AGENDA

MEETING OF THE
BOARD OF COMMISSIONERS
Chair: Holly J. Mitchell

Thursday, October 8, 2026
1:30 PM – 4:30 PM

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

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

2. **INFORMATION**
   SB 707 Request to Participate Remotely Due to Emergency Circumstances and Notice(s) of Remote Participation for Just Cause

3. **INFORMATION**
   Report out on Closed Sessions of the Executive Committee -- July 27, 2026 and September 24, 2026, and Closed Session of the Full Board -- October 8, 2026

4. **ACTION**
   Consent

   A. Approve Commission Meeting Summary Action Minutes – June 11, 2026 4
   B. Approve the Monthly Financial Statements for the Month Ending May 31, 2026 10
   C. Approve Draft of the Annual Comprehensive Financial Report Including the Independent Auditor's Report for the Fiscal Year ending June 30, 2026 15

   D. Approve a Strategic Partnership with Public Health Foundation Enterprises, Inc. dba Heluna Health in the Amount of $509,300 Through June 30, 2028, to serve as new intermediary for First 5 LA's ongoing investment in the African American Infant and Maternal Mortality Prevention Initiative Community Action Teams (AAIMM CATs), and Authorize First 5 LA Staff to Execute the Agreement in the amount of $509,300. 119

5. **INFORMATION**
   Remarks by the Commission Vice Chair of the Board

6. **INFORMATION** **123**
   President/CEO Report

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

EX OFFICIO MEMBERS
Justin Blakely
Robert Byrd, Psy.D.
Deanne Tilton Durfee
Jacquelyn McCroskey, DSW

PRESIDENT & CEO
Karla Pleitéz Howell

VICE PRESIDENTS
Aurea Montes-Rodriguez
JR Nino

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750 N. Alameda Street, Los Angeles, CA 90012 Phone: 213.482.5920 Fax: 213.482.5903 First5LA.org

7. **INFORMATION** **135**
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 $150,000 for a Total of $2,163,792.50 Through December 31, 2028 to continue investing in community-driven innovation to advance Black birth equity through the African American Infant and Maternal Mortality Prevention Initiative (AAIMM) Village Fund (Written Only)

Presenters: Aurea Montes-Rodriguez, VP of Community Engagement and Policy and Ellen Paddock, Program Officer

8. **ACTION** **139**
Public Hearing: Approval to Submit First 5 LA Annual Report to First 5 CA

9. **INFORMATION** **172**
Biennial Review of First 5 LA Conflict-of-Interest Code

10. **INFORMATION** **177**
Annual Review of 2024-29 Strategic Plan

11. **INFORMATION** **184**
First 5 LA Home Visiting Long-Term Vision: Family-Centered Access and Triage Model

NOTE: There will be a break halfway through this item.

Presenters: Aurea Montes-Rodriguez, VP of Community Engagement and Policy, Diana Careaga, Director of Family Supports, Christopher Ringewald, Senior Fellow, Catalyst California, and Dr. Tamara Hunter, Division Chief, LA County Department of Children and Family Services

12. **INFORMATION**
Public Comment for items not on the agenda

13. **ACTION**
Adjournment

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SUMMARY ACTION MINUTES

FIRST 5 LA
June 11, 2026
Hybrid
Meeting of the Board of Commissioners
1:30-4:30 pm

COMMISSIONERS PRESENT
Commissioners:
Priya Batra
Alma Cortes
Astrid Heger
Abigail Marquez
Summer McBride
Holly Mitchell (Chair)
Brandon Nichols
Maricela Ramirez
Carol Sigala

Ex-Officio Commissioners:
Justin Blakely
Robert Byrd
Jacquelyn McCroskey

COMMISSIONERS ABSENT:
Barbara Ferrer
Deanne Tilton Durfee

STAFF PRESENT:
Karla Pleitez Howell, President & CEO
Aurea Montes-Rodriguez, Vice President of Community Engagement and Policy
JR Nino, Vice President of Operations & Sustainability
Linda Vo, Board Relations Manager

GENERAL COUNSEL:
Serita Young, Attorney-at-Law

CALL TO ORDER / ROLL CALL:

1. Commission Chair Mitchell called the meeting to order at 1:34 pm. Quorum was present.

COMMISSION: (Items 2– 17)

2. SB 707 Request(s) to Participate Remotely Due to Emergency Circumstances and Notice(s) of Remote Participation for Just Cause

No Commissioners joined under SB 707.

3. Report out on Closed Session of the Board of Commissioners and Executive Committee – June 11, 2026

Legal Counsel Serita Young stated there were no reportable items from this meeting.

4. Remarks by the Commission Chair of the Board

Remarks were given by Commission Chair Holly Mitchell.

5. Election of Vice Chair of the Commission

Summer McBride is nominated by Holly Mitchell as Vice Chair for the remainder of 2026.

Note: By agreement of the Commission, this item was taken out of order.

M/S (McBride/Sigala)

Maricela Ramirez – Aye
Alma Cortes – Aye
Priya Batra – Aye
Astrid Heger – Aye
Abigail Marquez – Aye
Brandon Nichols – Aye
Carol Sigala – Aye
Holly Mitchell – Aye

SUMMER MCBRIDE IS APPROVED AS THE VICE CHAIR UNANIMOUSLY

6. President & CEO's Report

A report-out was given by Karla Pleitez Howell.

7. CONSENT

A. Approve Commission Meeting Summary Action Minutes – May 14, 2026
B. Approve the Monthly Financial Statements for the Month Ending April 30, 2026
C. Contract: Approve One (1) New Agreement, Twenty-Two (22) Renewals and Authorize Staff to Complete Final Execution of the Agreements Upon Approval from the Board.

The consent agenda items A through C were approved by roll call vote.

M/S (Nichols/Marquez)

Maricela Ramirez – Aye
Alma Cortes – Aye
Priya Batra – Aye
Astrid Heger – Aye
Abigail Marquez – Aye
Summer McBride – Aye
Brandon Nichols – Aye
Carol Sigala – Aye
Holly Mitchell – Aye

THE ITEMS WERE APPROVED UNANIMOUSLY

8. Remarks by the Commission Chair of the Board

Remarks were given by Commission Vice Chair McBride on the updated committee assignments of 2026.

9. Remarks by the Commission Chair of the Board

Remarks were given by Commission Chair Mitchell.

10. Amend Strategic Partnerships with Eight (8) Hospitals in Los Angeles County in the Amount of $14,314,284 for a Total of $319,148,965 Through June 30, 2027, to Continue Implementing the Welcome Baby Program (Written Only)

There was no presentation on this item. Information was provided in the posted Board materials.

This item was approved by roll call vote.

M/S (Nichols/Batra)

Maricela Ramirez – Aye
Alma Cortes – Aye
Priya Batra – Aye
Astrid Heger – Aye
Abigail Marquez – Aye
Summer McBride – Aye
Brandon Nichols – Aye
Carol Sigala – Aye
Holly Mitchell – Aye

THIS ITEM WAS APPROVED UNANIMOUSLY

11. Waive Governance Guideline # 1 to Establish a Strategic Partnership with Shields for Families in the Amount of $809,513 Through June 30, 2027, for Implementation of the Welcome Baby Program and Authorize First 5 LA Staff to Execute Agreement.

There was no presentation on this item. Information was provided in the posted Board materials.

This item was approved by roll call vote.

M/S (Marquez/Cortes)

Maricela Ramirez – Aye
Alma Cortes – Aye
Priya Batra – Aye
Astrid Heger – Aye
Abigail Marquez – Aye
Summer McBride – Aye
Brandon Nichols – Aye
Carol Sigala – Aye
Holly Mitchell – Aye

THIS ITEM WAS APPROVED UNANIMOUSLY

12. May Revise and Legislative Priorities Review (Written Only)

There was no presentation on this item. Information was provided in the posted Board materials.

13. Finance Update: Present the FY 2026-27 Proposed Budget and updated LTFP for Approval and Approve Resolution 2026-02

Presenters: JR Nino, Raoul Ortega, and Daisy Lopez

The finance team presented the FY 2026-27 proposed budget and updated LTFP for board approval. The presentation built on prior discussions, emphasizing the organization's ongoing transition to a more sustainable fiscal model due to declining tobacco tax revenues and external fiscal pressures. The board's strategic approach has been to proactively manage budget reductions through a step-down plan, aiming for stabilization at a $60 million annual budget by FY 2027-28.

Key Budget Highlights

- The proposed FY 2026-27 budget totals $70 million, representing a 12.5% reduction from the previous year.
- Major investments include $53 million in programs, with notable reductions across family support, community engagement, and strategic initiatives.
- Administrative costs are capped at $10.9 million (15.5% of the budget). The budget is supported by $7.1 million in secured external funding, with the remainder drawn from the fund balance.

Long-Term Financial Plan (LTFP) Updates

- The LTFP was updated to reflect actual expenditures, revised revenue projections, and new lease income, resulting in a projected fund balance of $88 million by FY 2034-35.
- The plan continues to prioritize fiscal discipline, equity-focused investments, and alignment with the strategic plan.

Resolution 2026-02: The board was asked to approve Resolution 2026-02, which supersedes the prior year's resolution and includes:

- Adoption of the FY 2026-27 $70 million budget
- Approval of the administrative cost limit
- Reaffirmation of fund balance commitments and reserves
- Formal assignment of updated future funds through the LTFP
- The resolution also maintains a fund balance reserve of 50% ($35 million) for FY 2026-27.

The board discussed the importance of aligning investments with strategic priorities and maintaining transparency with partners.

There is no further discussion on this item.

The resolution was approved by roll call vote.

M/S (Sigala/Ramirez)

Maricela Ramirez – Aye
Alma Cortes – Aye
Priya Batra – Aye
Astrid Heger – Aye
Abigail Marquez – Aye
Summer McBride – Aye
Brandon Nichols – Aye
Carol Sigala – Aye
Holly Mitchell – Aye

THIS ITEM WAS APPROVED UNANIMOUSLY

14. Public Hearing: Receive and File First 5 CA's Annual Report

Presenters: HaRi Kim Han

The Board received and filed the report.

There is no further discussion on this item.

15. Home Visiting: Current and Future System Opportunities

Presenters: Aurea Montes-Rodriguez, Melissa R. Franklin, Sharlene Gozalians, and Priya Batra

The presentation continued the board's ongoing discussion on home visiting, focusing on program models, data, outcomes, and future strategies in light of declining revenues.

Program Models Review

- Three main home visiting models were discussed:
  - Welcome Baby: A short-term, evidence-informed program offered universally at select hospitals, providing prenatal and postpartum support up to 9 months.
  - Healthy Families America (HFA) and Parents as Teachers (PAT): Evidence-based, longer-term programs targeting higher-need families, with services up to age 3 or 5.
- All models are supported by a shared infrastructure (LA Best Babies Network and the Stronger Families Database) to ensure coordination and data tracking.

Key Data and Outcomes

- Since 2015, Welcome Baby has served over 189,000 families, with HFA and PAT serving thousands more.
- The majority of families served are Hispanic/Latino, with ongoing efforts to improve engagement among Black/African American families.
- Most families are low-income or Medi-Cal recipients.

- High rates of postpartum visits and immunization completion were reported, exceeding county and state averages.
- Home visiting programs made over 231,000 referrals since 2015, primarily for basic needs, healthcare, and mental health support.
- Retention and graduation rates are strong, indicating family trust and engagement.

Challenges and Gaps

- Declining funding requires right-sizing investments and potentially shifting from universal to more targeted models.
- Persistent gaps in reaching and enrolling Black families, attributed to trust, timing, and systemic barriers.
- Navigation of referrals and access to services (e.g., housing, mental health) remains a challenge for families.

Board Discussion and Strategic Direction

- Commissioners emphasized the need to:
  - Prioritize equity and target high-need communities using the Equity Index.
  - Balance universal and targeted approaches to ensure no families are left out, especially those at risk but not qualifying for intensive programs.
  - Strengthen culturally responsive outreach and engagement, particularly for Black and Indigenous families.
  - Use both process and outcome measures (e.g., child welfare involvement, school readiness, family stability) to assess impact.
  - Explore sustainable funding, including Medi-Cal billing and leveraging federal/state resources.
  - Incorporate family voice and lived experience in program design and evaluation.

Public comments were received for this item.

There is no further discussion on this item.

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

No general public comments were provided.

ADJOURNMENT:

The Commission adjourned at 4:48 pm.

NEXT MEETING:

The next Commission meeting will take place on Thursday, October 8, 2026, at 1:30 pm.

Meeting details will be posted per Brown Act Requirements
Meeting minutes were recorded by Hana Joe, Facilities Business Partner

FIRST 5 LA

SUBJECT:
Monthly Financial Reports

RECOMMENDATION:
Approval of the monthly financial statements for the month ending May 31, 2026.

BACKGROUND:
Staff provides monthly financial reports for the Commission's review and approval to ensure transparency of the financial status of First 5 LA.

DISCUSSION:

First 5 LA began the month of May with a cash balance of $277.7 million. During the month, we received $6.2 million in revenue. We had $4.4 million in program expenditures and $1.5 million in operating expenditures. As a result, First 5 LA ended the month with a cash balance of $278 million.

This report includes detailed financial information for the month ending May 31, 2026. The financial statements are unaudited and reported as a "soft close." All materials in this packet and check registers are available online. Statements in this report include the following:

- Revenue and Expense Statement: Summarizes financial statements to highlight the starting cash balance, revenues received, program and operating expenses, and the ending cash balance for the month.

- Balance Sheet: Provides a "snapshot" view of the Commission's assets, liabilities and fund balance as of May 31, 2026.

- Detailed operating and program expenditures: Shows expenses against the FY 2025-26 Budget approved on June 12, 2025.

Los Angeles County Children and Family First - Proposition 10 Commission (aka) First 5 LA
Revenue and Expense Statement
May 31, 2026, Unaudited

		REVENUES AND EXPENDITURES	
Net Position as of Net Position April 30, 2026	**$**	**277,687,500**	
Revenue			
Monthly State Allotments		5,563,450	**(1)**
State Commission - Other Program Funds		-	
Interest Income - Unreserved		594,748	
Investment Income - Other		-	
Other General Revenues-Rental Income		48,887	
Total Revenue	**$**	**6,207,084**	
Expenses			
Program Budget (Attachment A)			
2024-2029 Strategic Plan	$	4,366,345	
Strategic Innitiatives Development Fund		39,028	
Total Initiative/Program Expenses	**$**	**4,405,373**	
Operation and Administration (Attachment B)			
Personnel	$	1,296,175	
General Operating		60,680	
Consultant Services		114,505	
Professional Services		23,024	
Travel Expenses		6,917	
Professional Development		2,018	
Capital Improvements		-	
Total Operation and Administration	**$**	**1,503,319**	
Total Expenses	**$**	**5,908,692**	
Variance (Revenue - Expenses)	**$**	**298,392**	
Net Position as of May 31, 2026	**$**	**277,985,892**	**(2)**

NOTE:
1) Tobacco tax revenue for March and April 2026.
2) Net Position excludes fixed assets and liabilities.

Attachment A

LOS ANGELES COUNTY CHILDREN AND FAMILY FIRST - PROPOSITION 10 COMMISSION (AKA FIRST 5 LA)
PROGRAM EXPENDITURES BY FY 2023-24 BUDGET
MAY 31, 2026, UNAUDITED

INITIATIVE/PROGRAM	FY 2025-26 BUDGET	MAY EXPENDITURES	FISCAL YTD EXPENDITURES	BALANCE REMAINING
2024-2029 STRATEGIC PLAN				
Center for Family Systems				
Family Supports	30,699,413	2,617,171	24,134,958	6,564,455
Health Systems	1,156,000	7,492	637,788	518,212
Center Support	175,000	-	50,000	125,000
Center for Community Engagement Policy				
Communities	10,189,050	990,735	6,205,662	3,983,388
Impact & Accountability	1,414,000	6,125	286,774	1,127,226
Public Policy & Early Care and Education	9,765,000	662,570	7,004,704	2,760,296
Center for Strategy & Culture				
Communications	1,463,500	82,252	328,372	1,135,128
Subtotal 2024-2029 Strategic Plan	**54,861,963**	**4,366,345**	**38,648,259**	**16,213,704**
Strategic Initiatives Development Fund	4,751,470	39,028	344,167	4,407,303
TOTAL	**59,613,433**	**4,405,373**	**38,992,426**	**16,213,704**

Attachment B

Los Angeles County Children and Family First -
Proposition 10 Commission (aka) First 5 LA
Operating & Administrative Budget Update
May 31, 2026, UNAUDITED

OPERATION AND ADMINISTRATION EXPENSE	MAY ACTUAL	FISCAL YTD ACTUAL	FY 2025-26 BUDGET	FISCAL YTD VARIANCE
Personnel Services				
Salaries & Wages	1,018,242	8,249,438	11,788,254	3,538,816
Fringe Benefits	277,933	2,901,637	4,583,872	1,682,235
Total Personnel Services	**1,296,175**	**11,151,075**	**16,372,126**	**5,221,051**
General Operating Expenses				
ADP Payroll Charges	2,200	24,990	40,000	15,010
Workers Compensation Insurance	-	38,035	84,919	46,884
Utilities	13,916	122,557	185,000	62,443
Corporate Insurance	-	143,549	140,800	(2,749)
Mileage, Parking and Other Transportation	738	3,890	22,965	19,075
Telephones	3,155	31,358	53,300	21,942
Cell Phones & Mobile Devices	6,700	74,900	108,300	33,400
Outside Printing & Publishing	-	184	2,300	2,116
Other Supplies	389	5,667	3,000	(2,667)
Postage & Delivery	-	1,099	2,510	1,411
Educational Supplies	-	1,321	5,000	3,679
Office Supplies	1,021	17,013	34,790	17,777
Subscriptions & Publication	674	24,219	34,000	9,781
Equipment-Rents & Leases	1,068	16,583	21,000	4,417
Building Repair & Maintenance	12,260	136,053	170,000	33,947
Equipment Repair & Maintenance	-	787	6,500	5,713
Offsite Storage	254	2,279	5,200	2,921
Hardware & Software Maintenance	16,586	247,494	404,000	156,506
Miscellaneous/Contingency	-	18,644	89,800	71,156
Internal Meeting	1,719	20,908	89,200	68,292
Divisional Capacity Building	-	1,750	19,000	17,250
Total General Operating Expenses	**60,680**	**933,280**	**1,521,584**	**588,304**
Consultant Services				
Consultant Fees	80,483	466,913	972,000	505,087
Other Professional Fees	34,022	234,058	311,900	77,842
Total Consultant Services	**114,505**	**700,971**	**1,283,900**	**582,929**
Professional Services				
Audit	-	49,370	72,000	22,630
Legal Fees	11,969	70,247	200,000	129,753
Professional Dues	4,049	43,486	74,250	30,764
Staff Recruitment	-	1,761	10,000	8,239
Commission Stipends	1,050	7,050	20,000	12,950
Web-Based Services	5,956	26,415	70,000	43,585
Bank & Other Service Charges	-	4,733	12,000	7,267
Total Professional Services	**23,024**	**203,062**	**458,250**	**255,188**
Travel Expenses				
Airfare	3,664	12,741	117,125	104,384
Lodging	2,612	15,295	115,348	100,053
Per Diem	172	4,330	45,270	40,940
Other Travel Expense	469	5,158	18,865	13,707
Total Travel Expenses	**6,917**	**37,524**	**296,608**	**259,084**
Professional Development				
Training Material & Supplies	-	1,976	12,100	10,124
In-house Training	-	-	64,300	64,300
Leadership Programs	-	14,221	135,000	120,779
Conference/Training Registrations	2,018	17,009	89,700	72,691
Outside Training	-	2,445	49,500	47,055
Total Professional Development	**2,018**	**35,651**	**350,600**	**314,949**
Capital Improvements				
Capital Outlay (Equipment Purchases)	-	20,459	103,500	83,041
Total Capital Improvements	**-**	**20,459**	**103,500**	**83,041**
TOTAL OPERATING EXPENSES	**1,503,319**	**13,082,022**	**20,386,567**	**7,304,546**

NOTES - OPERATING & ADMINISTRATIVE BUDGET UPDATE:

The administrative expenses are within the maximum authorized under the Board policy.

The FY 2025-26 operating budget was approved by the Board of Commissioners on June 12, 2025.

