	4,827,906
Under 5 years	646,206	645,034	634,158	624,988	607,092	587,690	556,519	524,909	497,458	478,251
5-9 years	644,459	643,497	644,771	640,576	636,547	637,200	643,568	625,597	611,410	587,750
10-14 years	637,498	632,422	629,523	634,291	637,463	638,667	648,435	645,660	636,085	629,368
15-19 years	742,241	727,556	713,861	697,383	692,400	691,590	643,929	631,074	619,013	616,541
20-24 years	797,897	807,553	810,493	802,622	786,678	773,665	780,841	756,783	732,494	758,465
25-29 years	681,244	668,489	666,490	676,732	691,365	706,231	767,833	769,883	764,486	740,388
30-39 years	1,450,724	1,447,331	1,440,568	1,431,051	1,413,067	1,397,968	1,311,512	1,301,748	1,294,719	1,307,866
40-49 years	1,423,090	1,419,677	1,414,860	1,413,542	1,406,380	1,400,493	1,234,888	1,216,875	1,200,619	1,189,077
50-59 years	1,330,539	1,343,517	1,348,247	1,354,647	1,355,259	1,362,848	1,212,053	1,196,497	1,177,315	1,159,178
60-69 years	935,625	979,320	1,016,812	1,048,181	1,075,050	1,104,938	1,118,867	1,116,402	1,106,062	1,096,186
70-79 years	504,232	525,638	546,827	579,910	611,339	643,520	681,698	702,462	725,234	748,560
80+ years	333,222	341,032	348,597	357,813	366,196	379,888	413,400	417,324	427,272	438,435

Source:  
(1) State of California, Department of Finance, Population Projections for California and Its Counties 2020-2060. Sacramento, CA, March 2024.

**Economic Data**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023*
LA County Personal Income	514,516,564	549,073,019	563,907,868	593,741,110	628,808,732	653,482,910	678,829,092	728,772,915	720,740,528	-
LA County Per Capita Personal Income	51,111	54,298	55,624	58,419	62,224	65,094	68,272	74,141	74,142	-
California Personal Income	1,986,025,976	2,133,664,158	2,212,691,221	2,303,870,496	2,475,727,500	2,632,279,800	2,814,010,800	2,997,205,600	3,018,471,000	3,133,678,900
California Per Capita Personal Income	51,317	54,664	56,374	58,272	62,586	66,745	71,480	76,386	77,339	80,423

Los Angeles County Children and Families First – Proposition 10 Commission  
 Unemployment Rate  
 2014 - 2023

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<b>Area</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
United States	3.6%	3.6%	5.3%	8.1%	3.7%	3.7%	4.4%	4.3%	5.3%	6.2%
California	4.8%	4.2%	7.3%	10.1%	4.0%	4.2%	4.8%	4.7%	6.2%	7.5%
Los Angeles County	5.0%	4.5%	8.2%	12.8%	4.0%	4.6%	4.7%	4.6%	6.7%	8.3%

Source:  
 Bureau of Labor Statistics (<http://www.bls.gov/>; annual averages)

## Los Angeles County Children and Families First – Proposition 10 Commission

Ten Largest Industries

2023 and 2014

Industry	June 30, 2023			June 30, 2014		
	Number of Employees	Rank	Percentage of Total	Number of Employees	Rank	Percentage of Total
Educational & Health Services	916,300	1	19.74%	712,300	2	17.00%
Trade, Transportation & Utilities	839,700	2	18.09%	796,600	1	19.01%
Professional & Business Services	677,100	3	14.59%	587,800	3	14.03%
Government	583,200	4	12.56%	564,500	4	13.47%
Leisure & Hospitality	554,300	5	11.94%	469,500	5	11.20%
Manufacturing	320,000	6	6.89%	373,500	6	8.91%
Information	220,600	7	4.75%	195,300	8	4.66%
Financial Activities	215,700	8	4.65%	211,300	7	5.04%
Other Services	158,000	9	3.40%	152,100	9	3.63%
Construction	150,100	10	3.23%	119,000	10	2.84%
Sub-total Ten Largest Industries	4,635,000		99.85%	4,181,900		99.80%
All Other Industries	6,900		0.15%	8,500		0.20%
<b>Total Industries</b>	<b>4,641,900</b>		<b>100.00%</b>	<b>4,190,400</b>		<b>100.00%</b>

Note:

(1) Employment by industry is presented because employment data for individual employers was unavailable.

Source:

County of Los Angeles Annual Comprehensive Financial Report for the year ended June 30, 2023:  
[Annual-Comprehensive-Financial-Report-FY-2022-2023.pdf \(lacounty.gov\)](#)

Los Angeles County Children and Families First – Proposition 10 Commission  
Capital Assets Statistics

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Capital Assets (Land, Building, Furniture & Equipment, and Software) 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  
 2015 - 2024

Functional Area	Fiscal Year									
	2024 (10)	2023 (9)	2022 (8)	2021 (7)	2020 (6)	2019 (5)	2018 (4)	2017 (3)	2016 (2)	2015 (1)
Executive	6	6	7	6	8	8	7	8	5	4.5
Administration	33	34	34	34	32	32	30	38	37.5	34.5
Programs	78	79	79	80	108	108	111	107	106	101.5
<b>Total</b>	<b>117</b>	<b>120</b>	<b>120</b>	<b>120</b>	<b>148</b>	<b>148</b>	<b>148</b>	<b>153</b>	<b>148.5</b>	<b>140.5</b>