Los Angeles County Children and Families First -
Proposition 10 Commission
Statement of Net Assets
May 31, 2026 Unaudited

Current Assets:		
Cash	$	2,006,861
Cash- Morlin Mgmt Corp		243,437
Investment:		
Operating and Allocated funds		264,634,669
Advance - Regional Network (RN)		204,379
Advance - Various		128,068
Other Receivables		-
Total Current Assets	**$**	**267,217,414**
Fixed Assets:		
Land	$	2,039,000
Building & Improvements		15,970,799
Furniture & Fixtures		627,671
Computer, Software & Accessories		2,280,106
Office Equipment		346,044
Accumulated Depreciation		(8,388,282)
CIP Phase-II		1,441,837
Total Fixed Assets	**$**	**14,317,175**
Total Assets	**$**	**281,534,588**
Liabilities and Net Assets		
Current liabilities:		
Other Liabilities	$	111,983 **(1)**
Total Current Liabilities	**$**	**111,983**
Net Assets:		
Investment in capital assets	$	14,317,175
Restricted		267,105,430
Total Net Assets	**$**	**281,422,605**
Total Liabilities and Net Assets	**$**	**281,534,588**

NOTES:
(1) Other Liabilities include accounts payable, and other related liabilities.

Annual Comprehensive Financial Report
For the Year Ended June 30, 2026

Los Angeles County Children and Families First – Proposition 10 Commission

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

DRAFT

Prepared by the Finance Department

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first 5 la
Giving kids the best start

October 13, 2026

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, 2026, 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, 2026. 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 26 years, First 5 LA has made a lasting positive impact in Los Angeles County through its allocation of more than $2.5 billion to advocate for children and their families, amplify community voice and partner for collective impact so that every child in Los Angeles County reaches their full developmental potential throughout the critical years of prenatal to age 5.

DRAFT

COMMISSIONERS
Los Angeles County Supervisor Holly J. Mitchell, *Chair*
Summer McBride, *Vice Chair*
Alma Cortes, Ed. D.
Barbara Ferrer Ph.D., M.P.H., M.Ed.
Astrid Heger, M.D.
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PRESIDENT & CEO
Karla Pleitéz Howell

VICE PRESIDENTS
Aurea Montes-Rodriguez
JR Nino

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750 N. Alameda Street, Los Angeles, CA 90012 Phone: 213.482.5920 Fax: 213.482.5903 First5LA.org

STRATEGIC DIRECTION

First 5 LA has evolved from primarily funding direct services to partnering across systems and communities to drive system change and improve outcomes for young children and families. In FY 2023–24, the Board of Commissioners approved the 2024–2029 Strategic Plan.

The 2024–2029 Strategic Plan outlines three goals each with measurable objectives that focus on ensuring children's needs are met across a continuum of basic (physiological and safety), psychological (esteem and love and belonging) and self-fulfillment (self-actualization) needs:

- 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 translate the goals and objectives of the 2024-2029 Strategic Plan into meaningful action for children age 5 and younger across L.A. County, the work will be organized through the lens of four key initiatives:

- Prevention First: Centering Community Strengths to address root causes and keep families thriving together.
- Vibrant Environments: Ensuring access to healthy foods and welcoming outdoor spaces for play.
- Maternal & Child Well-Being: Ensuring holistic care for mothers and children age 5 and younger.
- Whole-Child, Bright Futures: Universal quality early care and education that meets every family's needs.

To drive each initiative forward, a combination of the following ten tactics will be used to create the targeted impact needed to ensure every child can thrive in partnership with the community:

1. Advocacy
2. Access
3. Capacity Building
4. Communications
5. Coordination
6. Curriculum Innovation in Early Education Instruction
7. Data
8. Engagement
9. Research
10. Workforce

This overall strategic approach reflects First 5 LA's vision of a future where every child is born healthy and thrives in a nurturing, safe and loving community.

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ORGANIZATIONAL HIGHLIGHTS

First 5 LA's primary funding source—Proposition 10 Tobacco Tax revenue—continues to decline due to reduced smoking rates and birthrates in Los Angeles County. The passage of Proposition 31 in November 2022 banned the sale of flavored tobacco products. Although revenue for the fiscal year 2025–26 actually increased by 1.5% for the Proposition 10 tobacco tax, a shifting landscape at the local, state, and federal levels continues to present ongoing risks and uncertainties.

In response, First 5 LA remains steadfast in implementing its 2024–2029 Strategic Plan, aligning resources to support its priorities, and sustaining its work through a multi-year financial plan to benefit children and families across Los Angeles County.

- ***Implementation of the 2024-2029 Strategic Plan***. First 5 LA is making significant progress in implementing the 2024-2029 Strategic Plan, approved by the Commission in November 2023. As a trusted thought partner, convener, connector, and advocate, First 5 LA is advancing the Strategic Plan goals and objectives through its four initiatives, utilizing the ten tactics which will guide First LA's work throughout the strategic plan period. First 5 LA has structured an implementation planning process with teams of staff to build plans that utilize the tactics to move the initiatives forward into meaningful action.

- ***Fiscal Year 2026-27 Budget.*** The FY 2026–27 Budget comes at a pivotal moment for First 5 LA and the communities we serve. As the external landscape continues to evolve, we remain steadfast in our mission to ensure every child has the opportunity to thrive, while also recognizing the need to build resilience, strengthen partnerships, and focus our efforts where we can have the greatest impact for L.A. County's youngest children and their families. This budget remains focused and flexible. As we align the budget with the Board-approved Long-Term Financial Plan (LTFP), we are advancing investment strategies that balance long-term sustainability with the ability to remain responsive to what lies ahead. Although program expenditures have been reduced, these downward adjustments are accompanied by supplemental funding through enhanced partnerships with a Medi-Cal managed care plan and the Los Angeles County Department of Mental Health.

  Our approach will continue to advance our Strategic Plan 2024–2029 — building on prior investments, advancing innovation, and deepening engagement with community partners. At the same time, we are operating in an increasingly complex environment shaped by fiscal uncertainty and shifting federal and state policies. While these pressures are expected to persist into FY 2026–27, they also present an opportunity to align our efforts more intentionally and strengthen our collective response on behalf of children and families. By working together with our partners and communities, we can navigate this period of uncertainty and continue advancing meaningful progress toward a brighter future for every child in Los Angeles County.

- ***Long term financial planning.*** On October 10, 2024, the Board of Commissioners approved a 12-year LTFP that aligns with the 2024–2029 Strategic Plan and sets spending limits through FY 2034–35. These limits are based on current resources and projected fund balances with an eventual stabilized annual budget of $60 million beginning in FY 2027–28. This plan's financial trajectory ensures the sustainability of First 5 LA's work and enables continued investment in partners serving communities across Los Angeles County. The LTFP is updated annually to

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capture audited actuals, mid-year revised budgets, and additional external revenues resulting in a change to the projected available fund balance at fiscal year-end 2034-35.

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

Although not required to adopt a budget before each fiscal year pursuant to the First 5 Association Financial Management Guide, the First 5 LA Commission has historically done so to ensure controlled spending. Any increase to previously adopted appropriations during the fiscal year requires Commission approval. The President & CEO 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.

First 5 LA's budgeting approach continues to evolve, informed by experience, with a focus on precision, transparency, and strategic alignment. The FY 2026–27 Budget reinforces fiscal responsibility by aligning spending estimates with projected resources and priorities.

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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, 2025. This was the 18th consecutive year that First 5 LA has achieved this prestigious award. 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. First 5 LA believes that its current annual comprehensive financial report continues to meet the Certificate of Achievement Program's requirements and First 5 LA is 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

Karla Pleitéz Howell
President & CEO

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FIRST 5 LA

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

Ex-Officio Commissioners
Robert Byrd, Psy.D.
Deanne Tilton Durfee
Jacquelyn McCroskey, DSW
Justin Blakely

Alternate Commissioners
Priya Batra
Luis Bautista
Victor Manalo, Ph.D.
Lisa Fleisher-Whitecrow
Kristin McGuire
Sylvia S. Swilley, M.D.
Kanchana Tate, LCSW
Julie Taren
Winnie Wechsler

President & CEO
Karla Pleitéz Howell, J.D.

Vice President
Aurea Montes-Rodriguez
Teofilo “JR” Nino

Team/Department Directors
Joaquin Calderon, Communities
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
Ofelia Medina, Public Policy & Early Care and Education
Raoul Ortega, Finance

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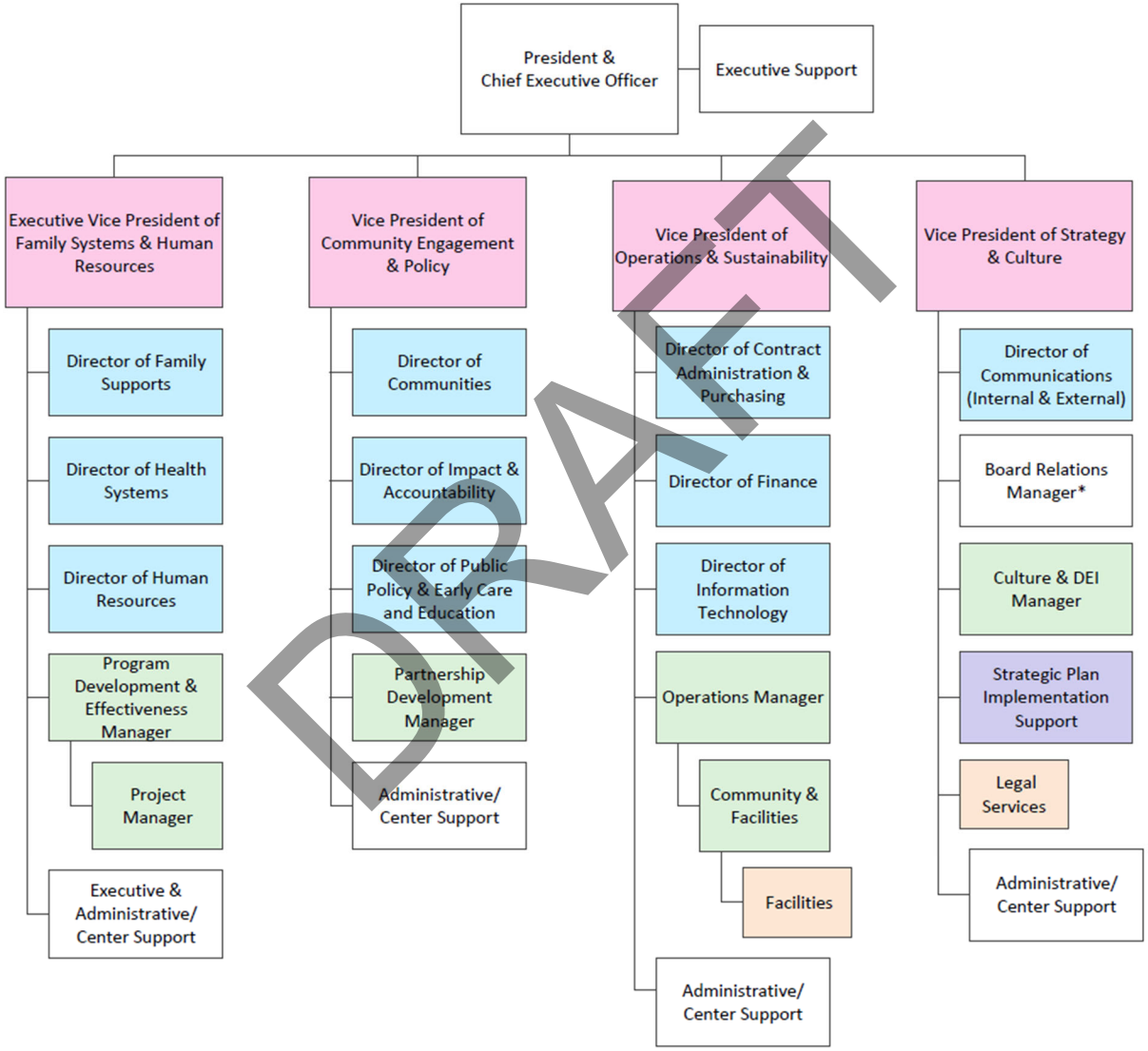
Organization Structure

First 5 LA



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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

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Presented to

First 5 LA
California

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025

and issued to the public 101 days after the fiscal year end



Christopher P. Morrill

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, 2026, 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, 2026, 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.

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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.

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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.

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Other Reporting Required by *Government Auditing Standards*

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

Ontario, California
[DATE]

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

This Management's Discussion and Analysis (MD&A) provides an overview of the financial activities of the Los Angeles County Children and Families First – Proposition 10 Commission (the "Commission") for the fiscal year ended June 30, 2026. It should be read in conjunction with the Commission's basic financial statements and accompanying notes.

1) 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 positions are recognized when the underlying events occur, 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 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. 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.

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2) Financial Summary

	FY 2025-26	FY 2024-25	Percent Increase (Decrease)	Increase (Decrease)
Assets:				
Current and other assets	$270,417,417	$273,989,205	-1.30%	($3,571,788)
Capital assets	14,557,213	13,387,541	8.74%	1,169,672
Total assets	**$284,974,630**	**$287,376,746**	**-0.84%**	**($2,402,116)**
Liabilities				
Long-term liabilities	$1,529,557	$1,984,149	-22.91%	($454,592)
Other liabilities	9,282,465	11,886,461	-21.91%	(2,603,996)
Total liabilities	**$10,812,022**	**$13,870,610**	**-22.05%**	**($3,058,588)**
Deferred inflows of resources	$3,229,992	$0	100.00%	$3,229,992
Net Position:				
Unrestricted	$256,375,403	$260,118,595	-1.44%	($3,743,192)
Investment in capital assets	14,557,213	13,387,541	8.74%	1,169,672
Total net position	**$270,932,616**	**$273,506,136**	**-0.94%**	**($2,573,520)**
Total liabilities and net position	**$284,974,630**	**$287,376,746**	**-0.84%**	**($2,402,116)**

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Government-wide Financial Statements Analysis

The following is a summary of the Commission's assets, liabilities and net position comparing FY 2025-26 with FY 2024-25:

The Commission's FY 2025–26 total assets of $285 million represent a decrease of $2.4 million a 0.84% decline, compared to the prior year. Of this total, the decrease in current and other assets accounts for approximately $3.6 million. A key factor contributing to this reduction is that total expenses, including program expenses such as provider grants and contractors, exceeded total revenue by $2.6 million. This deficit was anticipated and aligns directly with projections under the Long-Term Financial Plan, driven largely by the ramp-down and closure of several programs, such as *Welcome Baby* and *SHV*, in 2025–26. Additionally, total liabilities decreased by $3.0 million (22%). This was driven by a significant reduction in current accounts payable accruals compared to the previous year, which was also anticipated due to program closures.

The $1,169,672 net increase in capital assets is a result of the organization's completion of Phase 2 of its Capital Improvement Project to provide additional physical improvements to the 750 N. Alameda Street building, which has now concluded as of the end of FY 2025-26. The depreciation expense for FY 2025-26 was $434,163. 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 2025-26 with FY 2024-25:

	FY 2025-26	FY 2024-25	Percent Increase (Decrease)	Increase (Decrease)
Revenues:				
Program revenues				
Tobacco taxes	$33,681,601	$33,182,663	1.50%	$498,938
Proposition 56	12,588,020	14,494,959	-13.16%	(1,906,939)
CA Electronic Cigarette Excise Tax	443,390	804,762	-44.90%	(361,372)
State Commission Program Funds	2,440,789	4,423,787	-44.83%	(1,982,998)
Local Entity Program Funding	4,571,103	4,377,831	4.41%	193,272
Total program revenues	**$53,724,903**	**$57,284,002**	**-6.21%**	**($3,559,099)**
General revenues				
Investment income	$9,094,097	$11,157,945	-18.50%	($2,063,848)
Net increase in fair value of investments	977,040	(921,348)	206.04%	1,898,388
Other General Revenues-Rental Income	301,466	0	100.00%	301,466
Other general income	0	2,239	-100.00%	(2,239)
Total general revenues	**10,372,603**	**10,238,836**	**1.31%**	**133,767**
Total revenues	**$64,097,506**	**$67,522,838**	**-5.07%**	**($3,425,332)**
Expenses:				
Provider grants and other allocations	$51,811,096	$64,466,252	-19.63%	($12,655,156)
Salaries and benefits	11,937,869	14,033,321	-14.93%	(2,095,452)
Operating services	1,143,874	1,200,732	-4.74%	(56,858)
Consultant services	1,004,263	790,004	27.12%	214,259
Professional services	238,102	365,522	-34.86%	(127,420)
Professional development	51,514	80,350	-35.89%	(28,836)
Other expenses	50,145	61,691	-18.72%	(11,546)
Depreciation	434,163	451,523	-3.84%	(17,360)
Total expenses	**$66,671,026**	**$81,449,395**	**-18.14%**	**($14,778,369)**
Change in net position:	(2,573,520)	(13,926,557)	81.52%	11,353,037
Net position – beginning, as previously reported	273,506,136	287,723,015	-4.94%	(14,216,879)
Adjustments		(290,322)		290,322
Net position – beginning, as restated		287,432,693		(287,432,693)
Net position – ending	**$270,932,616**	**$273,506,136**	**-0.94%**	**($2,573,520)**

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3) Detailed Analyses:

Revenues

The Commission received a total of roughly $64.1 million in revenues for FY 2025-26, reflecting a decrease of $3.4 million, or 5.1% compared with the prior year's total revenues of $67.5 million. The overall changes in revenue are due to the following:

Tobacco Tax

Tobacco tax revenue increased slightly from $33.2 million in FY 2024-25 to $33.7 million in FY 2025-26, an increase of roughly $0.5 million, or 1.5%. Overall revenue declines have temporarily leveled off after significant decreases in overall tobacco sales since the enactment of Proposition 31 (SB 793) in November 2022, which prohibits in-person stores and vending machines from selling 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 2025-26 to $12.6 million compared to $14.5 million in the prior fiscal year, a decrease of $1.9 million or 13.2%. The basic reason is that there is a shift in consumer behavior away from traditional taxable cigarettes towards alternatives, which are also more expensive. The backfill is received the following fiscal year and the actual amount represented here is for FY 2024-25.

State Commission Program Funds

State Commission program funds decreased from $4.4 million in FY 2024-25 to $2.4 million in FY 2025-26, a decrease of roughly $2.0 million or 44.8%. This decrease is largely attributed to the conclusion of funding for the Home Visitation Coordination Project with First 5 CA as well as a decrease in programmatic reimbursement related to IMPACT/Hubs, with some funding for that program deferred to FY 2026-27.

Local Entity Program Funding

Local Entity program funding increased from $4.4 million in FY 2024-25 to $4.6 million in FY 2025-26. This is a year-to-year increase of $193,272. This revenue uptick is due to a slight increase of grants from Los Angeles County Office of Education and Los Angeles County – Department of Public Health for FY 2024-25.

Investment Income

The commission earned roughly $9 million of the investment income in FY 2025-26 and there is lease interest earned $74,754, the total amount under this category is $9.1 million, which was a decrease of $2.1 million, or approximately 18.5%, compared with the roughly $11.2 million earned prior year. The overall rate of return for FY 2025-26 was 3.25%, a decrease of 0.49% from the previous year (2024-25) of 3.74%. This was due to continued decline in interest rates over the course of the fiscal year.

Fair Value Adjustment

The Commission separates the fair value adjustment under investment income from the Statement of Activities to more accurately reflect true interest earned. In FY 2025-26, the fair value of First 5 LA’s investment portfolio adjustment increase was $977,040, compared to the $921,348 downward adjustment in FY 2024-25. This reflects lower interest rates and broader macroeconomic factors. The positive outcome is mainly influenced by LA County's overall investment. We adjusted our investments in line with their total investment, and this year, our withdrawals were lower than the total market value of LA County's investment.

Other General Revenues

FY 2025-26 included the execution and commencement of a seven-year lease with the County of Los Angeles for the rental of second-floor office space at 750 N. Alameda Street, Los Angeles, CA 90012. The lease was executed in November 2025 and provides for base rent of $48,887 per month through 2032. In accordance with GASB Statement No. 87, the Commission recognized $301,466 as lease revenue and $74,754 of related interest income within Investment Income.