Source:  
 (1) First 5 LA Approved FY 2014-15 Operating Budget  
 (2) First 5 LA Approved FY 2015-16 Operating Budget  
 (3) First 5 LA Approved FY 2016-17 Operating Budget  
 (4) First 5 LA Approved FY 2017-18 Operating Budget  
 (5) First 5 LA Approved FY 2018-19 Operating Budget  
 (6) First 5 LA Approved FY 2019-20 Operating Budget  
 (7) First 5 LA Approved FY 2020-21 Operating Budget  
 (8) First 5 LA Approved FY 2021-22 Operating Budget  
 (9) First 5 LA Approved FY 2022-23 Operating Budget  
 (10) First 5 LA Approved FY 2023-24 Operating Budget

**Independent Auditor’s 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 (*Government Auditing Standards*), 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, 2024, and the related notes to the financial statements, which collectively comprise the Commission’s basic financial statements and have issued our report thereon dated [report date].

**Report on 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) as a basis for designing 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 Commission'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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2024-001 that we consider to be a significant deficiency.

### **Report on 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 financial statements. 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*.

### **Commission's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the Commission's response to the finding identified in our audit and described in the accompanying Schedule of Findings and Responses. The Commission's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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 Commission'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 Commission's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rancho Cucamonga, California

[report date]

## Independent Auditor's Report on State Compliance

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

### Report on Compliance Opinion

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, 2024.

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, 2024.

### Basis for Opinion

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS), 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Commission and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Our audit does not provide a legal determination of the Commission's compliance with the compliance requirements referred to above.

### Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above, and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the California Children and Families Program.

**Auditor’s Responsibilities for the Audit of Compliance**

Our objectives are to obtain reasonable assurance about whether the material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Commission’s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the *State of California’s Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Commission’s compliance with the requirements of the California Children and Families Program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit;
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Commission’s compliance with the compliance requirements referred to above and performing such other procedures as we consider necessary in the circumstances;
- Obtain an understanding of the Commission’s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the *State of California’s Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, but not for the purpose of expressing an opinion on the effectiveness of the Commission’s internal controls over compliance. Accordingly, we express no such opinion; and
- Select and test transactions and records to determine the Commission’s compliance with the state laws and regulations applicable to the following items:

Description	Audit Guide Procedures	Procedures Performed
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 Benefits Policies	2	Yes

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identify during the audit.

### **Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention from those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit, we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control 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*. Accordingly, this report is not suitable for any other purpose.

Rancho Cucamonga, California

[report date]

Los Angeles County Children and Families First – Proposition 10 Commission  
Schedule of Findings and Responses  
Year Ended June 30, 2024

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2024-001

**Bank Reconciliations and Fair Value Adjustment**

**Type of Finding:** Significant Deficiency in Internal Control over Financial Reporting

*Criteria:*

Management is responsible for the preparation and fair presentation of the financial statements. Management is responsible for ensuring that all financial records and related information is reliable and properly recorded in accordance with the Generally Accepted Accounting Principles (GAAP).

*Condition:*

During our audit, we noted that the Commission did not accurately reconcile its investment balance. An adjustment in the amount of \$306,418 was needed to properly reflect the investment balance at June 30, 2024.

*Cause:*

During our test of the Commission's Pooled Cash and Investments with the County June 2024 reconciliation, we noted the reconciliation did not properly reconcile to the Commission's general ledger. As a result, the Commission did not properly adjust for the unrecognized fair value loss on their pooled cash and investments with the County resulting in the adjustment of \$306,418 to investments.

*Effect:*

The June 2024 pooled cash and investments account was not properly reconciled and the reconciliation had to be reformed to correctly reconcile cash and investments. Additionally, an adjustment was necessary to correct the investment balance.

*Recommendation:*

The current format of the pooled cash and investments bank reconciliation makes reconciliation of the general ledger balance and the bank (County) balance difficult. We recommend that the pooled cash and investments bank reconciliation format be changed to make reconciliation of these items easier. This would ensure that the bank statement is agreed to the general ledger on a monthly basis and enable a visible monthly summary of activity.

*Views of Responsible Officials and Planned Corrective Action:*

During our year end process, our accounting team will review the journal entry and computation of the fair value adjustment with the county bank statements before processing in our accounting system. The approval process will be as follows: Journal entry and computation by a Staff Accountant. Review by the Accounting Manager. Final approval by the Director of Finance.

[Date]

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

We have audited the financial statements of the governmental activities and 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, 2024 and have issued our report thereon dated [Date]. Professional standards require that we advise you of the following matters relating to our audit.

**Our Responsibility in Relation to the Financial Statement Audit under Generally Accepted Auditing Standards and *Government Auditing Standards***

As communicated in our discussion on May 2, 2024, our responsibility, as described by professional standards, is to form and express an opinion about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Commission solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding a significant control deficiency during our audit in our Independent Auditor's 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* dated [date].

**Planned Scope and Timing of the Audit**

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

## **Compliance with All Ethics Requirements Regarding Independence**

The engagement team, others in our firm, as appropriate, our firm, and other firms utilized in the engagement, if applicable, have complied with all relevant ethical requirements regarding independence.

## **Significant Risks Identified**

As stated in our auditor’s report, professional standards require us to design our audit to provide reasonable assurance that the financial statements are free of material misstatement whether caused by fraud or error. In designing our audit procedures, professional standards require us to evaluate the financial statements and assess the risk that a material misstatement could occur. Areas that are potentially more susceptible to misstatements, and thereby require special audit considerations, are designated as “significant risks.” We have identified the following as significant risks:

- Management override of internal controls
- Revenue recognition related to grant revenue

## **Qualitative Aspects of the Entity’s Significant Accounting Practices**

### *Significant Accounting Policies*

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Commission is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year ended June 30, 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

### *Accounting Estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management’s current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management’s current judgments. No such sensitive accounting estimates were identified.