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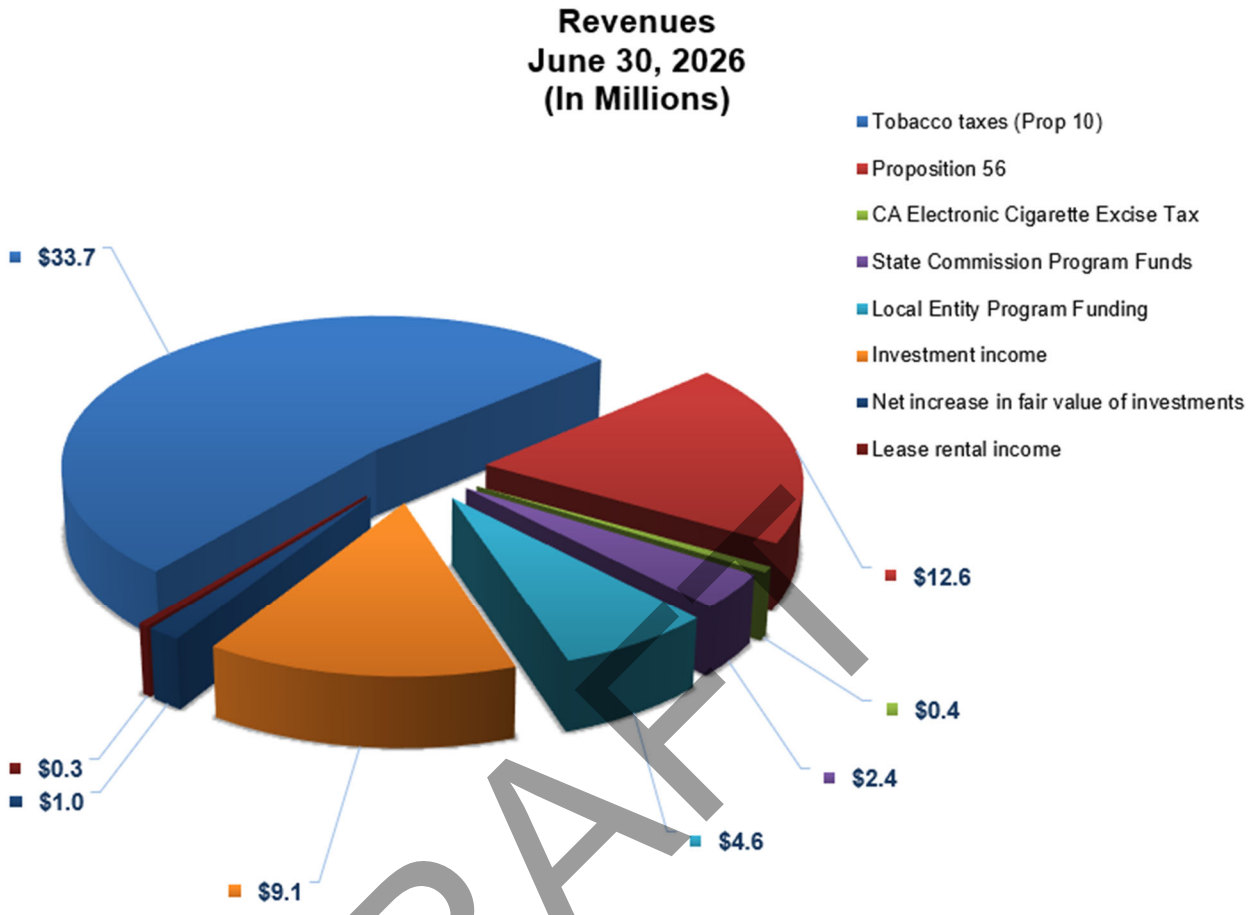

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Expenses

The Commission recognized expenses of $66.7 million in FY 2025-26 compared with $81.4 million in FY 2024-25, a decrease of $14.8 million, or 18.1%. The $14.8 million net decrease in overall expenses encompasses the following in FY 2025-26:

Provider Grants and Other Allocations

The Commission experienced a decrease of $12.7 million, or roughly 19.6% in support of "Provider grants and other allocations," spending approximately $51.8 million in FY 2025-26 compared to $64.5 million in FY 2024-25. The net decrease is due to several programs, such as Welcome Baby and SHV, have ramped down and closed in 2025-26, and with no plans for future funding. As a result, total grant expenses have significantly decreased compared to the previous year. The proposed spending is aligned with the Long-Term Financial Plan spending limits and downward revenue trajectory, as well as adjusted activity timelines and ending or ramped-down projects.

Salaries and Benefits
Salaries and Benefits decreased from FY 2024-25 by $2.1 million or 14.9%. This was primarily due to the elimination of staff positions that had previously been open or budgeted for the organization, due to organizational restructuring, this position has been eliminated. This is the reason for the decrease in salary and benefits.

Operating Services

Operating Services decreased slightly by $56,858 or 4.7% from the prior year due to realignment of some departments and weekly usage affecting general operating costs, particularly in facilities, maintenance, and utilities.

Consultant Services
The Commission recorded $1,004,263 in expenses for consultant services in FY 2025-26, a 27.1% increase from FY 2024-25. The increase is primarily due to higher usage and engagement of outside firms and individuals for assistance in ongoing strategic plan related work, temporary labor support and building management services.

Professional Services
Professional services decreased from FY 2024-25 by $127,420 or 34.9%. The decrease is largely due to lower expenses for legal services.

Professional Development
Professional development decreased in FY 2025-26 by $28,836 or 35.9% from FY 2024-25. Over the course of the fiscal year, expenses were reduced, as strategic shifts reduced the need for certain planned expenditures primarily for in-person conferences along with professional development programs and opportunities across the State.

Other Expenses
Other expenses decreased from FY 2024-25 by $11,546 or 18.7%. The decrease is due to an overall decline in organization-wide travel needs due to less out-of-state travel as well as local meetings.

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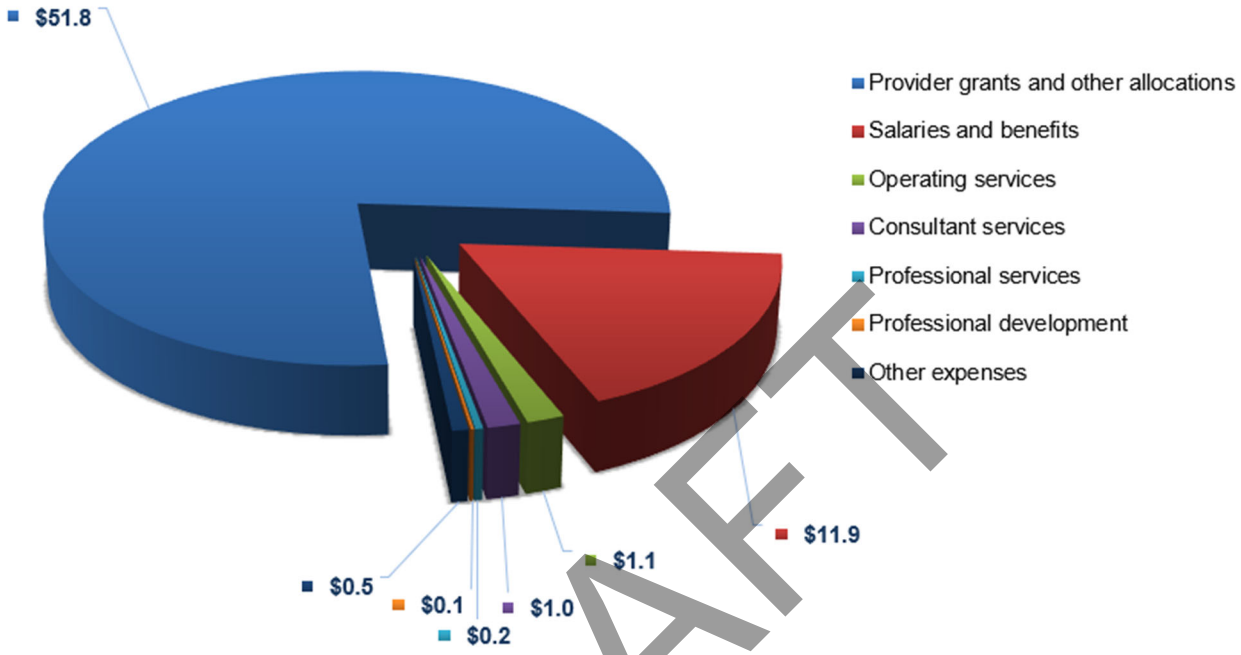
Program and Operating Expenses
Fiscal Year Ended June 30, 2026
(In Millions)



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Analysis of the Governmental Fund

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 2025-26, the Commission's general fund reported a total ending fund balance of $252.0 million, a decrease of $4.1 million, or 1.6% in comparison with the prior fiscal year balance of $256.1 million.

Total fund balance decreased because expenditures exceeded annual revenues, reflecting the Commission's continued investment activities and strategies outlined in the 2024-2029 Strategic Plan, including the new multi-year commitments for specific initiatives.

Other Potentially Significant Matters

Over the past several years, revenue performance has demonstrated significant year-to-year variability. While the organization typically experiences an annual rate of decline of 3%–5%, declines have reached as high as 12.49% in FY 2022-23, primarily driven by Proposition 31, a ballot measure prohibiting the sale of certain flavored tobacco products. Proposition 31 resulted in an immediate and accelerated decline in First 5 LA's Proposition 10 tobacco tax revenue for fiscal years 2022-23 and 2023-24. In response to these extreme fluctuations, which continue to have lasting financial implications, First 5 LA continues to receive backfill "hold harmless" payments from the State to maintain Proposition 10 revenue for participating counties following the passage and implementation of SBx2 and Proposition 56.

In response to the long-term impact on its primary source of funding and the evolving landscape of tobacco tax legislation, First 5 LA revised its Long-Term Financial Plan (LTFP) and established spending limits through FY 2034-35, approved by the Commission in October 2024.

The second update to the revised LTFP, incorporating final audited expenditures for FY 2024-25, the mid-year revised budget for FY 2025-26, and the proposed budget for FY 2026-27, along with updates to other revenue projections, was approved by the Board of Commissioners in June 2026. Projected revenue for FY 2025-26 was based on estimates from the Department of Finance (DOF) and the California Department of Tax and Fee Administration (CDTFA), issued in April 2025.

Updates to the LTFP resulted in a higher projected ending fund balance in FY 2034-35. However, in May 2026, First 5 LA received an updated forecast from the DOF and CDTFA that reflected significant reductions in the five-year forecast beginning with FY 2025-26. This new forecast is still being validated. If this trend of significant revenue decline continues, it will have a substantial impact on the organization's fund balance.

First 5 LA will continue to monitor the legislative landscape and consumption trends and use the Long-Term Financial Plan as a critical tool to align long-term spending with the 2024-2029 Strategic Plan and adapt to evolving fiscal realities.

The Long-Term Financial Plan (LTFP), approved by the Board in October 2024 and updated annually to reflect changes in projected revenues and expenditures, establishes a baseline funding framework for First 5 LA through FY 2034-35. The LTFP provides a long-term financial framework for managing future-year expenses and strategically maximizing the use of projected fund balances. The FY 2026-27 budget was developed within the LTFP baseline as a fiscal guardrail to establish First 5 LA's maximum direct investment for the year. The LTFP will continue to guide annual budget development and support sustainable, long-term financial planning.

4) Significant capital assets and long-term financing activity:

During the fiscal year, the Commission recorded approximately $2.1 million in additions to depreciable capital assets. This included $1.6 million allocated for essential building and structural improvements aimed at expanding regional capacity and addressing long-term deferred maintenance. The operational footprint was adjusted by disposing of $195,823 in outdated furniture, fixtures, and software that had reached the end of their useful life, ensuring that asset records accurately reflect active service capacity. Overall, long-term capital assets increased by 9.9% to $21.1 million, primarily supported by proceeds from prior years. Accumulated depreciation stood at $8.6 million, reflecting a 2.84% increase.

Lease

During the fiscal year ended June 2026, the Commission entered into a lease agreement as a lessor to provide 750 N Alameda St (2nd Floor), Los Angeles, CA 90012 to the County of Los Angeles. In accordance with GASB Statement No. 87, Leases, the Commission recognized a lease receivable of $3,264,004 and a corresponding deferred inflow of resources in the amount of $3,229,992. During the fiscal year ended June 2026, the Commission recognized $301,466 in lease revenue and $74,754 in interest revenue related to this agreement. At fiscal year-end, the remaining lease receivable was $3,264,004, and the remaining deferred inflow of resources was $3,229,992. Additional information on lessor activities is available in Note 4 of the financial statements.

5) Currently known facts, decisions, or conditions

First 5 LA's long-term revenue outlook continues to be affected by both demographic trends and changes in tobacco consumption and tax revenue assumptions. The April 2025 forecast from the Department of Finance (DOF) and California Department of Tax and Fee Administration (CDTFA) projected Los Angeles County Proposition 10 tobacco tax revenue to decline from approximately $47.9 million in FY 2025-26 to $44.0 million by FY 2028-29, reflecting a gradual decline in projected births and birth rates in the County. The May 2026 updated forecast reflects a more significant downward revision, projecting revenue of approximately $44.1 million in FY 2025-26 and declining further to $36.6 million by FY 2029-30. During the same period, Los Angeles County births are projected to decrease from 89,511 in 2024 to 85,403 in 2028, while the County's share of statewide births also declines modestly. These demographic trends are particularly significant to First 5 LA because Proposition 10 revenue is tied to tobacco consumption and the population of young children and families served by the organization.

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While the forecasts reflect estimates at a specific point in time and are subject to change, the continuing downward trajectory suggests that First 5 LA may experience ongoing pressure on its primary revenue source over the next several years and continue to incorporate conservative revenue assumptions, monitor demographic and consumption trends, monitor changes in tobacco-related legislation, and align long-term spending with available resources, as reflected in the Long Term Financial Plan (LTFP).

The Long-Term Financial Plan (LTFP), approved by the Board in October 2024 and updated annually to reflect changes in projected revenues and expenditures, establishes a baseline funding framework for First 5 LA through FY 2034-35. The LTFP provides a long-term financial framework for managing future-year expenses and strategically maximizing the use of projected fund balances. The FY 2026-27 budget was developed within the LTFP baseline as a fiscal guardrail to establish First 5 LA's maximum direct investment for the year. The LTFP will continue to guide annual budget development and support sustainable, long-term financial planning.

Looking ahead, the Commission faces ongoing downward pressure from declining Proposition 10 revenue allocations, which historically support core early childhood programs. In response to these projected structural declines, management updated its Long-Term Financial Plan to re-baseline operating expenditures. For the upcoming fiscal year, the Commission has enacted a strategic hiring limitation on non-essential administrative positions, reprioritized grant-funded programmatic spending, and established a formalized plan and $60m budget organization starting in 2027-28. These proactive measures are designed to absorb revenue contraction without compromising primary service delivery or threatening the Commission's long-term financial solvency.

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.

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Los Angeles County Children and Families First – Proposition 10 Commission

Statement of Net Position and Governmental Fund Balance Sheet

June 30, 2026

	General Fund	Adjustments (Note 1)	Statement of Net Position
Assets			
Cash and investments	$ 260,161,988	$ -	$ 260,161,988
State receivable	6,178,090	-	6,178,090
Interest receivable	719,751	-	719,751
Lease receivable	3,264,004	-	3,264,004
Advances to grantees	93,584	-	93,584
Capital assets			
Not depreciated/amortized	-	2,039,000	2,039,000
Capital assets (net)	-	12,518,213	12,518,213
Total assets	$ 270,417,417	$ 14,557,213	$ 284,974,630
Liabilities			
Accounts payable and accrued liabilities	$ 9,002,717	$ -	$ 9,002,717
Compensated absences			
Due within one year	-	279,748	279,748
Due in more than one year	-	1,529,557	1,529,557
Total liabilities	9,002,717	1,809,305	10,812,022
Deferred Inflows of Resources			
Leases	3,229,992	-	3,229,992
Unavailable revenue	6,178,090	(6,178,090)	-
Total deferred inflows of resources	9,408,082	(6,178,090)	3,229,992
Fund Balance/Net Position			
Fund balance			
Nonspendable	93,584	(93,584)	-
Committed	53,024,449	(53,024,449)	-
Assigned	146,913,033	(146,913,033)	-
Unassigned	51,975,552	(51,975,552)	-
Total fund balance	252,006,618	(252,006,618)	-
Net position			
Investment in capital assets	-	14,557,213	14,557,213
Unrestricted	-	256,375,403	256,375,403
Total net position	-	270,932,616	270,932,616
Total liabilities, deferred inflows of resources and fund balance/net position	$ 270,417,417	$ 14,557,213	$ 284,974,630

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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, 2026

	General Fund	Adjustments (Note 1)	Statement of Activities
Revenues			
Program revenues			
Operating grants and contributions			
Tobacco taxes	$ 33,769,944	$ (88,343)	$ 33,681,601
Proposition 56	12,588,020	-	12,588,020
CA electronic cigarette excise tax	534,199	(90,809)	443,390
State commission program funding	3,215,781	(774,992)	2,440,789
Local entity program funding	3,512,240	1,058,863	4,571,103
Total program revenues	53,620,184	104,719	53,724,903
General revenues			
Investment income	9,122,458	(28,361)	9,094,097
Net increase in fair value of investments	977,040	-	977,040
Lease revenue	301,466	-	301,466
Total general revenues	10,400,964	(28,361)	10,372,603
Total revenues	64,021,148	76,358	64,097,506
Expenditures/Expenses			
Provider grants and other allocations	51,811,096	-	51,811,096
Salaries and benefits	12,224,265	(286,396)	11,937,869
Operating services	1,143,874	-	1,143,874
Consultant services	1,004,263	-	1,004,263
Professional services	238,102	-	238,102
Professional development	51,514	-	51,514
Travel	50,145	-	50,145
Capital outlay	1,603,835	(1,603,835)	-
Depreciation	-	434,163	434,163
Total expenditures/expenses	68,127,094	(1,456,068)	66,671,026
Net change in fund balance	(4,105,946)	4,105,946	-
Change in Net Position	-	(2,573,520)	(2,573,520)
Fund Balance/Net Position			
Beginning of Year	256,112,564	17,393,572	273,506,136
End of Year	$ 252,006,618	$ 18,925,998	$ 270,932,616

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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.

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.

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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 the 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, 2026, the Commission reported unrestricted net position of $256,375,403.

Fund Financial Statements

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

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

Adjustments Between Fund Financial Statements and Government-Wide Financial Statements

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 $14,557,213 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 $1,603,835 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, 2026 amounted to $434,163 and is reported in the statement of activities.

b. Long-Term Liabilities

As of June 30, 2026, the Commission estimated its liability for compensated absences to be $1,809,305. 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 $286,396 is reported in the statement of activities.

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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, 2026, the Commission has unavailable revenues of $6,178,090. The increase in unavailable revenue during the year of $76,358 is reported in the statement of activities.

Net Position

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

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

Fund Balance

Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Commission established the following classifications and definitions of fund balance for the year ended June 30, 2026:

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.

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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, 2026, 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 include 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.

Effect of New Governmental Accounting Standards Board (GASB) Pronouncements

Effective in Current Fiscal Year

GASB Statement No. 103 – In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The Statement improves key components of the financial reporting model, including changes to management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position, major component unit information, and budgetary comparison information. The Commission implemented this Statement for the fiscal year ended June 30, 2026.

GASB Statement No. 104 – In September 2024, the GASB issued Statement No. 104, *Disclosures of Certain Capital Assets*. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. This Statement requires certain additional disclosures for capital assets, including capital assets held for sale, lease assets by major class of underlying assets, subscription assets, and intangible assets other than lease assets and subscription assets. 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 may impact future financial statement presentation. The Commission has not determined the effect of the following Statements:

GASB Statement No. 105 – *Subsequent Events*

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Investments

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

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 2025-26, 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, 2026.

Advances to Grantees		
The Nonprofit Partnership	$	19,437
El Nido Family Centers		17,217
Community Health Councils		56,930
Total advances to grantees	$	93,584

Lease Receivables

Lease receivables are recorded by the Commission at the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future payments to be received are discounted on the interest rate the Commission charges the lessee.

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.

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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 the following items that qualify for reporting in this category:

- 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.
- Deferred inflows related to leases in which the Commission is the lessor are reported in the governmental fund balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) on a straight-line basis over the term of the lease.

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.

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Note 2 - Cash and Investments

Total cash and investments at fair value, as of June 30, 2026 are as follows:

Cash	
Cash in bank	$ 2,634,831
Investments	
Investments with County Treasurer	
Pooled cash and investments	257,527,157
Total investments	257,527,157
Total cash and investments	$ 260,161,988

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, 2026, cash held by financial institutions of $3,397,556 was entirely insured and collateralized as described above. The book balance at June 30, 2026 was $2,634,831.

Investments

Investments with the Los Angeles County Treasurer at June 30, 2026 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, 2026, the remaining maturity for the County pool approximated 335 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.