### *Financial Statement Disclosures*

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. There were no financial statement disclosures that we consider to be particularly sensitive or involve significant judgment.

## **Significant Difficulties Encountered during the Audit**

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

### **Uncorrected and Corrected Misstatements**

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. Uncorrected misstatements or matters underlying those uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even though the uncorrected misstatements are immaterial to the financial statements currently under audit.

The attached schedule of corrected misstatements summarizes misstatements that we identified as a result of our audit procedures and were brought to the attention of, and corrected by, management.

The attached schedule of uncorrected misstatements summarizes financial statement misstatements whose effects in the current period, as determined by management, are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The effect of these uncorrected misstatements, as of and for the year ended June 30, 2024, is summarized in the attached schedule of uncorrected misstatements.

### **Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Commission's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

### **Circumstances that Affect the Form and Content of the Auditor's Report**

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report. We did not identify any circumstances that affect the form and content of the auditor's report.

### **Representations Requested from Management**

We have requested certain written representations from management which are included in the management representation letter dated "[date of management representation letter]".

### **Management's Consultations with Other Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

### **Other Significant Matters, Findings, or Issues**

In the normal course of our professional association with the Commission, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Commission's auditors.

**Other Information Included in Annual Reports**

Pursuant to professional standards, our responsibility as auditors for other information, whether financial or nonfinancial, included in the Commission’s annual reports, does not extend beyond the financial information identified in the audit report, and we are not required to perform any procedures to corroborate such other information. However, in accordance with such standards, we have read the information and considered whether such information, or the manner of its presentation, was materially inconsistent with its presentation in the financial statements.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Commissioners, and management of the Commission and is not intended to be, and should not be, used by anyone other than these specified parties.

Rancho Cucamonga, California

Los Angeles County Children and Families First – Proposition 10 Commission  
Schedule of Corrected Misstatements  
June 30, 2024

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Number	Opinion Unit(s)	Account	Debit	Credit
1	General Fund, Governmental Activities	Cash and investments Investment income	\$ 306,418	\$ 306,418

*(To adjust for the overstatement of unrealized loss related to the pooled cash and investments with the County as of June 30, 2024.)*

Los Angeles County Children and Families First – Proposition 10 Commission  
Schedule of Uncorrected Misstatements  
June 30, 2024

---

Number	Opinion Unit(s)	Account	Debit	Credit
1	General Fund	Unavailable revenue	\$ 226,238	
		State receivable		\$ 226,238
	Governmental Activities	Tobacco taxes	226,238	
		State receivable		226,238

*(To adjust for the difference between the estimated June 2024 Proposition 10 allocation and actual allocation caused by the timing of the availability of information from the State of California.)*

Management Letter

For Fiscal Year Ended June 30, 2024

**Los Angeles County Children and  
Families First – Proposition 10  
Commission**

(a Component Unit of the County of Los Angeles, California)

To the Management of the  
Los Angeles County Children and Families First – Proposition 10 Commission  
Los Angeles, California

In planning and performing our audit of the financial statements of the Los Angeles County Children and Families First – Proposition 10 Commission (Commission) as of and for the year ended June 30, 2024, in accordance with auditing standards generally accepted in the United States of America, we considered the Commission’s internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion 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.

During our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses that are opportunities for strengthening internal controls and operating efficiency. The observations and recommendations are summarized below. This letter does not affect our report dated **October \_\_, 2024**, on the financial statements of the Commission.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with various Commission personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

## **CURRENT YEAR OBSERVATIONS AND RECOMMENDATIONS**

### **Approval of Salary Ranges**

#### *Observation:*

The Commission’s salaries and benefit policies require the Board of Commissioners to approve the Commission’s salary schedule; however, the Commission’s current practice is only to obtain the approval of the salary ranges by the Executive Director. Furthermore, we identified that the Executive Director’s approval of the salary ranges is evidenced through email to Human Resources.

*Recommendation:*

We recommend the Commission to review its salaries and benefit policy and either update the policy to reflect the delegation of authority for the approval of the salary ranges to the Executive Director or obtain approval of the salary ranges by the Board of Commissioners as required by the existing policy.

Additionally, should the Commission revise its salaries and benefit policy to reflect the delegation of authority to the Executive Director for the approval of the salary ranges, we recommend that the Commission review its procedure for formally documenting the approval of the salary ranges in the audit records, as email records are not permanent and may be lost or deleted, resulting in loss of the record of the authorization.

*Management’s Response:*

First 5 LA will be updating the Policy and Guidelines for Salaries, Wage, Merit Increases & Cost of Living Adjustment. Management will provide the updated policy and procedures to the commission in September or October 2024 board meeting.

**PRIOR YEAR MANAGEMENT LETTER COMMENTS**

**Approval of Salary Ranges**

Status: Not implemented, see current year management letter comments.

**Approval of Merit Increases**

Status: Implemented.

**Information Technology**

Status: Implemented.

**Fair Value Adjustment**

Status: Implemented.

\*\*\*\*\*

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements, and therefore, may not bring to light all weaknesses in policies or procedures that may exist. We aim, however, to use our knowledge of the Commission gained during our work to make comments and suggestions that we hope will be useful to you.

We would be pleased to discuss these comments and recommendations with you at any time.