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.

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, 2026, are uncategorized and not defined as a Level 1, Level 2, or Level 3 input.

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.

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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's deposits were covered by Federal Deposit Insurance Corporation (FDIC) up to $250,000. Amounts in excess of FDIC 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.

Note 3 - Capital Assets

	Balance June 30, 2025	Increases	Decreases	Balance June 30, 2026
Capital assets, not depreciated				
Land	$ 2,039,000	$ -	$ -	$ 2,039,000
Construction in progress	512,203	1,062,777	(1,574,980)	-
Total capital assets, not being depreciated	2,551,203	1,062,777	(1,574,980)	2,039,000
Capital assets, depreciable				
Building and improvements	15,970,799	1,574,980	-	17,545,779
Computers and accessories	2,280,105	46,479	(26,823)	2,299,761
Office equipment	346,046	-	-	346,046
Furniture and fixtures	627,670	494,579	(169,000)	953,249
Total depreciable capital assets	19,224,620	2,116,038	(195,823)	21,144,835
Less accumulated depreciation				
Building and improvements	(5,287,099)	(358,283)	-	(5,645,382)
Computers and accessories	(2,134,976)	(72,878)	26,823	(2,181,031)
Office equipment	(338,537)	(3,002)	-	(341,539)
Furniture and fixtures	(627,670)	-	169,000	(458,670)
Total accumulated depreciation	(8,388,282)	(434,163)	195,823	(8,626,622)
Total capital assets depreciated, net	10,836,338	1,681,875	-	12,518,213
Capital assets, net	$ 13,387,541	$ 2,744,652	$ (1,574,980)	$ 14,557,213

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Note 4 - Lease Receivable

The Commission leases office space located at 750 North Alameda Street, Los Angeles, California, to the County of Los Angeles Chief Executive Office. The leased premises consist of approximately 17,777 rentable square feet located on the second floor of the Commission's office building. The agreement commenced in November 2025 and has a term of seven years. Initial base rent is $48,887 per month, subject to annual adjustments based upon the changes in the Consumer Price Index for the Los Angeles area, with annual increases limited to 4%.

At June 30, 2026, the Commission reported a lease receivable of $3,264,004 and a related deferred inflow of resources of $3,229,992. During the year ended June 30, 2026, the Commission recognized $301,466 of lease revenue. The lease receivable was measured using a discount rate of 3.75%, which represents the interest rate charged under the lease.

Future principal and interest lease payments as of June 30, 2026 are as follows:

Years Ending June 30,	Principal	Interest	Total
2027	$ 432,266	$ 105,488	$ 537,754
2028	488,795	97,846	586,641
2029	507,443	79,198	586,641
2030	526,803	59,838	586,641
2031	546,901	39,740	586,641
2032-2033	761,796	20,393	782,189
	$ 3,264,004	$ 402,503	$ 3,666,507

Note 5 - Changes in Compensated Absences

Compensated absences liability activities for the year ended June 30, 2026 is as follows:

	Balance June 30, 2025	Net Change	Balance June 30, 2026	Due Within One Year
Compensated absences	$ 2,095,701	$ (286,396)	$ 1,809,305	$ 279,748
	$ 2,095,701	$ (286,396)	$ 1,809,305	$ 279,748

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Note 6 - 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, 2026 consists of the following:

Initiative/Program Allocation	Nonspendable
Advances	
The Nonprofit Partnership	$ 19,437
El Nido Family Centers	17,217
Community Health Councils	56,930
Total nonspendable	93,584
	Committed
Annual Reporting	42,000
Center Support	125,000
Children's Data Network (CDN)	450,500
Communities	8,668,974
Data Requests	20,000
Early Care & Education	4,010,000
Early Childhood Policy and Advocacy Fund	3,070,000
Equity Index	250,000
Family Supports	28,242,146
Health Systems	1,066,000
Impact Framework	230,000
Organizational Memberships	144,500
Organization-Wide Partnerships	118,000
Organization-Wide Sponsorships	204,000
Policy Advocacy Fund Technical Assistance Provider	445,000
Policy Advocacy Stakeholder Engagement	106,250
State Policy and Sustainability Advocate	205,000
Strategic Communications	532,174
Strategic Communications Partnerships	127,500
Strategic Initiatives Development Fund	3,951,555
Strategic Marketing	565,850
Strategic Plan Advocacy Strategies	450,000
Total committed	53,024,449

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Initiative/Program Allocation	
	Assigned
Strategic Plan	$ 146,913,033
Total assigned	146,913,033
	Unassigned
Operating Budget - FY 2026-27	16,975,552
Fund Balance Reserve - 50% of total FY 25-26 Budget	35,000,000
Total unassigned	51,975,552
Total fund balance	$ 252,006,618

Note 7 - 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 $269,591 on program evaluation during the year ended June 30, 2026.

Note 8 - 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 $849,509, comprised of $407,963 in elective contributions, and $441,546 in non-elective contributions for the fiscal year ended June 30, 2026.

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Note 9 - 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	$ 2,989,556
CA Electronic Cigarette Excise Tax	134,191
LACOE IMPACT	691,287
Home Visiting Coordination Program	2,041,417
Investment Income	321,639
Total unavailable revenue	$ 6,178,090

Note 10 - Risk Management

The Commission is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, and injuries to employees. The Commission maintains commercial insurance coverage for general liability, automobile liability, workers' compensation, and employer liability claims.

There were no significant reductions in insurance coverage during the fiscal year ended June 30, 2026. 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 11 - Related Party Transactions

The Commission incurred expenditures totaling $9,756 for County of Los Angeles services provided during the year ended June 30, 2026.

In the fiscal year, the Commission incurred $41,330,654 of expenditures for provider grants, operating services, consultant services, and professional services to organizations that are represented by 12 members of the Board of Commissioners. As of June 30, 2026, amounts of $2,578,409 are included in accounts payable to these organizations.

As disclosed in Note 4, in fiscal year, the Commission entered into a lease agreement with the County of Los Angeles Chief Executive Office for office space at the Commission's office building. During the year-ended June 30, 2026, the Commission recognized lease revenue of $301,466. At June 30, 2026, the Commission reported a lease receivable of $3,264,004 and deferred inflow of resources $3,229,992.

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Note 12 - First 5 California Signature Programs

Improve and Maximize Programs so All Children Thrive (IMPACT) Regional Coordination and Training and Technical Assistance Hubs (Hubs) Program

The purpose of IMPACT is to support a network of local quality improvement systems to better coordinate, assess, 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 centered on continuous quality improvement quality, including a network of local Quality Rating and Improvement 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 $2,081,726 in IMPACT Regional Coordination and Training reimbursable expenditures for the year ended June 30, 2026.

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 $359,063 in IMPACT Technical Assistance Hubs reimbursable expenditures for the year ended June 30, 2026.

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Required Supplementary Information
June 30, 2026

Los Angeles County Children and Families First – Proposition 10 Commission

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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, 2026

	Original Budget	Final Budget	Variance with Original Budget over (under) Final Budget	Actual	Variance with Final Budget over (under) Actual Amounts
Revenues					
Tobacco Taxes	$ 51,580,355	$ 47,939,078	$ (3,641,277)	$ 33,769,944	$ (14,169,134)
Proposition 56	-	-	-	12,588,020	12,588,020
CA Electronic Cigarette Excise Tax	-	-	-	534,199	534,199
State Commission Program Funding	3,375,531	3,717,738	342,207	3,215,781	(501,957)
Local Entity Program Funding	4,266,581	4,816,581	550,000	3,512,240	(1,304,341)
Investment Income	7,030,432	7,446,898	416,466	9,122,458	1,675,560
Net Increase in Fair Value of Investments	-	-	-	977,040	977,040
Lease Revenue	-	-	-	301,466	301,466
Total revenues	66,252,899	63,920,295	(2,332,604)	64,021,148	100,853
Expenditures					
Program Costs					
Provider Grants and Other Allocations	59,613,433	59,613,433	-	51,811,096	7,802,337
Total program costs	59,613,433	59,613,433	-	51,811,096	7,802,337
Operations & Administration					
Salaries and Benefits					
Salaries and Wages	11,788,254	11,788,254	-	9,202,250	2,586,004
Fringe Benefits	4,583,872	4,583,872	-	3,022,015	1,561,857
Total salaries and benefits	16,372,126	16,372,126	-	12,224,265	4,147,861
Operating Services					
ADP Payroll Charges	40,000	40,000	-	29,728	10,272
Workers' Compensation Insurance	84,919	84,919	-	38,035	46,884
Utilities	185,000	185,000	-	159,140	25,860
Corporate Insurance	140,800	140,800	-	143,548	(2,748)
Mileage and Parking	22,965	22,965	-	5,256	17,709
Telephones and Modems	53,300	53,300	-	79,167	(25,867)
Cell Phones and Mobile Devices	108,300	108,300	-	81,600	26,700
Outside Printing	2,300	2,300	-	185	2,115
Other Supplies	3,000	3,000	-	5,864	(2,864)
Postage and Delivery	2,510	2,510	-	1,638	872
Educational Supplies	5,000	5,000	-	1,322	3,678
Office Supplies	34,790	34,790	-	20,872	13,918
Subscriptions and Publications	34,000	33,800	(200)	26,567	7,233
Equipment Rental	21,000	21,000	-	19,432	1,568
Building Repairs and Maintenance	170,000	170,000	-	186,615	(16,615)
Equipment Repairs and Maintenance	6,500	6,500	-	995	5,505
Offsite Storage	5,200	5,200	-	2,667	2,533
Hardware and Software Maintenance	404,000	404,000	-	257,006	146,994
Miscellaneous/Contingency	89,800	89,800	-	33,433	56,367
Internal Meetings	89,200	87,100	(2,100)	23,287	63,813
Division Capacity Building	19,000	19,000	-	1,750	17,250
Capital Outlay	-	-	-	25,767	(25,767)
Total operating services	1,521,584	1,519,284	(2,300)	1,143,874	375,410

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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, 2026

	Original Budget	Final Budget	Variance with Original Budget over (under) Final Budget	Actual	Variance with Final Budget over (under) Actual Amounts
Consultant Services					
Consultant Fees	$ 972,000	$ 972,000	$ -	$ 691,494	$ 280,506
Other Professional Fees	311,900	311,900	-	312,769	(869)
Total consultant services	1,283,900	1,283,900	-	1,004,263	279,637
Professional Services					
Audit	72,000	72,000	-	49,370	22,630
Legal	200,000	200,000	-	94,156	105,844
Professional Dues	74,250	73,850	(400)	55,020	18,830
Staff Recruitment	10,000	10,000	-	1,761	8,239
Commission Stipends	20,000	20,000	-	8,850	11,150
Web-Based Services	70,000	70,000	-	28,216	41,784
Bank & Other Service Charges	12,000	12,000	-	729	11,271
Total professional services	458,250	457,850	(400)	238,102	219,748
Travel					
Airfare	117,125	117,125	-	19,153	97,972
Lodging	115,348	113,948	(1,400)	18,768	95,180
Per Diem	45,270	44,870	(400)	5,936	38,934
Other Travel Expense	18,865	18,865	-	6,288	12,577
Total travel and meetings	296,608	294,808	(1,800)	50,145	244,663
Professional Development					
Training Materials & Supplies	12,100	12,100	-	1,976	10,124
In-house Training	64,300	64,300	-	-	64,300
Leadership Programs	135,000	138,100	3,100	26,321	111,779
Conference Registrations	89,700	90,000	300	19,672	70,328
Outside Education	49,500	50,600	1,100	3,545	47,055
Total professional development	350,600	355,100	4,500	51,514	303,586
Capital Outlay	103,500	103,500	-	1,603,835	(1,500,335)
Total operating expenditures	20,386,568	20,386,568	-	16,315,998	4,070,570
Total program costs and operating expenditures	80,000,001	80,000,001	-	68,127,094	11,872,907
Excess (deficiency) of revenues over (under) expenditures	$ (13,747,102)	$ (16,079,706)	$ (2,332,604)	(4,105,946)	$ 11,973,760
Fund balance - Beginning of year				256,112,564	
Fund balance - End of year				$ 252,006,618	

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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 2025-26 was $80 million, which included $59.6 million for Program costs and $20.4 million for Operating and Administrative costs.

Note 2 – Budgetary Analysis

Final Revenue Budget vs. Actual Revenue
The following 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)
Total combined tobacco tax revenue, including Proposition 56 backfill and the CA Electronic Cigarette Excise Tax (CECET), recorded for FY 2025-26 was $46.9 million, approximately $1.0 million, or 2.2%, lower than the anticipated amount of $47.9 million reflected in the Long-Term Financial Plan approved by the Commission in June 2026. The original estimate of $51.6 million was based on data provided by the California Department of Tax and Fee Administration (CDTFA), updated in September 2024, and internally adjusted downward by 1% in response to volatility in year-over-year revenue performance and projections from CDTFA. First 5 LA received revised revenue projections from CDTFA; however, the estimates included in the latest forecast are still under review.

Other Program Revenue
Other program revenue, including State Commission Program Funds and Local Entity Program Funding, recorded for FY 2025-26 was approximately $6.7 million, which is roughly $1.8 million, or 21.2%, lower than the $8.5 million estimated at mid-year. This category includes funding from First 5 California, the Los Angeles County Department of Mental Health (DMH), a Medi-Cal Managed Care Plan, an LA Care Grant, and funds from WestEd in support of IMPACT/QSLA, Welcome Baby, and Select Home Visiting activities. Some of the IMPACT resources originally anticipated for receipt in FY 2025-26 are being extended into FY 2026-27. Additionally, WestEd funding was recorded as an advance and will be recognized as earned revenue each quarter as work progresses.

Investment Income
Investment income from earnings on the County Treasurer's Surplus Investment Pool totaled just over $9.1 million in FY 2025-26. The average return of 3.25% exceeded the 2.5% projected in the Long-Term Financial Plan approved by the Commission in June 2026.

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Original Expenditure Budget vs. Final Expenditure Budget

In March 2026, the Commission approved the proposed cost-neutral mid-year adjustments to the FY 2025-26 budget, shifting resources among cost categories while maintaining a total budget of $80.0 million. The following provides a brief summary of the adjustments that resulted in the final cost-neutral revised budget compared with the original budgeted expenditures:

Provider Grants and Other Allocations
Resources included in the original Program Budget (Provider Grants and Other Allocations) were determined to be sufficient for the remainder of the fiscal year.

Operating Services
This cost category reflects a total net decrease of $2,300. This includes reductions based on savings during the first half of the fiscal year, as well as reduced spending anticipated for the second half of the fiscal year based on spending trends.

Consulting Services
No change to this cost category. Existing budget resources were expected to fulfill the organization's needs for the remainder of the fiscal year.

Professional Services
The Professional Services category was decreased by $400 to capture cost savings in the first half of the fiscal year.

Travel Expenses
The $1,800 net decrease to the Travel cost category reflects projected lower-than-anticipated lodging and per diem needs in FY 2025-26.

Professional Development
This category includes Training Materials & Supplies, Internal/In-house Training, Leadership Programs, Conference Registrations and External Education/Training. There was a net increase of $4,500 to the Professional Development cost category due to additional staff leadership and external educational needs anticipated before the end of the fiscal year.

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Final Expenditure Budget vs. Actual Expenditure Amounts

The following provides a summary of the key factors contributing to the variance between actual expenditures and final budgeted amounts:

Provider Grants and Other Allocations
The variance in Provider Grants and Other Allocations for FY 2025-26 was approximately $7.8 million lower than anticipated. This variance was due to timing conflicts and the scaling back of activities. For example, of the nearly $4.8 million earmarked under the Strategic Initiatives Development Fund established for FY 2025-26, only 17%, or approximately $821,000, was spent. This was largely due to timing issues, as the fund was established to support expenditures related to the development of new initiatives, tactics, and projects aligned with the goals outlined in the Strategic Plan. As the tactics were still being developed in early FY 2025-26 and strategic discussions regarding resource prioritization were taking place, funds were not utilized at the projected rate. However, work and activities that began in FY 2025-26 will continue into FY 2026-27 and will increase the drawdown against this project.

Additionally, planned initiatives, such as exploring new partnerships—including pooled funding and targeted marketing and advertising services—were postponed as the organization focused on its strategic planning implementation process and brand refresh. Staffing vacancies and hiring holds across several departments also contributed to underspending, resulting in a reassessment of priorities and extended timelines for some activities while maintaining a focus on strategic plan implementation objectives. Finally, the receipt of external funds helped offset some budgeted costs.

Salaries and Benefits
Salary and benefit costs were $4,147,861 lower than budgeted. This was due to a combination of regular employee attrition during the fiscal year and positions that were budgeted for FY 2025-26 but remained vacant.

Total Operating Services expenditure was $375,410 below budget. The following is an analysis of the significant activities comprising this variance:

Utilities
Utilities expenses were $25,860 lower than budgeted, largely because the rooftop solar panels resulted in lower energy costs.

Mileage and Parking
Mileage and parking costs were $17,709 lower than budgeted. This variance reflects staff turnover and vacant positions, as well as an emphasis on local travel.

Telephones and Modems
Telephones, modems, and related expenses exceeded the budget by $25,867. Existing technology and equipment were reassessed for modernization, including the transition of landlines to voice calling and the establishment of a backup internet connection at the First 5 LA building, resulting in an overall increase in expenses.

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Cell Phones and Mobile Devices
Cell phone and mobile device costs were $26,700 lower than budgeted, primarily due to lower-than-expected cell phone reimbursements resulting from staff vacancies.

Office Supplies
Office supplies were $13,918 lower than budgeted. This variance was due to hybrid work arrangements and increased use of digital applications and platforms in place of traditional methods of documentation and storage.

Building Repairs and Maintenance
Building repairs and maintenance expenses exceeded the final budget by $16,615. Additional maintenance and repair costs were required following the leasing of the second floor and increased use of the building, including common-area facilities and restrooms, resulting in additional costs in FY 2025-26.

Hardware & Software Maintenance
Hardware and software maintenance spending was $146,994 lower than budgeted. This was primarily due to fewer software subscriptions, licenses, and applications being used in FY 2025-26, resulting in cost savings.

Internal Meetings
Internal meeting expenses were $63,813 lower than budgeted. This was primarily due to hybrid work arrangements, which resulted in fewer in-person meetings and increased use of technology to connect staff remotely.

Division Capacity Building
Division Capacity Building spending was $17,250 below budget. Prioritization of strategic plan implementation work resulted in lower-than-anticipated spending in this category, which is intended to promote division-wide learning and agreement.

Consultant Services
Consultant services costs were $279,637 below budget. The variance was primarily the result of a lower-than-anticipated need for consultants across most departments. In particular, there was no spending for consultants under the Center for Family Systems & Human Resources and lower-than-anticipated spending across other departments whose Consultant Services budgets were centralized in the Senior Leadership Team member's Center support budget. These savings offset increased consultant spending in support of Strategic Plan implementation work.

Professional Services
Professional services costs were $219,748 below budget. Decreases in legal services and web-based services contributed to cost savings for the organization.

Travel
Travel and travel-related expenses were considerably lower than budgeted. The $244,663 in cost savings coincided with the continued use and normalization of virtual meetings, as well as lower levels of travel for various purposes, including professional development, in-person conferences, and offsite meetings.

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Professional Development

Professional Development expenditures were $303,586 below the final budget. This was the result of continued use of virtual opportunities for professional development at a fraction of the cost of in-person training, as well as training opportunities whose limited schedules conflicted with organization-wide priorities.

Capital Outlay

Capital Outlay expenditures totaled $1,603,835, including approximately $1.58 million for capital improvement plan costs and approximately $25,767 for computer cybersecurity software and accessories to modernize the organization's digital infrastructure. Capital improvement plan costs associated with the final phase of the capital improvement project included, but were not limited to: minor renovations to the second floor in anticipation of tenants leasing the space, and final construction and furnishing costs for the configuration and furnishing of the redesigned first-floor shared conference areas. The original $6,959,676 capital improvement plan fund, established in June 2017, has been fully exhausted.