This report is intended solely for the information and use of management of the Commission, and others within the Commission and is not intended to be and should not be used by anyone other than these specified parties.

Rancho Cucamonga, California  
October \_\_, 2024



**Item 8 - Los Angeles County  
Proposition 10 Commission  
Annual Comprehensive  
Financial Report for the Year  
Ended June 30, 2024**

**Special Program and  
Planning Committee Meeting**

Presented by: Raoul Ortega  
September 26, 2024

# Presentation Overview

- Fiscal Year 2022-23 GFOA Award
- Annual Comprehensive Financial Report Overview
- Independent Auditor's Report
- Fiscal Year 2023-24 highlights
- 3 Year Comparisons
- Next steps

# Government Finance Officers Association Award

- Our annual report for fiscal year 2022-23 was awarded a Certificate of Achievement for Excellence in Financial Reporting
- 16th Consecutive Year for this award

# Annual Financial Report Overview

- Annual Comprehensive Financial Report
  - Detailed view of the Commission's financial position as of June 30, 2024
  - Activities and results of operations for the fiscal year 23-24
  - Presentation of the Commission's overall financial condition

# Annual Financial Report Timeline

- Audit process: May 2024 through October 2024
  - Entrance interview/planning May – 2024
  - Fieldwork – June through August 2024
  - Reporting – August through October 2024
- Meetings:
  - Special Program and Planning Committee meeting – 9/26
  - Board of Commission meeting – 10/10

# Independent Auditor's Report

- Unmodified Opinion:
  - The CPA firm of Eide Bailly LLP, noted that the financial statements are presented fairly
  - Clean Audit, highest level of assurance
  - Findings/Adjustments




## FY 2023-24 Budget Highlights

**June 2023: Board approved FY 2023-24 total budget of \$99.1 million:**

- Program Budget = \$78.4 million
- Operating Budget = \$20.7 million

**March 2024: Board approved a revised budget of \$101.1 million:**

- Program Budget = \$80.4 million
- Operating Budget = \$20.7 million



## FY 2023-24 Revenue Highlights

### June 2024: Total revenues of \$82.4 million (Statement of Activities):

- Tobacco Taxes = \$39.3 million
- Prop 56 backfill = \$15.4 million
- CA Electronic Cigarette = \$900 thousand
- Other Revenues = \$23.0 million
- Fair Value Adjustment  
Unrealized Loss = 3.8 million

(Other revenues includes State Commission Program funds (F5CA), Local Entity Program funds, and Other General Income)

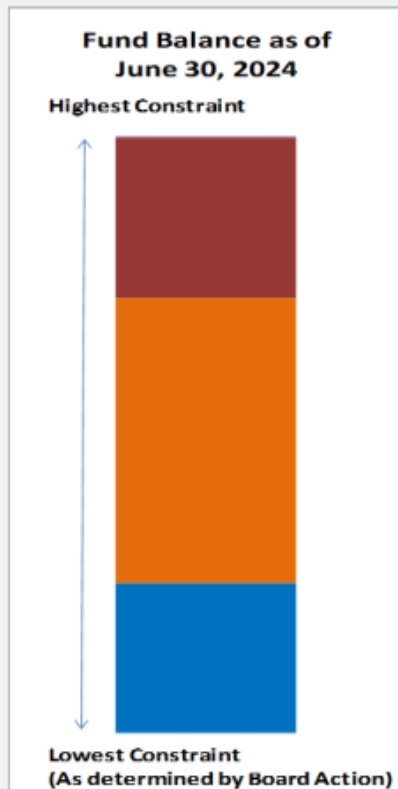


## Expenditures Highlights

### June 2024: Total expenditures of \$86.8 (Statement of Activities)

- Program Expenditures = \$69.3 M
- Program Operating Expenditures = \$6.2 million
- Administrative Expenditures = \$11.3 million

# F5LA Fund Balance Constraints:



## First 5 LA Fund Balances are 100% Dedicated through Board Action with the following Constraints:

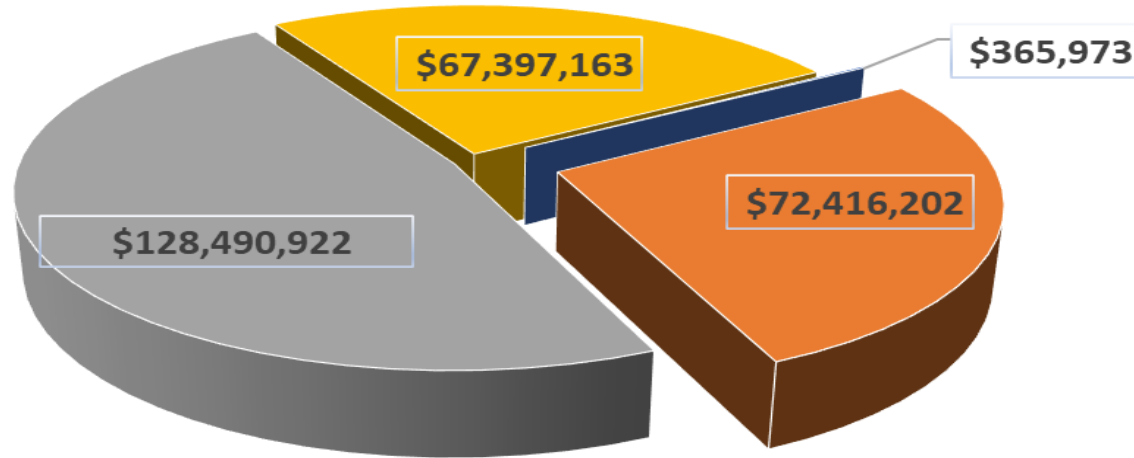
### Level of Constraints:

- Nonspendable (\$365,973)**: 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 (\$72,416,202)**: 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 (\$128,490,922)**: Includes the constraint below. Funds are reserved for Commission use consistent with the 2020-2028 Strategic Plan. **Board Approved through Audit (Fund Balance)**
- Unassigned (\$67,397,163)**: Funds designated for the Operating Budget and Reserve. **Board Approved through Audit (Fund Balance)**

**Total Fund Balance as of June 30, 2024 = \$268,670,260**

# F5LA Fund Balance:

Total Fund Balance: \$268,670,260

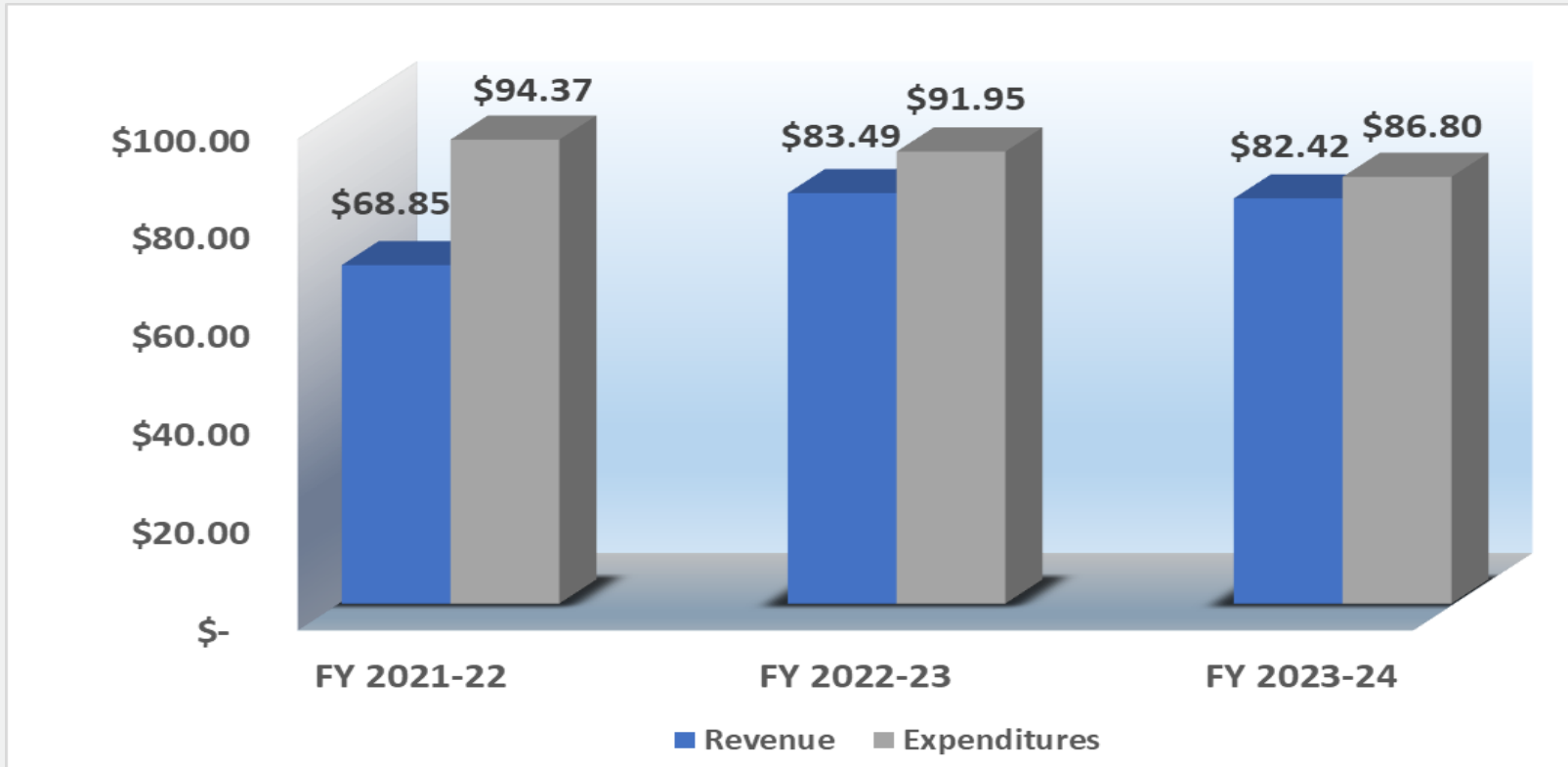


■ Nonspendable   ■ Committed   ■ Assigned   ■ Unassigned

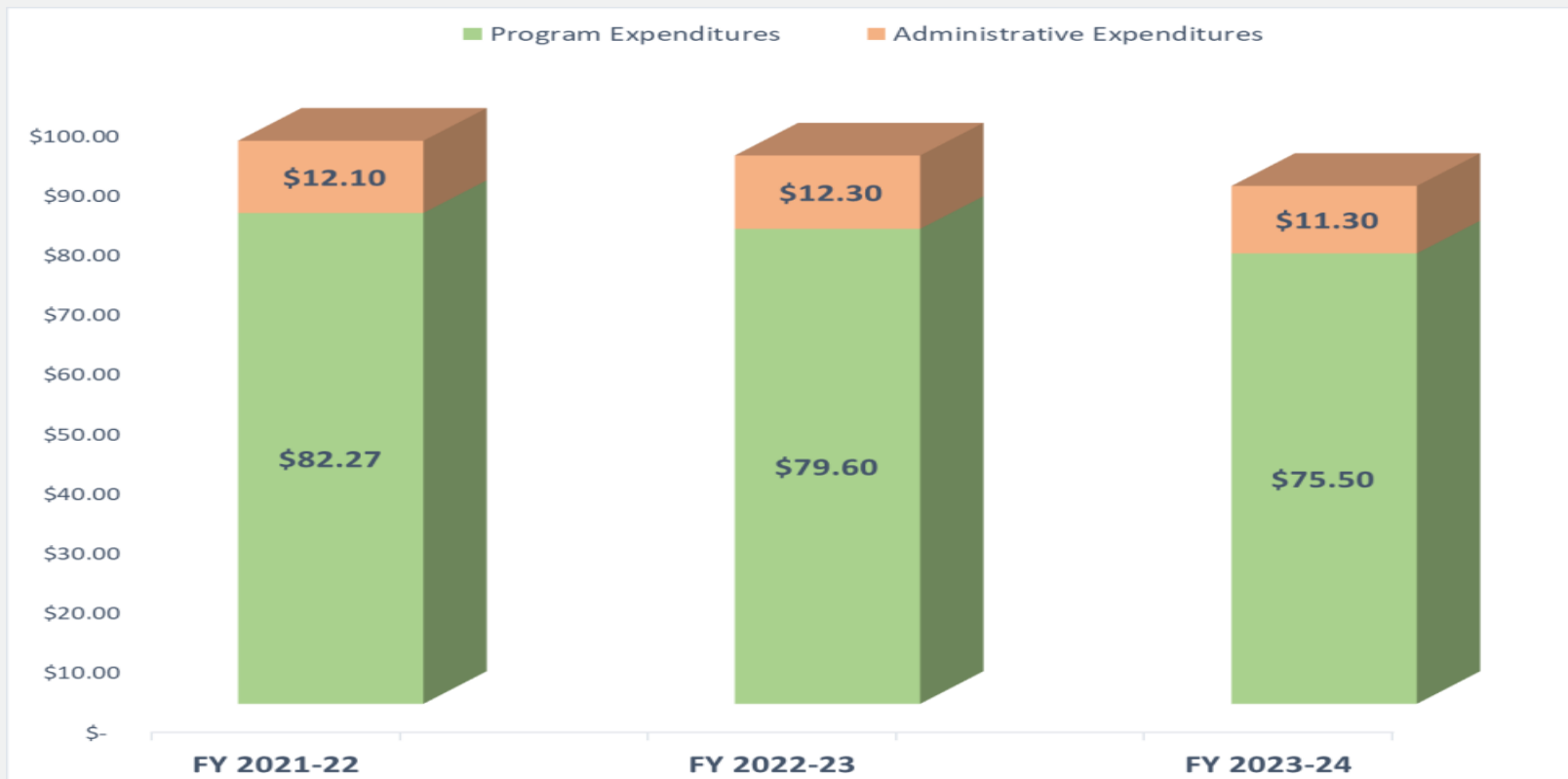
## 3 Year Comparison: Fund Balance



## 3 Year Comparison: Revenues vs. Expenditures



# 3 Year Comparison: Program and Administrative Expenditures



# Audit Overview

Kyle Bartle, Senior Manager, Eide Bailly, LLP

## Next Steps

- Board of Commission Meeting October 10th – Action
- Submit Final Draft Annual Comprehensive Annual Report by November 1st:
  - State Controller's Office
  - First 5 California
  - Los Angeles County Auditor-Controller Office



Item 9 September 26, 2024  
Special Program and Planning Committee Meeting

## Recommendations on Long-term Financial Plan to align with the new FY 2024/29 Strategic Plan

# Agenda

- Background & Guiding Principles
- Recap & Recommended Long-Term Financial Plan (LTFP) Options
- LTFP Implementation
- Next Steps
- Questions