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Other Supplementary Information
June 30, 2026

Los Angeles County Children and Families First – Proposition 10 Commission

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Los Angeles County Children and Families First – Proposition 10 Commission

Schedule of First 5 California Funding

For the Year Ended June 30, 2026

Program	Source	Revenue Funds	Expenditures
IMPACT Regional Coordination and Training	First 5 California	$ 2,081,726	$ 2,081,726
Technical Assistance Hubs (Hubs)	First 5 California	359,063	359,063

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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
Financial Trends	
These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time.	37-40
Revenue Capacity	
These schedules contain trend information to help the reader assess the Commission's most significant revenue base.	41-43
Demographic Information	
These schedules offer economic and demographic indicators to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs.	44-46
Operating Information	
This schedule contains infrastructure data to help the reader understand how the information in the Commission's financial report relates to the services the Commission performs.	47-48

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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									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Unrestricted	256,375,403	260,118,595	274,450,549	278,642,272	287,686,543	315,694,716	338,630,916	364,338,314	379,018,838	422,015,244
Investment in capital asset	14,557,213	13,387,541	13,272,466	13,464,635	12,880,231	10,394,423	10,628,033	10,841,379	11,046,294	11,310,273
Total net position	$ 270,932,616	$ 273,506,136	$ 287,723,015	$ 292,106,907	$ 300,566,774	$ 326,089,139	$ 349,258,949	$ 375,179,693	$ 390,065,132	$ 433,325,517

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Los Angeles County Children and Families First – Proposition 10 Commission

Changes in Net Position

Last Ten Fiscal Years

	Fiscal Year									
	2026	2025	2024	2023	2022	2021	2020	2019	2018*	2017
Revenues										
Tobacco taxes*	$ 33,681,601	$ 33,182,663	$ 39,331,539	$ 47,253,504	$ 55,265,755	$ 60,590,413	$ 60,022,841	$ 68,580,443	$ 72,330,836	$ 83,567,141
Prop. 56	12,588,020	14,494,959	15,382,483	16,236,701	18,534,434	18,215,617	18,068,329	7,482,310	-	-
CA Electronic Cigarette Excise Tax	443,390	804,762	900,231	1,114,427	-	-	-	-	-	-
State Commission Program Funds	2,440,789	4,423,787	3,083,396	5,109,088	3,574,885	2,469,410	922,472	13,986,085	896,040	556,665
Medi-Cal Administrative Activities	-	-	-	132,945	189,125	80,319	133,955	350,924	181,859	137,599
Partnership for Families Fund**	-	-	-	-	-	-	-	-	-	4,334,967
California Department of Education	-	-	-	-	-	32,830	328,658	376,551	298,700	-
Local Entity Program Funding	4,571,103	4,377,831	6,948,184	550,017	811,368	522,406	584,118	123,793	1,016,683	401,956
Investment income	9,094,097	11,157,945	12,965,425	9,440,982	1,629,048	1,987,840	6,938,051	8,183,532	6,830,856	4,003,489
Net increase (decrease) in FMV of investments	977,040	(921,348)	3,805,000	3,649,787	(11,173,321)	(2,861,364)	1,354,275	4,898,141	(2,742,856)	(3,026,254)
Lease revenue	301,466	-	-	-	-	-	-	-	-	-
Other revenues	-	2,239	75	2,500	18,000	121,894	110,899	133,321	148,135	122,208
Total revenues:	$ 64,097,506	$ 67,522,838	$ 82,416,333	$ 83,489,951	$ 68,849,294	$ 81,159,365	$ 88,463,598	$ 104,115,100	$ 78,960,253	$ 90,097,771
Expenses										
Provider grants and other allocations	$ 51,811,096	$ 64,466,252	$ 69,291,109	$ 73,000,450	$ 75,838,658	$ 84,700,927	$ 93,379,930	$ 97,979,838	$ 101,364,209	$ 106,777,128
Pass-through grants	-	-	-	-	-	-	65,042	273,294	136,877	4,150,975
Salaries and benefits	11,937,869	14,033,321	14,128,762	15,672,576	15,131,025	16,838,090	17,393,319	17,532,230	17,382,747	15,763,620
Operating services	1,143,874	1,200,732	1,227,536	1,136,076	1,217,057	1,087,787	1,212,116	1,122,911	1,232,687	1,172,319
Consultant services	1,004,263	790,004	1,231,750	1,274,116	1,343,030	905,278	1,308,527	881,090	850,154	999,806
Professional services	238,102	365,522	329,402	293,063	327,245	426,218	323,816	382,450	500,050	346,529
Professional development	51,514	80,350	79,753	68,743	113,106	61,235	176,217	186,902	166,975	-
Other expenses	50,145	61,691	74,718	66,365	2,087	86	224,934	339,524	273,951	358,346
Depreciation	434,163	451,523	437,195	438,429	399,451	309,554	300,441	302,300	312,988	309,327
Total expenses:	$ 66,671,026	$ 81,449,395	$ 86,800,225	$ 91,949,818	$ 94,371,659	$ 104,329,175	$ 114,384,342	$ 119,000,539	$ 122,220,638	$ 129,878,050
Change in net position	$ (2,573,520)	$ (13,926,557)	$ (4,383,892)	$ (8,459,867)	$ (25,522,365)	$ (23,169,810)	$ (25,920,744)	$ (14,885,439)	$ (43,260,385)	$ (39,780,279)

* 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.

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Los Angeles County Children and Families First – Proposition 10 Commission

Fund Balances – General Fund

Last Ten Fiscal Years

	Fiscal Year									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Fund Balance										
Nonspendable	$ 93,584	$ 266,775	$ 365,973	$ 484,581	$ 884,546	$ 2,239,303	$ 2,193,116	$ 50,000	$ 1,044,000	$ 19,760,505
Committed	53,024,449	61,332,507	72,416,202	80,749,917	91,366,959	175,100,818	138,338,530	154,580,859	195,282,039	216,214,576
Assigned	146,913,033	134,126,715	128,490,922	124,149,006	120,353,448	59,941,864	113,226,421	141,221,211	125,245,775	128,331,556
Unassigned	51,975,552	60,386,567	67,397,163	70,304,954	75,241,629	79,140,252	84,925,739	56,257,698	57,847,860	57,832,380
Total Fund Balance	$ 252,006,618	$ 256,112,564	$ 268,670,260	$ 275,688,458	$ 287,846,582	$ 316,422,237	$ 338,683,806	$ 352,109,768	$ 379,419,674	$ 422,139,017

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Los Angeles County Children and Families First – Proposition 10 Commission

Changes in Fund Balances – General Fund

Last Ten Fiscal Years

	Fiscal Year									
	2026	2025	2024	2023	2022	2021	2020	2019	2018	2017
Revenues										
Tobacco taxes*	$ 33,769,944	$ 33,382,392	$ 36,053,911	$ 47,253,504	$ 55,265,755	$ 60,590,413	$ 71,477,179	$ 57,126,105	$ 72,330,836	$ 83,567,141
Prop. 56	12,588,020	14,494,959	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	534,199	819,762	906,273	868,385	-	-	-	-	-	-
State Commission Program Funds	3,215,781	4,313,090	4,550,388	2,510,249	2,901,648	2,952,210	1,901,074	12,524,683	979,106	556,665
Medi-Cal Administrative Activities	-	-	-	132,945	189,125	80,319	133,955	350,924	181,859	137,599
Partnership for Families Funds**	-	-	-	-	-	-	-	-	-	4,334,967
California Department of Education	-	-	-	-	-	32,830	328,658	675,251	-	-
Local Entity Program Funding	3,512,240	4,695,332	5,718,128	1,153,255	861,659	531,868	320,982	103,441	1,418,639	401,956
Investment income	9,122,458	11,389,028	13,204,033	8,621,291	1,629,048	1,987,840	6,938,051	8,183,532	6,830,856	4,003,489
Net increase (decrease) in FMV of investments	977,040	(921,348)	3,805,000	3,649,787	(11,173,321)	(2,861,364)	1,354,275	4,898,141	(2,742,856)	(3,026,254)
Lease rental income	301,466	-	-	-	-	-	-	-	-	-
Other income	-	2,239	75	2,500	18,000	105,414	110,899	133,321	148,135	122,208
Total revenues:	$ 64,021,148	$ 68,175,454	$ 79,620,291	$ 80,428,617	$ 68,226,348	$ 81,635,147	$ 100,633,402	$ 91,477,708	$ 79,146,575	$ 90,097,771
Expenditures:										
Provider grants and other allocations	$ 51,811,096	$ 64,466,252	$ 69,291,109	$ 73,000,450	$ 75,838,658	$ 84,700,927	$ 93,379,930	$ 97,979,838	$ 101,364,209	$ 106,777,128
Pass-through grants	-	-	-	-	-	-	65,042	273,294	136,877	4,150,975
Salaries and benefits	12,224,265	13,202,001	14,159,195	15,725,095	15,075,561	16,639,241	17,281,687	17,524,220	17,292,006	15,763,620
Operating services	1,143,874	1,200,732	1,227,536	1,136,076	1,217,057	1,087,787	1,212,116	1,122,911	1,232,687	1,172,319
Consultant services	1,004,263	790,004	1,231,750	1,274,116	1,343,030	905,278	1,308,527	881,090	850,154	999,806
Professional services	238,102	365,522	329,402	293,063	327,245	426,218	323,816	382,450	500,050	346,529
Professional development	51,514	80,350	79,753	68,743	113,106	61,235	176,217	186,902	166,975	-
Other expenses	50,145	61,691	74,718	66,365	2,087	86	224,934	339,524	273,951	358,346
Capital outlay	1,603,835	566,598	245,026	1,022,833	2,885,259	75,944	87,095	97,385	49,009	309,327
Total expenditures:	$ 68,127,094	$ 80,733,150	$ 86,638,489	$ 92,586,741	$ 96,802,003	$ 103,896,716	$ 114,059,364	$ 118,787,614	$ 121,865,918	$ 129,878,050
Excess of revenues over expenditures	$ (4,105,946)	$ (12,557,696)	$ (7,018,198)	$ (12,158,124)	$ (28,575,655)	$ (22,261,569)	$ (13,425,962)	$ (27,309,906)	$ (42,719,343)	$ (39,780,279)

*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.

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Los Angeles County Children and Families First – Proposition 10 Commission

First 5 California County Tax Revenue Projections

for FY 2025-2026 – FY 2029-2030

2024 Projected Births	2024 Projected Birthrate	2025-2026 Tax Revenue Projection	2025 Projected Births	2025 Projected Birthrate	2026-2027 Tax Revenue Projection	2026 Projected Births	2026 Projected Birthrate	2027-2028 Tax Revenue Projection	2027 Projected Births	2027 Projected Birthrate	2028-2029 Tax Revenue Projection	2028 Projected Births	2028 Projected Birthrate	2029-2030 Tax Revenue Projection
89,511	22.714%	$ 44,103,417	88,340	22.351%	$ 40,936,424	87,735	22.376%	$ 39,318,865	86,722	22.344%	$ 37,955,877	85,403	22.254%	$ 36,636,347

Source:
"First 5 California County Tax Revenue Projections for FY 2025-26 through 2029-30"
(Last Updated 6/1/26 Utilizing DOF May 2026 Updated Tobacco Tax Revenue Projections and DOF Birth Projections for California State and Counties 2000-2050)

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Los Angeles County Children and Families First – Proposition 10 Commission

Cigarette Taxes and Other Tobacco Products Surtax Revenue by Fiscal Year, 1959-60 to 2024-2025

Fiscal year	Cigarette tax				Other tobacco products surtax	
	Revenue a/	Distributors' discounts b/	Gross value of tax indicia c/	Refunds	Revenue	Rate
2024-25	1,061,264,000	3,152,000	1,064,416,000	3,342,000	127,610,000	52.92%
2023-24	1,143,589,000	3,397,000	1,146,986,000	7,803,000	206,728,000	56.32%
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		
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		

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Los Angeles County Children and Families First – Proposition 10 Commission

Cigarette Taxes and Other Tobacco Products Surtax Revenue by Fiscal Year, 1959-60 to 2024-2025

Fiscal year	Cigarette tax				Other tobacco products surtax	
	Revenue a/	Distributors' discounts b/	Gross value of tax indicia c/	Refunds	Revenue	Rate
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		

Source:

https://www.cdtfa.ca.gov/DataPortal/dataset.htm?url=CigTaxSurTaxRev

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

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Los Angeles County Children and Families First – Proposition 10 Commission

Demographic Data and Economic Statistic

2016-2025

Demographic Data

	2016 (1)	2017 (1)	2018 (1)	2019 (1)	2020 (1)*	2021 (1)	2022 (1)	2023 (1)	2024 (1)	2025 (1)
Total Population	10,215,207	10,261,736	10,278,836	10,324,698	10,257,557	9,905,214	9,792,167	9,750,065	9,822,800	9,853,435
White	2,734,611	2,732,047	2,722,365	2,724,168	2,637,825	2,522,938	2,494,151	2,483,423	2,846,712	2,840,100
Black	831,614	831,069	828,565	832,355	833,261	786,999	778,033	774,678	815,871	806,920
American Indian	20,093	20,175	20,229	20,410	29,994	18,587	18,372	18,288	20,870	20,915
Asian	1,385,913	1,393,055	1,395,155	1,395,377	1,646,804	1,489,534	1,472,534	1,466,206	1,726,361	1,734,349
Native Hawaiian & Other Pacific Islander	24,289	24,403	24,476	24,597	23,806	21,810	21,565	21,481	25,499	25,682
Hispanic or Latino	5,015,652	5,054,516	5,078,483	5,114,541	4,877,565	4,840,349	4,785,108	4,764,535	4,045,154	4,082,114
Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multi-race	203,035	206,471	209,563	209,563	208,302	224,997	222,404	221,454	342,333	343,355
Female	5,175,095	5,201,009	5,210,549	5,232,284	5,194,651	5,005,021	4,948,330	4,922,159	5,044,769	5,067,589
Male	5,040,112	5,060,727	5,068,287	5,092,414	5,062,906	4,900,193	4,843,837	4,827,906	4,778,031	4,785,846
Under 5 years	634,158	624,988	607,092	587,690	568,989	524,909	497,458	478,251	472,670	459,877
5-9 years	644,771	640,576	636,547	637,200	634,122	625,597	611,410	587,750	551,591	543,705
10-14 years	629,523	634,291	637,463	638,667	632,785	645,660	636,085	629,368	573,184	579,048
15-19 years	713,861	697,383	692,400	691,590	682,645	631,074	619,013	616,541	671,257	680,363
20-24 years	810,493	802,622	786,678	773,665	771,182	756,783	732,494	758,465	603,166	632,349
25-29 years	666,490	676,732	691,365	706,231	705,970	769,883	764,486	740,388	562,329	529,602
30-39 years	1,440,568	1,431,051	1,413,067	1,397,968	1,423,634	1,301,748	1,294,719	1,307,866	1,580,471	1,551,519
40-49 years	1,414,860	1,413,542	1,406,380	1,400,493	1,351,616	1,216,875	1,200,619	1,189,077	1,330,802	1,332,252
50-59 years	1,348,247	1,354,647	1,355,259	1,362,848	1,333,654	1,196,497	1,177,315	1,159,178	1,261,946	1,242,238
60-69 years	1,016,812	1,048,181	1,075,050	1,104,938	1,100,157	1,116,402	1,106,062	1,096,186	1,117,275	1,139,357
70-79 years	546,827	579,910	611,339	643,520	657,221	702,462	725,234	748,560	708,382	751,843
80+ years	348,597	357,813	366,196	379,888	395,582	417,324	427,272	438,435	389,727	411,282

Source:

(1) State of California, Department of Finance, Population Projections for California and Its Counties 2020-2070. Sacramento, CA, March 2026.

Economic Data

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025*
LA County Personal Income	$ 563,907,868	$ 593,741,110	$ 628,808,732	$ 653,482,910	$ 678,829,092	$ 728,772,915	$ 720,740,528	$ 756,659,481	$ 818,509,319	$ -
LA County Per Capita Personal Income	55,624	58,419	62,224	65,094	68,272	74,141	74,142	78,302	83,888	-
California Personal Income	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	3,372,090,500	3,585,890,900
California Per Capita Personal Income	56,374	58,272	62,586	66,745	71,480	76,386	77,339	80,423	85,518	91,116
United States Personal Income	15,913,777,000	16,413,550,863	17,572,929,100	18,551,503,000	19,690,964,000	21,056,621,900	21,777,200,000	22,952,028,300	24,669,308,000	26,099,930,000
United States Per Capita Personal Income	49,204	50,392	53,712	49,763	52,992	63,444	76,326	68,531	63,589	66,871

Source:

Bureau of Economic Analysis: http://www.bea.gov/iTable

Personal income data are shown in thousands of dollars; per capita income data are shown in dollars.

**2025 economic data is not yet available for Los Angeles County*

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Los Angeles County Children and Families First – Proposition 10 Commission

Unemployment Rate

2016 - 2025

Area	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
United States	4.3%	4.1%	3.6%	3.6%	5.3%	8.1%	3.7%	3.7%	4.4%	4.3%
California	5.5%	5.3%	4.8%	4.2%	7.3%	10.1%	4.0%	4.2%	4.8%	4.7%
Los Angeles County	5.7%	5.4%	5.0%	4.5%	8.2%	12.8%	4.0%	4.6%	4.7%	4.6%

Source:

Bureau of Labor Statistics (http://www.bls.gov/; annual averages)

DRAFT

Los Angeles County Children and Families First – Proposition 10 Commission

Ten Largest Industries

Last Year and Ten Years Ago (1)

Industry	June 30, 2025 Number of Employees	Rank	Percentage of Total	June 30, 2016 Number of Employees	Rank	Percentage of Total
Educational & Health Services	1,007,200	1	21.87%	761,900	2	17.37%
Trade, Transportation & Utilities	802,500	2	17.43%	825,300	1	18.82%
Professional & Business Services	644,800	3	14.00%	600,300	3	13.69%
Government	609,400	4	13.23%	578,300	4	13.19%
Leisure & Hospitality	542,200	5	11.77%	513,000	5	11.70%
Manufacturing	297,200	6	6.45%	363,100	6	8.28%
Information	202,600	7	4.40%	219,700	8	5.01%
Financial Activities	189,900	8	4.12%	230,500	7	5.26%
Other Services	156,500	9	3.40%	152,600	9	3.48%
Construction	146,400	10	3.18%	133,200	10	3.04%
Sub-total Ten Largest Industries	4,598,700		99.86%	4,377,900		99.82%
All Other Industries	6,600		0.14%	8,000		0.18%
Total Industries	4,605,300		100.00%	4,385,900		100.00%

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, 2025:

Annual-Comprehensive-Financial-Report-FY-2024-2025.pdf

DRAFT

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.

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Los Angeles County Children and Families First – Proposition 10 Commission

Authorized Positions by Function

2017 - 2026

Functional Area	Fiscal Year 2026 (10)	2025 (9)	2024 (8)	2023 (7)	2022 (6)	2021 (5)	2020 (4)	2019 (3)	2018 (2)	2017 (1)
Executive	2	2	6	6	7	6	8	8	7	8
Administration	25	25	33	34	34	34	32	32	30	38
Programs	68	78	78	79	79	80	108	108	111	107
Total	**95**	**105**	**117**	**120**	**120**	**120**	**148**	**148**	**148**	**153**

Source:

(1) First 5 LA Approved FY 2016-17 Operating Budget
(2) First 5 LA Approved FY 2017-18 Operating Budget
(3) First 5 LA Approved FY 2018-19 Operating Budget
(4) First 5 LA Approved FY 2019-20 Operating Budget
(5) First 5 LA Approved FY 2020-21 Operating Budget
(6) First 5 LA Approved FY 2021-22 Operating Budget
(7) First 5 LA Approved FY 2022-23 Operating Budget
(8) First 5 LA Approved FY 2023-24 Operating Budget
(9) First 5 LA Approved FY 2024-25 Operating Budget
(10) First 5 LA Approved FY 2025-26 Operating Budget

DRAFT

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

DRAFT

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, 2026, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements and have issued our report thereon dated [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 deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2026-001 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 auditing procedures disclosed an instance of noncompliance, which is described in the accompanying Schedule of Findings and Responses as item 2026-001.

The Commission's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's response to the findings 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.

Ontario, California
DATE

DRAFT

Independent Auditor's Report on State Compliance and on Internal Control Over 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 *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5)*, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2026.

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, 2026.

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 *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5)*, 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 First 5 Program.

DRAFT

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 *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5)* 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 State of California's *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5),* 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 *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5)*, 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

DRAFT

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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is described in the accompanying Schedule of Findings and Responses as item 2026-001. Our opinion on California Children and Families Program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on the Commission's response to the noncompliance findings identified in our audit and described in the accompanying Schedule of Findings and Responses. The Commission's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on 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. We identified a deficiency in internal control, described in the accompanying Schedule of Findings and Responses as item 2026-001 that we consider to be a significant deficiency.

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 *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5).* Accordingly, this report is not suitable for any other purpose.

Ontario, California
DATE

DRAFT

2026-001 **Salaries and Benefits Policies and Procedures**

Type of Finding: Instance of Noncompliance, Significant Deficiency in Internal Control over Compliance

Criteria:

The State of California's *Expanded Audit Guide: Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act (First 5)* dated September 2026, section V. State Compliance Requirements, item H. Salaries and Benefits Policies state that the county commission must adopt, in a public hearing, policies and procedures for establishing salaries and benefits for its employees. The employees' salaries and benefits policies must comply with those set forth in the commission policies or the county government policies (Health and Safety Code sections 130151[b][8] and 130140[d][6]).

The Commission's policy and guidelines for salaries, wages, merit increases and cost of living adjustments prior to November 14, 2024, required Board of Commissioner's approval of salary rates. Beginning November 14, 2024, the Board delegated this authority to the Executive Director.

Condition:

As of March 28, 2026, the Commission revised its Employee Classification Policy to include non-benefited part-time employees. However, the revised policy did not establish or approve salary rates, salary ranges, or other compensation parameters for non-benefited part-time employees. As a result, compensation for employees in this classification was not formally approved in accordance with the Commission's salaries and benefits policies. During our testing, we identified one non-benefited part-time employee whose compensation was not included in an approved salary schedule or compensation framework. This employee was paid $137,000 for the fiscal year 2025/26.

Cause:

Although the Commission updated its Employee Classification Policy on March 28, 2026, to address the classification of non-benefited part-time employees, the revised policy did not establish approved salary rates, salary ranges, or a compensation approval process for employees within this classification. Consequently, compensation for non-benefited part-time employees was not governed by an approved salary structure.

Effect:

Compensation paid to non-benefited part-time employees was not established and approved in accordance with the Commission's adopted salaries and benefits policies, resulting in noncompliance with the applicable requirements.

DRAFT

Recommendation:

We recommend the Commission further revise its salaries and benefits policies to establish and approve compensation rates, salary ranges, or a formal compensation methodology for non-benefited part-time employees and ensure compensation is approved by the appropriate level of authority in accordance with Commission policy.

Views of Responsible Officials and Planned Corrective Action:

The organization maintains a board-approved and Executive Director-approved salary structure that establishes guidelines for employees of First 5 LA.

The employee classification policy was updated on 3/28/2026 to address the classification of one part-time, non-benefited employee and to address this category of employee but the revised policy did not establish the salary ranges or other compensation parameters for non-benefitted part-time employees. The updated policy includes language that clearly states that non-benefited part-time employees shall be assigned to an established Commission job classification and the corresponding salary grade or level within the Commission's approved salary schedule. The updated policy was reviewed and approved by the President & CEO, who has been delegated authority by the Board to make changes to salary and benefits policies. In addition, the salary structure document will indicate that the salary ranges are for both benefited and non-benefited employees.

DRAFT

Los Angeles County Children and Families First – Proposition 10 Commission

Summary Schedule of Prior Audit Findings

Year Ended June 30, 2026

Finding No.	Category	Current Year Status
2025-001	Salaries and Benefits Policies and Procedures	Partially implemented – See Finding 2026-001

DRAFT



Communication with Those Charged with Governance

First 5 LA

Fiscal Year Ended June 30, 2026

Eide Bailly



Our Responsibility in Accordance with Professional Standards

- Form and express opinions on whether the financial statements prepared by management, with the Board's oversight, are presented fairly in accordance with U.S. GAAP.
- Express an opinion as to whether F5LA complied with requirements specified in the State of California's First 5 Audit Guide.
- Obtain reasonable, rather than absolute, assurance that the financial statements are free of material misstatement.
- Consider internal control for the purpose of designing audit procedures, not to express an opinion on internal control effectiveness.

Summary of Draft Audit Results

Financial Statements

- Unmodified opinions on governmental activities and the General Fund

Government Auditing Standards

- No material weaknesses identified
- One significant deficiency and related instance of noncompliance

State Compliance

- Unmodified opinion on compliance with applicable First 5 requirements
- One instance of noncompliance

Management Letter

- Capital asset inventory procedures and policy update recommendation

Eide Bailly

Auditor Communications

Ethics and Independence

- We have complied with all relevant ethical requirements regarding independence.

Significant Accounting Policies

- Summary of significant accounting polices – Note 1
- Adopted GASB 103 *Financial Reporting Model Improvements*

Sensitive Estimates/Disclosures

- No sensitive estimates/disclosures

Corrected and Uncorrected Misstatements

- Uncorrected misstatements were reported.
- Management concluded the effects were immaterial, individually and in the aggregate

Significant Difficulties

- We encountered no significant difficulties in dealing with management.

Disagreements with Management

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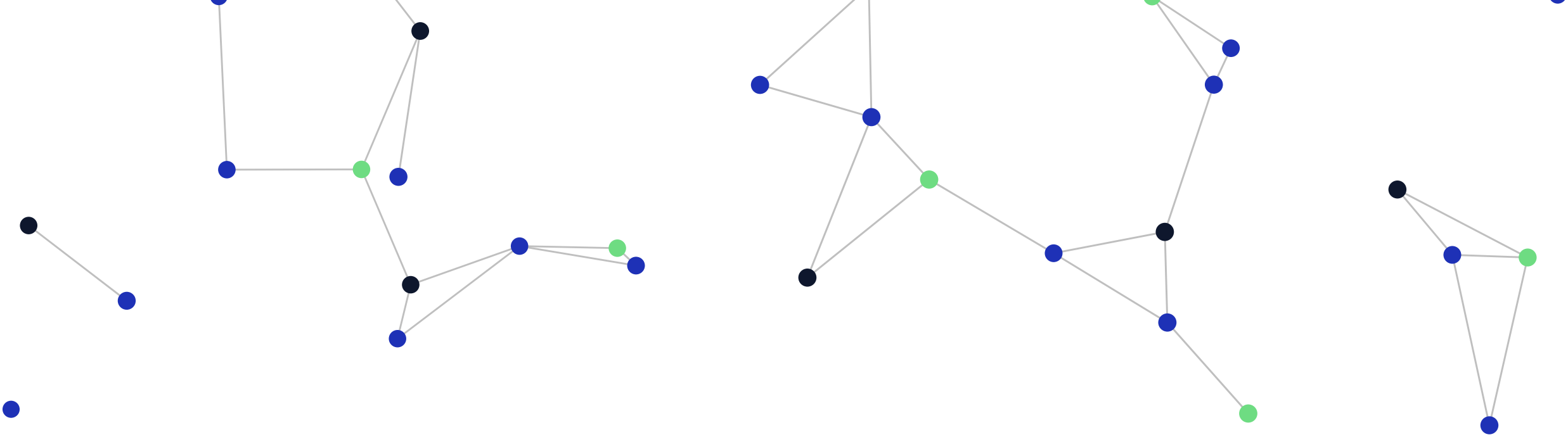
- No disagreements arose during the course of the audit.



Questions

Thank You

Roger Alfaro | Partner

909.755.2829 | ralfaro@eidebailly.com

Alternative Practice Structure Disclosure

Eide Bailly is the brand name under which Eide Bailly LLP and Eide Bailly Advisory LLC and its subsidiary entities provide professional services. Eide Bailly LLP and Eide Bailly Advisory LLC (and its respective subsidiary entities) practice as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Eide Bailly LLP is a licensed independent CPA firm that provides attest services to its clients. Eide Bailly Advisory LLC (and its respective subsidiary entities) provide tax and business advisory services to their clients. Eide Bailly Advisory LLC and its subsidiary entities are not licensed CPA firms.

Disclaimer

This presentation is presented with the understanding that the information contained does not constitute legal, accounting or other professional advice. It is not intended to be responsive to any individual situation or concerns, as the contents of this presentation are intended for general information purposes only. Viewers are urged not to act upon the information contained in this presentation without first consulting competent legal, accounting or other professional advice regarding implications of a particular factual situation. Questions and additional information can be submitted to your Eide Bailly representative, or to the presenter of this session.



Item 4 - Los Angeles County Proposition 10 Commission Annual Comprehensive Financial Report for the Year Ended June 30, 2026.

Special Budget & Finance and Program and Planning Committee Meeting.

Presented by: JR Nino, Raoul Ortega & Rajinder Kumar
September 24, 2026.

first 5 la
Giving kids the best start

Presentation Overview

- Fiscal Year 2024-25 GFOA Award.
- Annual Comprehensive Financial Report Overview.
- Independent Auditor's Report.
- Fiscal Year 2025-26 highlights.
- 3 Year Comparisons.
- Next steps.

Government Finance Officers Association Award

- Our annual report for fiscal year 2024-25 was awarded a Certificate of Achievement for Excellence in Financial Reporting.
- 18th 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, 2026.
  - Represents the activities and end results of operations for the fiscal year 2025-26.
  - Presentation the Commission's overall financial condition.

Annual Financial Report Timeline

- Audit process: May 2026 through October 2026.
  - Entrance interview/planning May – 2026.
  - Fieldwork – June through August 2026.
  - Reporting – August through October 2026.
- Meetings:
  - Special Program and Planning Committee meeting–9/24/2026.
  - Board of Commission meeting – 10/08/2026.

Independent Auditor's Report

- Clean audit:
  - The CPA firm of Eide Bailly LLP, noted that the financial statements are presented fairly.
  - Unmodified opinion.
  - Findings/Adjustments.

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Independent Auditor's Report

- Prior Year Findings 2024-25:

  2025-001: Salaries and Benefit Policies and Procedures.

  Type of Finding: Instance of Noncompliance, Significant Deficiency in Internal Control over Compliance.

  Result 2025-001: Partially corrected.

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Result 2025-001: Partially Corrected & Planned Corrective Action

Partially Corrected:

- Salaries and Benefits Policies and Procedures were updated on March 28, 2026.
- State Controller's Office notified First 5 LA in an August 20, 2026 letter that the policy did not include transparent disclosures for non-benefited part-time employees.

Planned Corrective Action:

- First 5 LA revised the policy on September 15, 2026 then met and submitted it to State Controller's Office on September 18, 2026.
- Given this recent update, this is a repeat finding for the current year 2025-26.

Independent Auditor's Report

- Current Year Findings 2025-26:

  2026-001: Salaries and Benefits Policies and Procedures.

  - **Type of Finding**: Instance of Noncompliance, Significant Deficiency in Internal Control over Compliance.

  - **Planned Corrective Action:** Salaries and Benefits Policy revised on September 15, 2026.

Independent Auditor's Report

- **Adjustments 2025-26**: There are five adjustments in the Governance letter.
  - Two are associated with governmental activities.
  - Three are associated with the general fund.

  Constraint for adjustments: All the adjustments occurred due to the timing gap between the closing of the books and the incident that happened.

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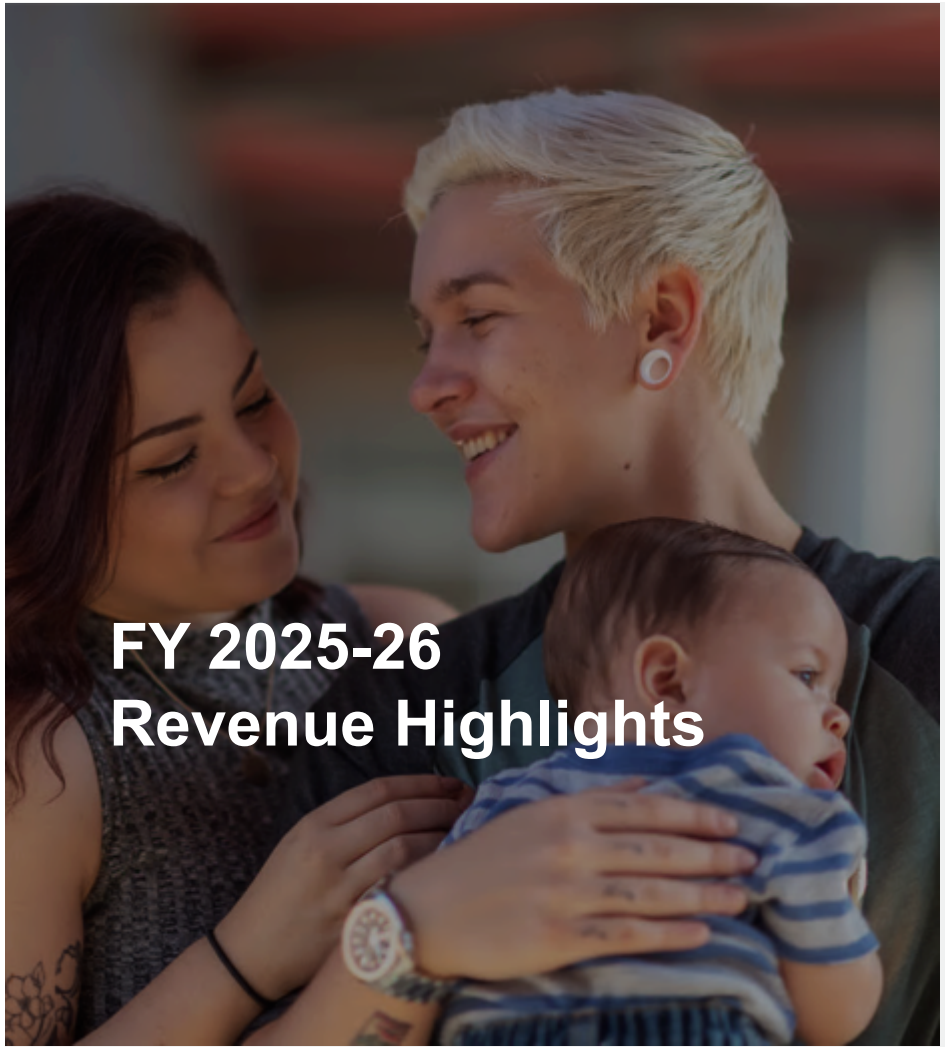
FY 2025-26 Budget Highlights

June 2025: The Board approved the FY 2025-26 total budget of $80 million:

- Program Budget = $67.3 million.
- Operating Budget = $12.7 million.

March 2026: The Board approved a revised budget with no change to $80.0 million.



FY 2025-26 Revenue Highlights

June 2026: Total revenues of $64.10 million (Statement of Activities):

- Tobacco Taxes = $33.7 million.
- Prop 56 backfill = $12.6 million.
- CA Electronic Cigarette = $443 thousand.
- Other Revenues = $17.4 million.
- Fair Value Adjustment Unrealized gain = $977 thousand.

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(Other revenues include State Commission Program funds (F5CA), Local Entity Program funds, and Lease Rental Income)

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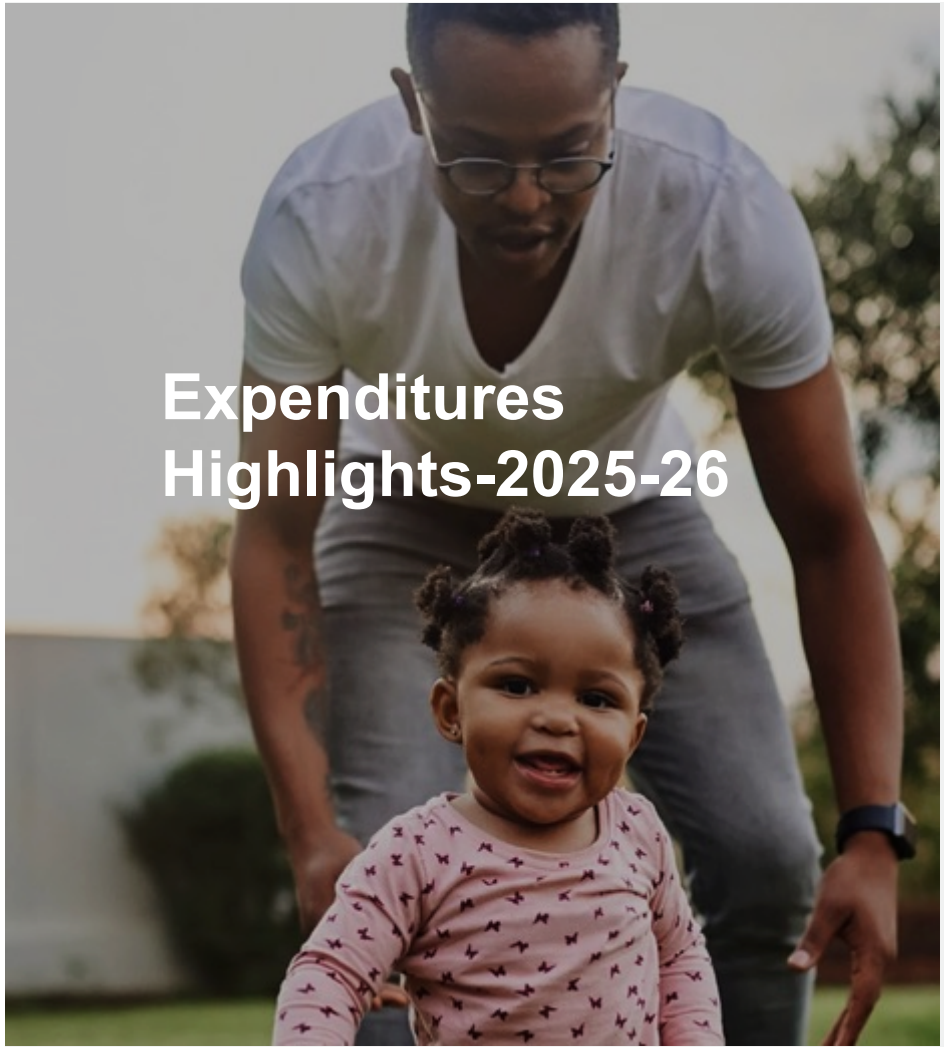
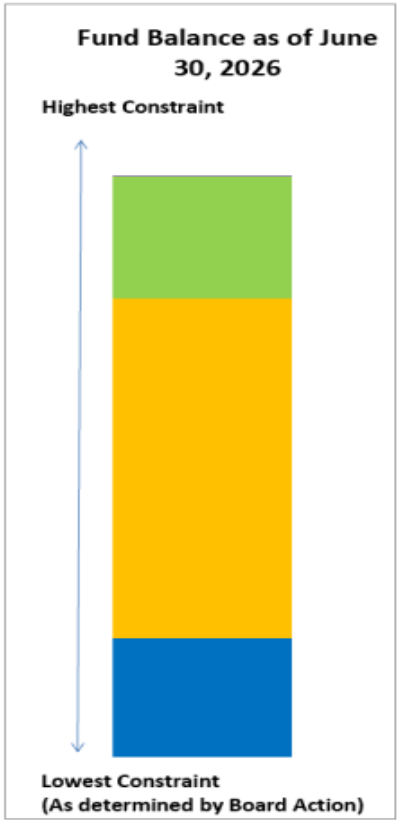


Expenditures Highlights-2025-26

June 2026: Total expenditures of $66.7 million (Statement of Activities).

- Program Expenditures = $51.8 million.
- Program Operating Expenditures = $5.7 million.
- Administrative Expenditures = $9.2 million.