# Background

## Adopted LTFP:

- Adopted in FY 2019/20 to support FY 2020/28 Strategic Plan.
- Established declining annual spending limits.
- Original plan did not account for the passage of Prop 31.

# Guiding Principles

Revise LTFP to:

- Plan F5LA's resources for the greatest impact on our youngest children and their families.
- Provide much needed consistency, stability and longer-term contracts for our partners' work in our communities with our youngest children and their families.
- Ensure alignment and adequate resources to implement the new FY 2024/29 Strategic Plan.

## Recap - Direction for the LTFP

For Strategic Long -Term Impact

A. \$50 Million B. \$55 Million C. \$60 Million D. \$65 Million

For Partners & Community Stability – Available Fund Balance by FY2034/35

A. \$100 + Million B. \$100 Million C. \$50 Million D. Zero

## Recap - Direction for the LTFP (continued)

For Strategic Long-Term Impact - Timing (by when)

A. FY 2025/26 B. FY 2026/27 C. FY 2027/28 D. FY 2028/29

For Partners & Community Funding Stability - Size of Reserve (% of budget)

✓ A. 50% (6 months) B. 25% (3 months)

# Updated LTFP Recommendations

For Strategic Long -Term Impact (Estimated demand on F5LA's resources)

A. \$55 Million   B. \$60 Million

For Partners & Community Stability – Available Fund Balance by FY2034/35

A. \$80 + Million   B. \$30 + Million

For Strategic Long-Term Impact – Timing (by when)

✓ A. FY 2027/28

For Partners & Community Funding Stability – Size of Reserve (% of budget)

✓ A. 50% (6 months)