F5LA Fund Balance Constraints: 2025-26



First 5 LA Fund Balances are 100% Dedicated through Board Action with the following Constraints:

Level of Constraints:

Nonspendable ($93,584): 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)***

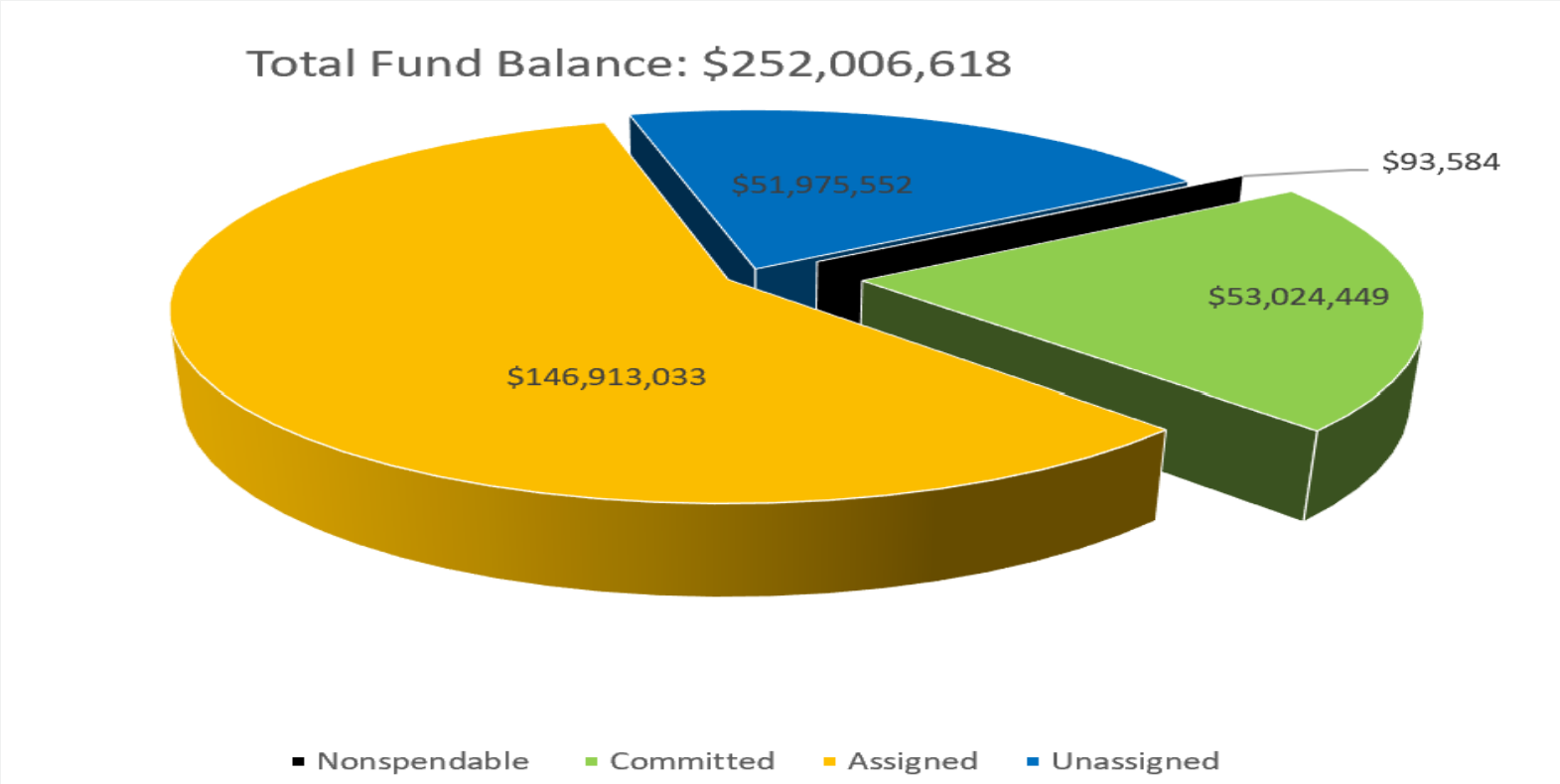
Committed ($53,024,449): Includes all levels of constraints below Funds allocated for a specified purpose and directed by the Commission via Resolution. The Commission must adopt another Resolution to reappropriate these funds for other purposes. ***Board Action through the Budget & Audit (Fund Balance)***

Assigned ($146,913,033): Includes the constraint below. Funds are reserved for Commission use consistent with the 2024-2029 Strategic Plan. ***Board Approved through Audit (Fund Balance)***

Unassigned ($51,975,552): Funds designated for the Operating Budget and Reserve. ***Board Approved through Audit (Fund Balance)***

Total Fund Balance as of June 30, 2026 = $252,006,618

F5LA Fund Balance: 2025-26



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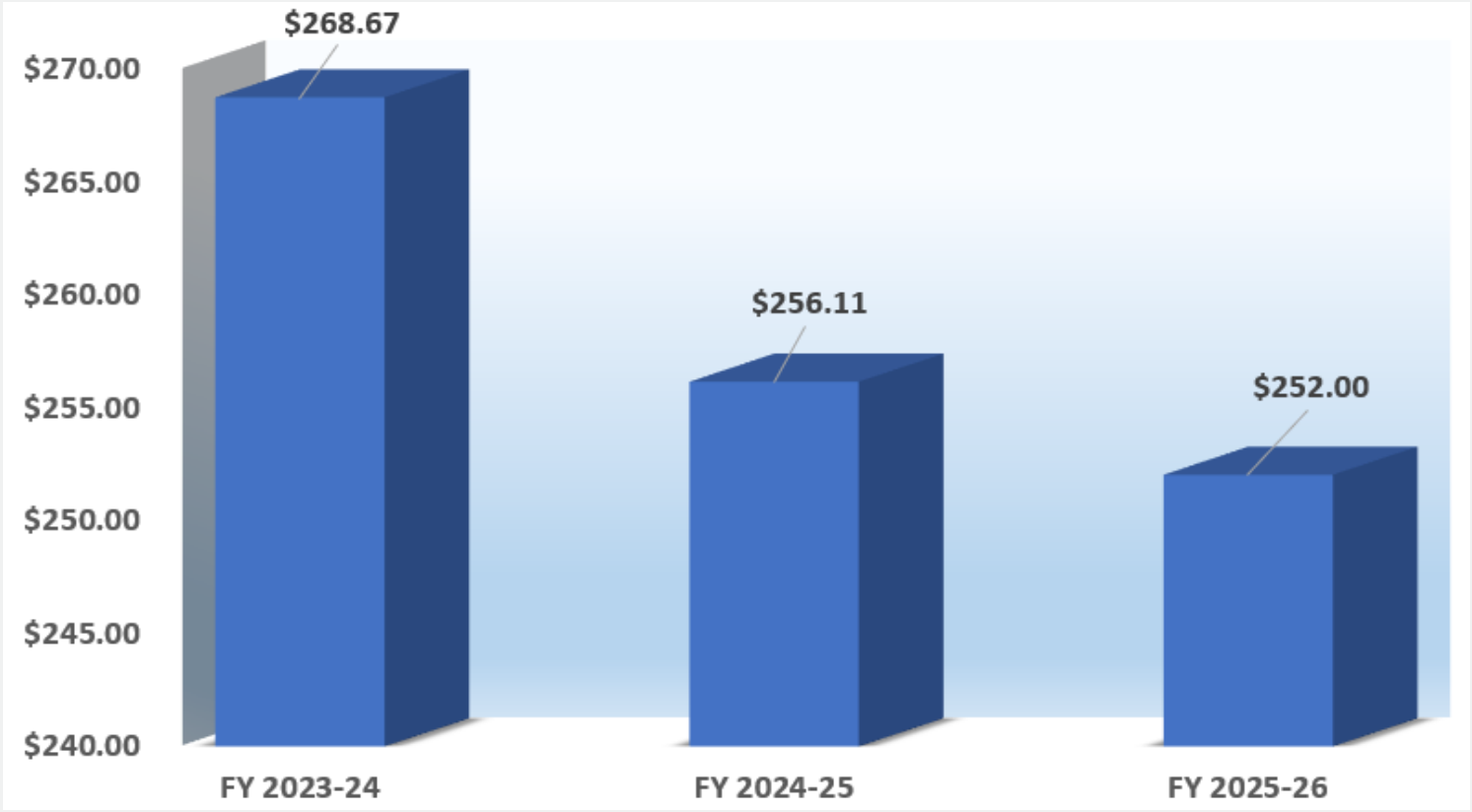
3 Year Comparison: Fund Balance



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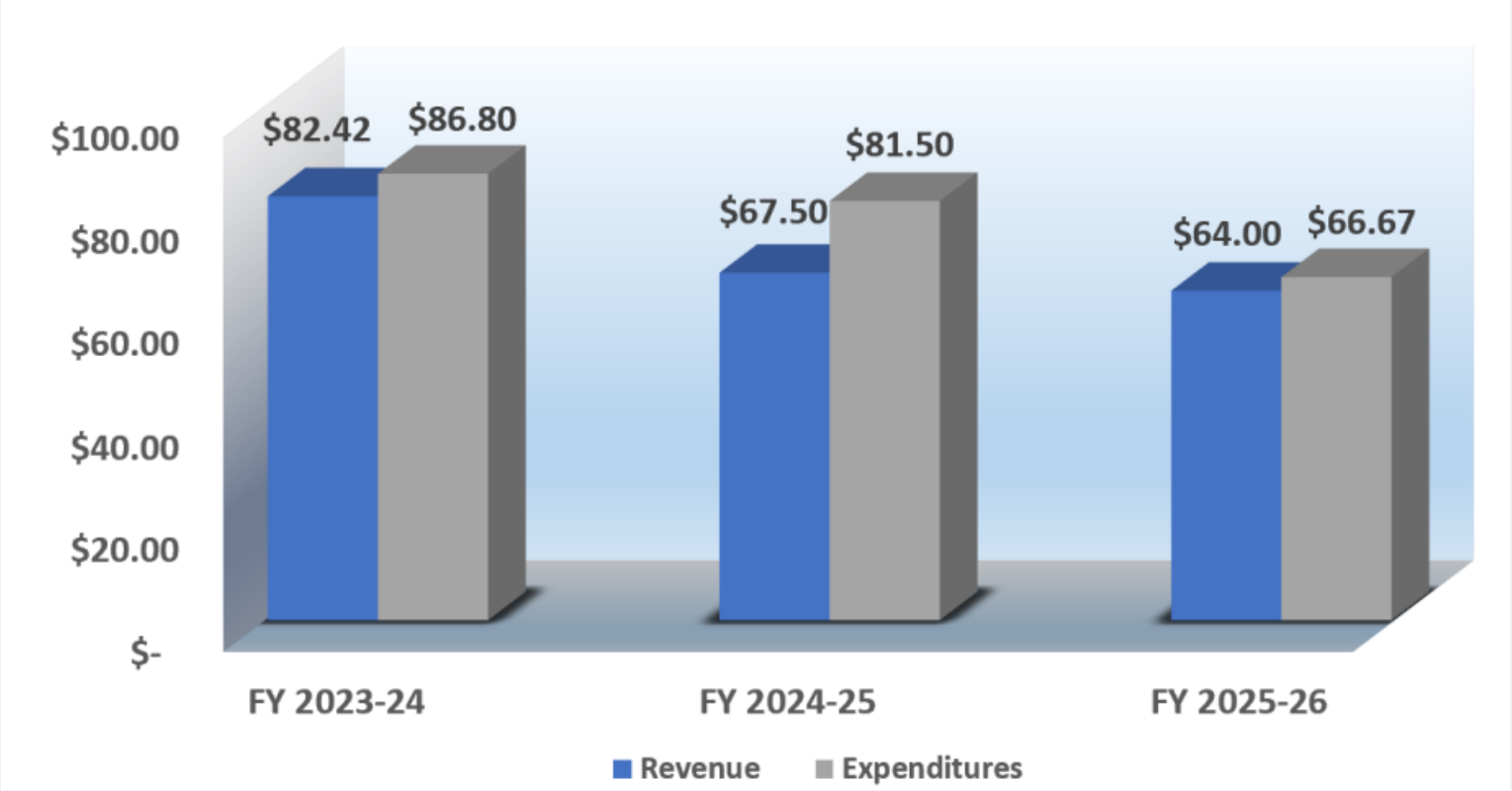
3 Year Comparison: Revenues vs. Expenditures



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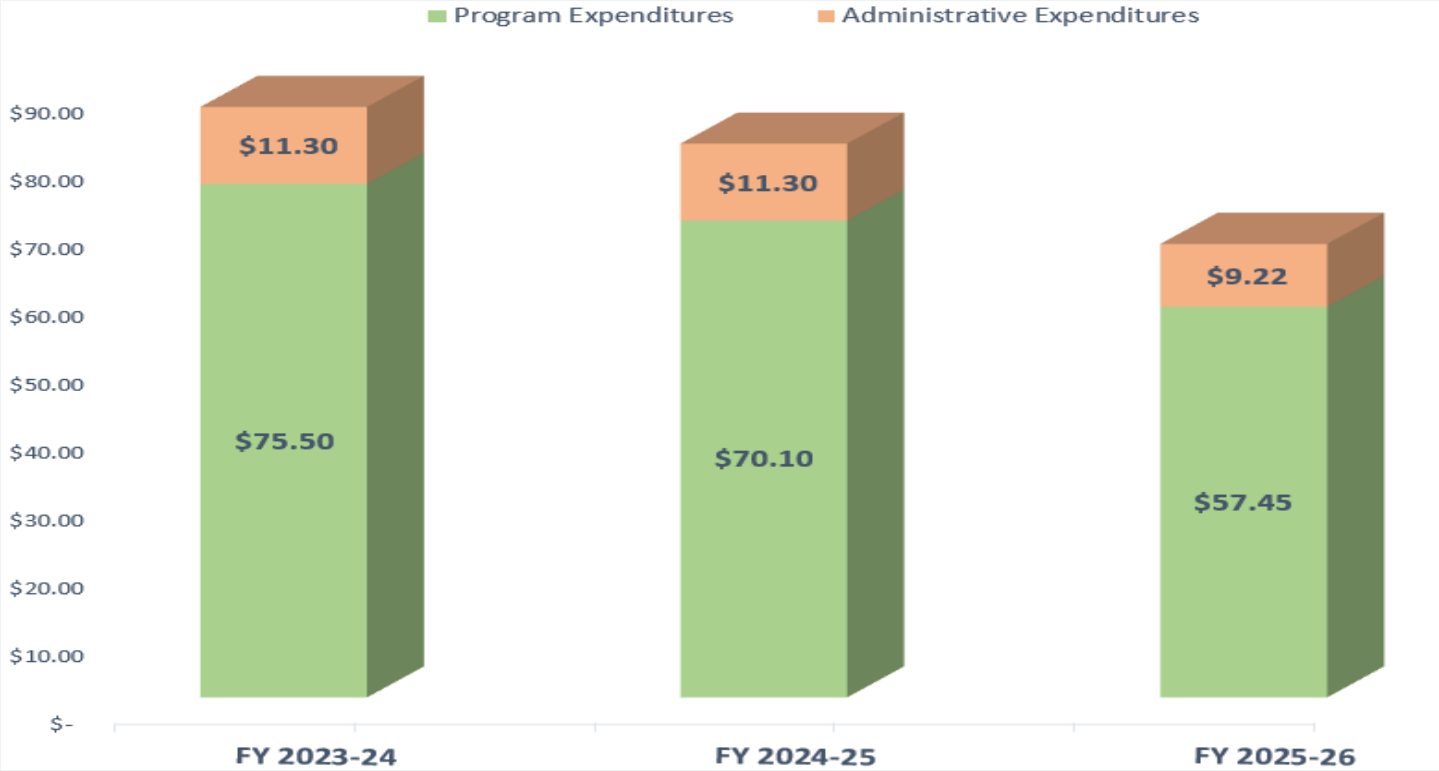
3 Year Comparison: Program and Administrative Expenditures



Audit Partner Overview

Roger Alfaro, Partner, Eide Bailly, LLP

Next Steps

- Board of Commission Meeting October 8, 2026 – Action.
- Submit Final Draft Annual Comprehensive Annual Report by November 1, 2026:
  - State Controller's Office.
  - First 5 California.
  - Los Angeles County Auditor-Controller's Office.

Draft Copy 9/17/26

[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 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, 2026, 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

As communicated in our discussion on May 11, 2026, 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 the system 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 system of 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 and an instance of noncompliance identified during our audit in our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on the Audit of Financial Statements Performed In Accordance with *Government Auditing Standards* dated DATE and our Independent Auditor's Report on State Compliance and Internal Control Over Compliance 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.

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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.

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. As discussed in Note 1 to the financial statements, the Commission has changed accounting policies related to the presentation of certain items in the required supplementary information (RSI) to adopt the provisions of Governmental Accounting Standards Board (GASB) Statement No. 103, *Financial Reporting Model Improvements.* 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 and Related Disclosures

Accounting estimates and related disclosures 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 statements disclosures that we consider to be particularly sensitive or involve significant judgement.

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. There were no corrected missstatements identified as a result of our audit procedures.

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The attached schedule of uncorrected misstatements summarizes financial statements misstatements whose effect 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, 2026, 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.

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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.

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Los Angeles County Children and Families First – Proposition 10 Commission

Schedule of Uncorrected Misstatements

June 30, 2026

Number	Opinion Unit(s)	Account	Debit	Credit
1	Governmental Activities	Beginning net position	$ 237,949	
		Tobacco taxes		$ 237,949
		To adjust for the difference between the estimated June 2025 Proposition 10 allocation and actual allocation caused by the timing of the availability of information from the State of California.		
2	General Fund	Beginning net position	548,253	
		Capital outlay		548,253
		To adjust beginning net position for a fiscal year 2024/25 invoice not accrued as of June 30, 2025.		
3	General Fund & Governmental Activit	Beginning net position		311,570
		Provider grants and allocations	311,570	
		To adjust for the difference between the estimated fiscal year 2024/25 expenditures and actual expenditures caused by the timing of the availability of information from vendors.		
4	Governmental Activities	Beginning net position		724,119
		Salaries expense	724,119	
		To adjust beginning net position for the overstatement of compensated absences liabilities as of June 30, 2025.		
5	General Fund & Governmental Activit	Lease Receivable		898,218
		Deferred Inflow of Resources - Leases	862,489	
		Lease Revenue	35,729	
		To adjust the lease receivable, related deferred inflow of resources, and the lease revenue for estimated nonlease components included in contractual lease payments.		

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Management Letter
For Fiscal Year Ended June 30, 2026

Los Angeles County Children and Families First – Proposition 10 Commission

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

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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, 2026, 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 REPORT DATE, 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

Capital Asset Inventory Procedures

Observation:

During our review of capital asset processes, we noted the Commission does not perform a periodic physical inventory of computers and other technology equipment. While the Facilities and Information Technology (IT) Departments are responsible for monitoring physical movement of assets and identifying assets for disposals, and the Finance Department is responsible for maintaining capital asset records and performing annual reconciliations to the general ledger, a documented physical inventory to verify the continued existence of assets recorded in the capital asset subsidiary records has not been performed.

In addition, the Commission's capital asset policy has not been updated in several years.

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Implementing a formal, periodic physical inventory process strengthens the Commission's ability to safeguard technology assets and demonstrate effective stewardship of public funds. Regular verification of recorded assets helps ensure that the capital asset ledger remains complete, accurate, and up to date by identifying assets that have been disposed of, become obsolete, or are no longer in service. In addition, a documented inventory process enhances accountability for public resources, supports informed asset management decisions, and reduces the risk of loss or misappropriation going undetected.

Maintaining a current capital asset policy strengthens the Commission's stewardship of public funds by ensuring that capital asset accounting practices reflect current accounting guidance and the Commission's evolving operational environment. A comprehensive policy provides a framework for consistent capitalization, inventory, and disposal practices, improving the accuracy and reliability of asset records. Periodic reassessment of capitalization thresholds can also help balance accountability and administrative efficiency by focusing resources on assets that warrant ongoing tracking and oversight.

Recommendation:

We recommend that the Commission establish and document a periodic physical inventory process for computers and other technology equipment. Inventory results should be reconciled to the capital asset records, and any missing, disposed, or obsolete assets should be investigated and removed from the accounting records as appropriate.

We also recommend that management update its capital asset policy to ensure it reflects current GASB requirements, including lease accounting guidance. Further, management should review it's current capitalization threshold based on the Commission's operations, asset population, and financial reporting needs. Implementing these recommendations would strengthen internal controls over capital assets, promote consistent application of accounting guidance, and improve the reliability and accuracy of asset records.

Management's Response:

Management concurs with the recommendation. The Commission will establish and document a periodic physical inventory process for computers and other technology equipment and reconcile the results to the capital asset records. Any discrepancies including missing, disposed, or obsolete assets will be investigated and removed from accounting records as needed.

Management also agrees that the Commission's capital asset policy should be updated to reflect current GASB accounting and operational requirements. The current capitalization threshold will be reviewed based on the Commission's asset portfolio and reporting needs as part of this policy update.

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PRIOR YEAR MANAGEMENT LETTER COMMENTS

Inactive Employees

Status: Implemented.

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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.

Ontario, California
DATE

FIRST 5 LA

SUBJECT:

Approve a Strategic Partnership with Public Health Foundation Enterprises, Inc. dba Heluna Health in the Amount of $509,300 Through June 30, 2028, to serve as new intermediary for First 5 LA's ongoing investment in the African American Infant and Maternal Mortality Prevention Initiative Community Action Teams (AAIMM CATs), and Authorize First 5 LA Staff to Execute the Agreement in the amount of $509,300.