# LTFP Recommended Option - Aligning to \$55 Million

Long Term Financial Plan - Multi-Year Detail												
Beginning Fund Balance as of July 1	\$ 299,627,941	\$ 267,068,772	\$ 242,174,969	\$ 219,069,167	\$ 205,480,796	\$ 200,617,554	\$ 193,668,807	\$ 184,695,682	\$ 173,756,380	\$ 160,906,292	\$ 146,198,119	\$ 129,681,978
Annual Projected Revenue	PROPOSED BUDGET FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35
Proposition 10 Tax Allocations	\$ 53,998,409	\$ 54,553,223	\$ 52,234,711	\$ 50,014,736	\$ 47,889,110	\$ 45,853,822	\$ 43,905,035	\$ 42,039,071	\$ 40,252,410	\$ 38,541,683	\$ 36,903,661	\$ 35,335,256
Adjustment in Response to Proposition 56 Trend		(545,532)	(522,347)	(500,147)	(478,891)	(458,538)	(439,050)	(420,391)	(402,524)	(385,417)	(369,037)	(353,353)
Other Revenue	8,288,000	9,275,000										
Interest Earnings	4,271,246	3,544,900	3,181,834	2,897,040	2,726,539	2,655,969	2,560,891	2,442,018	2,300,026	2,135,561	1,949,234	1,741,630
<b>Total Projected Revenue</b>	<b>\$ 66,557,655</b>	<b>\$ 66,827,590</b>	<b>\$ 54,894,198</b>	<b>\$ 52,411,629</b>	<b>\$ 50,136,758</b>	<b>\$ 48,051,253</b>	<b>\$ 46,026,875</b>	<b>\$ 44,060,698</b>	<b>\$ 42,149,912</b>	<b>\$ 40,291,827</b>	<b>\$ 38,483,859</b>	<b>\$ 36,723,534</b>
<b>TOTAL ESTIMATED DEMAND ON FSLA'S RESOURCES</b>	<b>\$ 99,116,824</b>	<b>\$ 91,721,393</b>	<b>\$ 78,000,000</b>	<b>\$ 66,000,000</b>	<b>\$ 55,000,000</b>	<b>\$ 55,000,000</b>	<b>\$ 55,000,000</b>	<b>\$ 55,000,000</b>	<b>\$ 55,000,000</b>	<b>\$ 55,000,000</b>	<b>\$ 55,000,000</b>	<b>\$ 55,000,000</b>
			-15%	-15%	-17%	0%						
<b>TOTAL ESTIMATED SPENDING IN EXCESS OF REVENUES</b>	<b>\$ 32,559,169</b>	<b>\$ 24,893,803</b>	<b>\$ 23,105,802</b>	<b>\$ 13,588,371</b>	<b>\$ 4,863,242</b>	<b>\$ 6,948,747</b>	<b>\$ 8,973,125</b>	<b>\$ 10,939,302</b>	<b>\$ 12,850,088</b>	<b>\$ 14,708,173</b>	<b>\$ 16,516,141</b>	<b>\$ 18,276,466</b>
<b>PROJECTED ENDING FUND BALANCE</b>	<b>\$ 267,068,772</b>	<b>\$ 242,174,969</b>	<b>\$ 219,069,167</b>	<b>\$ 205,480,796</b>	<b>\$ 200,617,554</b>	<b>\$ 193,668,807</b>	<b>\$ 184,695,682</b>	<b>\$ 173,756,380</b>	<b>\$ 160,906,292</b>	<b>\$ 146,198,119</b>	<b>\$ 129,681,978</b>	<b>\$ 111,405,512</b>
<b>Reserve - Organizations Approved Budget</b>	<b>\$ 49,558,412</b>	<b>\$ 45,860,697</b>	<b>\$ 39,000,000</b>	<b>\$ 33,000,000</b>	<b>\$ 27,500,000</b>	<b>\$ 27,500,000</b>	<b>\$ 27,500,000</b>	<b>\$ 27,500,000</b>	<b>\$ 27,500,000</b>	<b>\$ 27,500,000</b>	<b>\$ 27,500,000</b>	<b>\$ 27,500,000</b>
<b>PROJECTED AVAILABLE ENDING FUND BALANCE</b>	<b>\$ 217,510,360</b>	<b>\$ 196,314,273</b>	<b>\$ 180,069,167</b>	<b>\$ 172,480,796</b>	<b>\$ 173,117,554</b>	<b>\$ 166,168,807</b>	<b>\$ 157,195,682</b>	<b>\$ 146,256,380</b>	<b>\$ 133,406,292</b>	<b>\$ 118,698,119</b>	<b>\$ 102,181,978</b>	<b>\$ 83,905,512</b>

# LTFP Recommended Option - Aligning to \$60 Million

First 5 LA												
Long Term Financial Plan - Multi-Year Detail												
Beginning Fund Balance as of July 1	\$ 299,627,941	\$ 267,066,156	\$ 242,172,323	\$ 217,065,523	\$ 199,451,176	\$ 189,513,163	\$ 177,428,748	\$ 163,258,328	\$ 147,059,363	\$ 128,886,496	\$ 108,791,670	\$ 86,824,237
Annual Projected Revenue	PROPOSED BUDGET FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27	FY 2027-28	FY 2028-29	FY 2029-30	FY 2030-31	FY 2031-32	FY 2032-33	FY 2033-34	FY 2034-35
Proposition 10 Tax Allocations	\$ 53,998,409	\$ 54,553,223	\$ 52,234,711	\$ 50,014,736	\$ 47,889,110	\$ 45,853,822	\$ 43,905,035	\$ 42,039,071	\$ 40,252,410	\$ 38,541,683	\$ 36,903,661	\$ 35,335,256
Adjustment in Response to Proposition 56 Trend		(545,532)	(522,347)	(500,147)	(478,891)	(458,538)	(439,050)	(420,391)	(402,524)	(385,417)	(369,037)	(353,353)
Other Revenue	8,288,000	9,275,000										
Interest Earnings	4,268,630	3,544,868	3,180,836	2,871,065	2,651,769	2,520,301	2,363,595	2,182,354	1,977,247	1,748,908	1,497,942	1,224,922
<b>Total Projected Revenue</b>	<b>\$ 66,555,039</b>	<b>\$ 66,827,559</b>	<b>\$ 54,893,200</b>	<b>\$ 52,385,653</b>	<b>\$ 50,061,987</b>	<b>\$ 47,915,585</b>	<b>\$ 45,829,580</b>	<b>\$ 43,801,035</b>	<b>\$ 41,827,133</b>	<b>\$ 39,905,174</b>	<b>\$ 38,032,567</b>	<b>\$ 36,206,826</b>
<b>TOTAL ESTIMATED DEMAND ON FSLA'S RESOURCES</b>	<b>\$ 99,116,824</b>	<b>\$ 91,721,392</b>	<b>\$ 80,000,000</b>	<b>\$ 70,000,000</b>	<b>\$ 60,000,000</b>	<b>\$ 60,000,000</b>	<b>\$ 60,000,000</b>	<b>\$ 60,000,000</b>	<b>\$ 60,000,000</b>	<b>\$ 60,000,000</b>	<b>\$ 60,000,000</b>	<b>\$ 60,000,000</b>
			-13%	-13%	-14%	0%						
<b>TOTAL ESTIMATED SPENDING IN EXCESS OF REVENUES</b>	<b>\$ 32,561,785</b>	<b>\$ 24,893,833</b>	<b>\$ 25,106,800</b>	<b>\$ 17,614,347</b>	<b>\$ 9,938,013</b>	<b>\$ 12,084,415</b>	<b>\$ 14,170,420</b>	<b>\$ 16,198,965</b>	<b>\$ 18,172,867</b>	<b>\$ 20,094,826</b>	<b>\$ 21,967,433</b>	<b>\$ 23,793,174</b>
<b>PROJECTED ENDING FUND BALANCE</b>	<b>\$ 267,066,156</b>	<b>\$ 242,172,323</b>	<b>\$ 217,065,523</b>	<b>\$ 199,451,176</b>	<b>\$ 189,513,163</b>	<b>\$ 177,428,748</b>	<b>\$ 163,258,328</b>	<b>\$ 147,059,363</b>	<b>\$ 128,886,496</b>	<b>\$ 108,791,670</b>	<b>\$ 86,824,237</b>	<b>\$ 63,031,062</b>
<b>Reserve - Organizations Approved Budget</b>	<b>\$ 49,558,412</b>	<b>\$ 45,860,696</b>	<b>\$ 40,000,000</b>	<b>\$ 35,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 30,000,000</b>	<b>\$ 30,000,000</b>
<b>PROJECTED AVAILABLE ENDING FUND BALANCE</b>	<b>\$ 217,507,744</b>	<b>\$ 196,311,627</b>	<b>\$ 177,065,523</b>	<b>\$ 164,451,176</b>	<b>\$ 159,513,163</b>	<b>\$ 147,428,748</b>	<b>\$ 133,258,328</b>	<b>\$ 117,059,363</b>	<b>\$ 98,886,496</b>	<b>\$ 78,791,670</b>	<b>\$ 56,824,237</b>	<b>\$ 33,031,062</b>

# LTFP Recommended Options

Options	By _____.	F5LA will become a \$____ organization,	With a projected “Available Fund Balance” of roughly \$____ by FY 34/35.
1	FY 27/28	\$55 Million	\$84 Million
2	FY 27/28	\$60 Million	\$33 Million



## Implementation & Next Steps

# LTFP Implementation via Annual Budget Development

- Resources will be aligned to final set of tactics under the FY 2024-29 Strategic Plan via the annual budget development process.
- Resources for programs and operations will be adjusted appropriately and proportionately year to year to meet the needs of the organization and our work with partners.
- New adopted LTFP will be grounded in the annual budget process.

## LTFP Implementation via Annual Budget Development (continued)

- Secured resources from our Sustainability Framework efforts will be reflected through our annual LTFP updates and budget development.
- Management to review and update the board annually to ensure fidelity to the direction of the approved LTFP.

## Next Steps

- Today – Present and receive endorsement on the two options that commits F5LA's estimated use of Prop 10 funds of either \$55M or \$60M by FY 2027/28.
- October Board Meeting - Present LTFP as an Action Item.

# Questions

# Appendix: Sustainability Framework

## First 5 LA Sustainability Efforts toward Our Mission

### Maximize First 5 LA Assets

#### Operations

- Leasing portion of building
- Maximizing staff capabilities and current technology
- Cost efficiency
- Optimizing use of Fund Balance and Maximizing its investments

#### Investment Strategy

- Maximizing current investments with a return-on-investment approach integrated with exit strategies or leveraging external funding streams (programs)

### Alternative Revenue Strategies

#### Policy Advocacy

- Lead and support monitoring of local, state, and federal policies

#### Business Models

- Assessing use of different business models (e.g., fiscal intermediary, etc.)

#### Collective Impact

- Partnering with other organizations to pool funding