RECOMMENDATION (PROVIDED AS ACTION):

This memo was submitted for information to the Program and Planning Committee on September 24, 2026 and is now presented for the Board's consideration at the October 8, 2026, Board of Commissioners meeting. First 5 LA staff recommends that the Board:

A. Approve the establishment of a Strategic Partnership with Public Health Foundation Enterprises, Inc. dba Heluna Health ("Heluna Health") in the amount of $509,300 through June 30, 2028 to minimize disruption in backbone support to the AAIMM Community Action Teams (CATs) as a result of transitioning to a new intermediary. Funds for FY 26-27 are included in the First 5 LA Programmatic Budget under AAIMM Birth Outcomes and Disparities – Policy and Systems Change, approved by the Board of Commissioners on June 11, 2026. Funds for FY27-28 will be included in the proposed First 5 LA Programmatic Budget in the same category, subject to approval by the Board of Commissioners in June 2027. At the time of budget approval, requested resources will shift from the Assigned resource category of the fund balance, dedicated for broad Strategic Plan purposes, to the Committed category, amounts dedicated for a more specified purpose via resolution.
B. Authorize First 5 LA staff to execute a contract for $509,300 through June 30, 2028.

BACKGROUND:

Los Angeles County's African American Infant and Maternal Mortality Initiative (AAIMM)
First 5 LA and the Los Angeles County Department of Public Health's (LACDPH) continue efforts to co-lead the African American Infant and Maternal Mortality (AAIMM) Prevention Initiative. The Initiative's coalition also includes partnerships with the Los Angeles County Department of Health Services, the Los Angeles County Department of Mental Health, community organizations, mental and health care providers, funders, and community members. Since the onset of the AAIMM Initiative in 2018, the coalition instituted a shared leadership and decision-making approach among members to build trust and prioritize and implement strategies to address the unacceptably high rates of Black infant and maternal deaths countywide. The coalition meets regularly to develop, implement, and review strategies and catalyze community action to ensure healthy and joyous births for all Black families in LA County.

AAIMM acknowledges the root cause of disparities as racism related toxic stress and the impact that stress has on a Black birthing person's body, compounded by structures in society that perpetuate racism including lack of culturally competent care, and the presence of implicit and overt bias in the systems of support that impact Black families. AAIMM strategies are centered around the Community Health Equity Improvement Plan for Los Angeles County 2024-2029 (CHEIP)'s goal to reduce the gap by 50% in Infant Mortality Rates (IMR) between White and Black/African American babies by reducing the Black/African American IMR, as well as supporting First 5 2024-2029 LA's Strategic Plan objective 1.1 to reduce the annual number of deaths of children under 1 year old per 1,000 live births in Los Angeles County to 3.5% by the end of 2029.

AAIMM Community Action Teams (CATs)

AAIMM Community Action Teams (CATs) are regional collaboratives co-led by community members and LACDPH, that seek to both engage their communities in countywide AAIMM strategies and implement regional Black birth equity strategies. Currently, there are four CATs operating: South LA/South Bay (Service Planning Area/SPAs 6 and 8), Antelope Valley/Palmdale (SPA 1), San Gabriel Valley/Pasadena (SPA 3), and Santa Clarita/San Fernando Valley (SPA 2).

AAIMM CATs Intermediary Payment Structure and Transition
Since the CATs began receiving funding, First 5 LA and other funders have utilized an intermediary structure to support payment and contract management of CAT infrastructure via backbone support, community co-leadership stipends, capacity building and other funds. This structure has allowed the intermediary to do the work of braiding funds from different sources, while the CATs backbones – typically smaller community-based organizations – have a unified scope and budget, reducing administrative burden and complexity. Currently, the CATs have two primary funders: First 5 LA and LACDPH. Previous backbone funders have included the Reissa Foundation and Baby Futures Fund, with additional funders supporting CATs programmatic work.

To date, the California Community Foundation (CCF) Community Initiatives Fund, Fiscal Sponsor for the Los Angeles Partnership for Early Childhood Investment, has served as intermediary for the CATs. However, in February 2026, the LA Partnership notified First 5 LA and LACDPH of their intention to step down from their role of administering the CATs funds, effective November 1, 2026.

Since that time, First 5 LA and LACDPH have worked to identify a new intermediary to take on this role. Heluna Health was identified as the optimal intermediary for several reasons:

- LACDPH has an existing agreement with Heluna Health to serve as intermediary for other AAIMM work and was able to amend this agreement to include the AAIMM CATs. Establishing a Strategic Partnership with Heluna Health would allow them as the intermediary to continue braiding funding sources and minimize administrative complexity for the CATs backbones.
- Heluna Health has familiarity with the AAIMM work through their existing agreement with LACDPH.
- Heluna Health has robust fiscal and contract management infrastructure necessary for a strong intermediary, as demonstrated through past work with both First 5 LA (e.g. Help Me Grow LA Pathways) and LACDPH.

Pursuant to the Procurement Policy, Strategic Partners greater than $150,000 must be presented to the Board for approval. Staff are requesting the establishment of a Strategic Partnership for an amount not to exceed $509,300 to comply with this policy.

JUSTIFICATION FOR STRATEGIC PARTNERSHIP:

A strategic partner is defined as having an existing infrastructure or substantial investment in a program or project that either cannot be duplicated or would be duplicated at the expense of First 5 LA, and has the demonstrated resources, ability, program reach, or level of expertise to support First 5 LA's systems change work. Strategic Partnerships also include entities that administer jointly funded programs or entities with key relationships when these are critical to advancing First 5 LA's Strategic Plan

Heluna Health's existing intermediary agreement with LACDPH, the other primary funder of the AAIMM CATs, makes them uniquely positioned to serve as First 5 LA's intermediary for the same project, allowing them to braid funds and support a unified scope of work (SOW) for the CATs backbones. This unique relationship cannot be duplicated. Additionally, Heluna Health also has a strong demonstrated track record of contract management, fiscal stewardship, and public health work that ensures they are well-equipped to fill this role.

Work to Be Performed: As intermediary, Heluna Health's SOW will include procurement and contract management of CAT infrastructure support, including backbones, capacity building, and community co-lead stipends, managing a complex budget with multiple funding sources and grantees, aligning funder requirements and needs, and ensuring completion of required deliverables.

Market Research: From the beginning, a primary goal in identifying a new intermediary was to find an agency that would meet both First 5 LA's and LACDPH's needs, allowing selection of a single joint intermediary for both agencies. Heluna Health was identified as the most viable intermediary through ongoing research with LACDPH and assessment of pathways to ensure strong intermediary infrastructure while minimizing disruption of CATs backbone support.

Cost: The total requested project cost of $509,300 includes $344,100 allocated for FY26-27, and $165,200 for FY27-28. First 5 LA funds will support CATs backbone, capacity building, and community co-lead stipends. The proposed amounts were determined as follows:

- Backbone Support: Backbone support is intended to provide the core operational support needed to continue building CATs infrastructure and to maintain continuity, as CATs are otherwise primarily volunteer collectives. Based on experience and consultation with the CATs, LACDPH has set a target budget for the CATs backbones of $100K per year for CATs serving one SPA (AV, SFV, and SGV), and $140K for SLASB, which serves two SPAs. DPH and First 5 LA will split the costs of backbone during the proposed agreement period to ensure CATs reach this target budget.
- Capacity Building: First 5 LA has typically allocated $4,000 per CAT per year for capacity building, enabling CATs to identify uses that best meet their collective needs. Past capacity building trainings have covered both infrastructure-related and subject matter topics such as grant writing, effective facilitation, maternal mental health, intimate partner violence intervention, and more.
- Community Co-Lead Stipends: $10,000 per co-lead per year – community co-leads help to co-lead the work of the CAT along with DPH, while backbones provide administrative support. Stipends are intended to help cover costs associated with serving as co-lead and support the substantial time investment required.
- Heluna Health administrative deliverables: the remaining budget covers Heluna Health's administrative deliverables such as completing a backbone RFP process, progress reports, check-ins, etc.

Alignment with First 5 LA 2024-2029 Strategic Plan:
This Strategic Partnership advances two primary 2024-2029 Strategic Plan objectives: (1) reduce infant mortality and (2) increase culturally affirming services. Tactics utilized include engagement, capacity building, coordination, access, and communication. Partnering with Heluna Health as intermediary will enable First 5 LA to continue investing in the AAIMM CATs, whose core mission is to reduce infant and maternal mortality for Black birthing families, primarily through prevention via social support, network building, access to culturally affirming resources, and preventing and mitigating the effects of toxic stress.

GOVERNANCE GUIDELINES #5 AND #6 (SUSTAINABILITY AND LEVERAGING):

Sustainability Plan
First 5 LA staff will continue working collaboratively with AAIMM leadership and the CAT planning teams to support the sustainability of AAIMM CATs. Key new sustainability efforts in FY26-27 include a relaunched AAIMM Funding Workgroup which will seek to build core AAIMM overall infrastructure and readiness to rapidly pursue funding opportunities, including CATs. Short-term objectives of the work group include building a core set of grant templates, data, program information, and other resources which are accessible to all AAIMM partners and can be readily accessed for funding applications; established workflows and points of contact for pursuing funding opportunities; increased capacity for monitoring

potential funding opportunities; and launching a multi-part grant writing workshop open to CAT leadership among other AAIMM stakeholders.

Leveraged Resources
The AAIMM CATs are currently co-funded by the LACDPH, who will contribute approximately $150,000 for FY26-27. LACDPH additionally continues to allocate significant staffing resources to the CATs, including DPH co-leads for each regional CAT, a central coordinator focused on increasing alignment and shared learning across the CATs, staff support at community events, and continued strategic oversight from AAIMM leadership. Efforts are ongoing to bring in new funders and grants.

NEXT STEPS

Staff anticipates executing a contract with Heluna Health for an amount not to exceed $509,300 through June 30, 2028.

first 5 la
Giving kids the best start

Memo

To: Board of Commissioners

From: Karla Pleitéz Howell, President & CEO

Date: October 8, 2026

Subject: **PRESIDENT & CEO'S REPORT**

I. PRESIDENT & CEO HIGHLIGHTS

The environment facing young children and families is changing rapidly. Today, families are navigating a different environment. Changes to CalFresh are affecting eligibility and benefits for some families, including new work and community engagement requirements that began in California in June. Additional changes to Medi-Cal are coming, including work requirements for some adults beginning in January 2027 and more frequent eligibility renewals for some members beginning in March. For families with young children, these changes do not happen in isolation. Food security, health coverage, access to child care, immigration enforcement and economic stability all shape whether a child has the conditions they need to thrive.

This environment reinforces why First 5 LA must remain focused on both the needs families experience today and the systems that will shape their opportunities tomorrow.

Preparing First 5 LA for the Long Term

First 5 LA has been preparing for a changing fiscal environment for the past few years. Our primary revenue source, Proposition 10 tobacco-tax revenue, was designed around a public-health goal of reducing tobacco use. As tobacco consumption declines, so does our revenue. More recently, that decline has accelerated.

Our Long-Term Financial Plan is our roadmap for responding responsibly to that reality while protecting First 5 LA's ability to create impact over the long term.

This year required difficult decisions, including reductions to our external investments and a reduction in our workforce. These decisions were driven by our long-term fiscal reality and the organizational structure required to operate sustainably at approximately $60 million annually. The workforce reduction was not a reflection of the individual performance or commitment of the staff whose positions were affected.

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I am deeply grateful to our staff for the professionalism, care and commitment they have demonstrated throughout this transition, and to our Board for its stewardship and partnership as we navigate these decisions.

Continuing to Deliver While We Change

Even as First 5 LA has stepped down its spending and changed as an organization, our investments continue to make a meaningful difference.

Over the past year, more than 15,000 children and families received support through home visiting, basic-needs assistance and community investments. We have also continued investing in communities closest to the challenges we are working to address, including increasing investments in birth equity and efforts to reduce disparities in maternal and infant outcomes. And as federal changes have affected families, First 5 LA has responded. We have engaged policymakers and partners, submitted public comments, provided flexibility to grantees and helped connect families to immediate resources.

This is an important reminder that fiscal sustainability and impact are not competing goals. Long-term financial discipline is what allows First 5 LA to continue showing up for children and families for years to come.

The October Board discussion on Home Visiting is an important part of that work. As we continue aligning our investments with our long-term fiscal reality, we are right-sizing one of First 5 LA's largest and longest-standing investments while remaining committed to ensuring families with the greatest needs can access meaningful support. Today, we will ask for the Board's endorsement and input on the essential conditions and measures that should guide the next phase of Home Visiting, including how we effectively triage families to the right level of support.

Building Toward Lasting Change

The environment ahead will continue to present challenges. It will also require First 5 LA to make choices about where our resources, influence and partnerships can have the greatest impact.
I am hopeful about our ability to meet this moment. We have a clear Strategic Plan, a path toward long-term financial sustainability and committed partners throughout Los Angeles County deeply committed to children and families.

Thank you to our Commissioners for your continued stewardship and partnership, and to our First 5 LA staff for continuing to lead and deliver through a period of significant change.

II. UPDATES FROM THE TEAM – WHAT HAS FIRST 5 LA BEEN UP TO?

BSAV Meeting with Assemblymember Carrillo
On June 12, Assemblymember Juan Carrillo (AD-39) met with the 10 Best Start Antelope Valley Advocacy Fellows (parents and community members) at All For Kids' Family Resource Center in Palmdale. During the discussion, parents identified childcare, housing, food access, healthy food options, and food banks as key concerns. Assemblymember Carrillo listened to these concerns, shared available resources, and highlighted elements of the recently released state budget that address community needs, including expanded childcare slots and the continuation of CalFresh benefits despite uncertainty around federal funding. Participants appreciated hearing about the issues he is advocating for and the efforts being made to support families and communities.

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Region 3 Best Start Network Helps Secure Over $365,000 in New Investments for Families
Region 3 Best Start Network continues to advance First 5 LA priorities by leveraging strong community partnerships and resident engagement to attract new resources for families. In June, El Nido Family Centers, the Regional Network Grantee for Region 3, secured more than $365,000 in new investments, including a $50,000 award from Councilwoman Imelda Padilla to provide $100 food vouchers for families participating in activities at El Nido's Farmers Market, increasing access to healthy food while strengthening family and community connections.

El Nido also finalized a $315,772 contract through the City of Los Angeles Civil Rights Department's Los Angeles Reforms for Equity and Public Acknowledgment of Institutional Racism (L.A. REPAIR) initiative. The award emerged from a community-driven participatory budgeting process in which residents identified local priorities, informed funding proposals, and voted on projects to be funded. Through extensive outreach and engagement, the Best Start Region 3 Network helped ensure community voices were represented throughout the process. The investment will support health and wellness programming in the Arleta-Pacoima REPAIR Zone, expand culturally affirming, peer-led services, and strengthen the El Nido Farmers Market's role as a central hub connecting families to healthy food, resources, wellness services, and family engagement opportunities. These investments reflect the collective efforts of community leaders, residents, public agencies, and community-based organizations working together to advance equitable outcomes for children and families throughout the San Fernando Valley.

Advancing First 5 LA's PPECE priorities and building relationship with policymakers
On July 16, ECE Thrive LA hosted "Beyond Babysitting: Understanding and Valuing ECE Educators" at First 5 LA. The coalition unites families, educators, and advocates to advance an equitable, sustainable early care and education (ECE) system. The event helped legislative staff understand ECE's economic impact, access gaps, educator experiences, and policy updates, followed by a tour of the Pathways LA Child Development Center. Staff from 11 policymaker offices attended and noted the essential work and low pay of early educators. In addition, on September 3, the Quality Counts California (QCC) State Support Team (CDE, CDSS, and First 5 California), hosted its Fall Consortium meeting and the draft QCC Quality Essentials Quality Improvement System (QIS) Framework aimed at a simpler, meaningful, and sustainable Quality Improvement System. The framework centers on four Quality Essentials: relationships, well-being, and belonging; learning and development; family partnership; and workforce well-being and business stability. Feedback sessions and pilots will inform implementation, with a follow-up webinar scheduled for October 13 from 1:30–3:00 p.m. Finally, on September 9, First 5 LA, Home Grown, and Visión y Compromiso hosted a briefing on the Thriving Providers Project, a Home Grown initiative that provides direct cash payments to Family, Friend and Neighbor (FFN) caregivers and newly licensed Family Child Care providers. This demonstration project, as part of a national pilot, examines whether greater financial stability improves the availability and quality of care and informs reforms to early childhood payment and compensation systems. The briefing covered the Los Angeles pilot, data from the Stanford Center on Early Childhood, participant experiences, and FFN policy priorities. Partners also shared a policy brief and midpoint data report. The first cohort of 25 providers will receive final payments on September 30, while the second cohort of 25 will continue through July 2027.

September 1st marked the end of California's 2025-26 legislative session. The following seven support bills remain active and are now awaiting action by the Governor: AB 1049, which would eliminate sponsor-deeming requirements for CFAP and expand food assistance access for immigrant Californians; AB 1655, which addresses CalWORKs eligibility during immigration detention; AB 2160, which streamlines access to Medi-Cal lactation services and breast pumps; AB 2332, which establishes Dual Language Immersion Coordinator positions to support bilingual education; SB 1030, which eliminates the CalWORKs "Man in the House" rule; SB 1051, which expands access to the Emergency Child Care Bridge Program for foster children; and SB 626, which expands access to perinatal mental health screenings and treatment. Four of the eleven bills

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supported by First 5 LA in 2026 were held in committee or moved to the inactive file. Governor Newsom has until September 30 to sign or veto any remaining bills.

At the federal level, First 5 LA submitted two public comments in response to proposed federal rulemaking:

- Medicaid Program: Medicaid Managed Care State Directed Payments and Medicaid Fee-for Service Targeted Medicaid Practitioner Payments (July 15, 2026)
    - Under this proposal, the expansion of Medicare payment limits for State Directed Payments would disproportionately affect states such as California that rely on these payments to maintain access to pediatric and maternal care in chronically underfunded Medicaid markets.
    - Final rule is pending.
- Office of Management & Budget: Regulation for Federal Financial Assistance (July 13, 2026)
    - Would expand agencies' ability to modify award conditions, suspend awards, or terminate grants under broader discretionary authority, which would make long-term planning substantially more difficult for organizations operating within these complex funding environments.
    - On September 2, 2026 H.R. 6500, the Continuing Appropriations and Extensions Act, 2027 (P.L. 119-103) was signed, and specifically provides that through December 11, 2026, OMB may not issue or finalize the proposed Uniform Guidance rule or a substantially similar rule.

Formalizing Relationships with Managed Care Plans
Effective January 2024, California Department of Health Care Services (DHCS) contracts with managed care plans (MCPs) aim to better advance health equity, quality, access, accountability, and transparency. As part of these new contracts, plans are obligated to execute Memorandums of Understanding (MOUs) with third party entities, which includes First 5s, as part of building partnerships to aid care coordination and referrals. The MOUs outline the responsibilities and obligations of MCPs to coordinate and facilitate provision of services to its members including expectations regarding referrals, care coordination, quality improvement, and data sharing. First 5 LA began negotiations with the three LA County MCPs in 2025. On August 3rd, 2026, the MOU with Health Net Community Solutions, Inc. was executed; view at: https://www.healthnet.com/content/dam/centene/healthnet/pdfs/member/ca/medi-cal/hn-medi-cal-mou-first-5-la.pdf.

III. RECENT AND UPCOMING EVENTS SPONSORED BY FIRST 5 LA

Name: Play Day Block Party 2026
Date: June 27, 2026
Amount: $10,000
First 5 LA staff attended the Play Day Block Party 2026, a celebration bringing together youth, families, and community members for a day of sports, games, music, and connection. The event highlighted the power of play to bring communities together and advance greater access to sports and healthy activities for children.

Name: Cheers at the Farm
Date: June 27, 2026
Amount: $500
We sponsored the Fairplex Learning and Development Center's Cheers at the Farm. The evening brought together community members, partners, and supporters for a memorable celebration featuring local connections, and a shared commitment to making a positive impact in the community.

Name: 2026 Congressional Breakfast
Date: July 9, 2026
Amount: $750
The PPECE team attended VICA's 2026 Congressional Breakfast, which brought together business leaders, elected officials, and community stakeholders for meaningful dialogue on the issues shaping the San Fernando Valley. The event reflected VICA's commitment to advocacy, civic engagement, and a strong business climate for the region.

Name: Health & Policy Summit
Date: July 15, 2026
Amount: $3,500
First 5 LA staff and community partners attended Northeast Valley Health Corporation's Health & Policy Summit. The forum brought together healthcare leaders, policymakers, housing organizations, and community stakeholders to discuss how government policy and socioeconomic conditions shape health outcomes in the Northeast Valley.

Name: 2026 Summer International Soccer Tournament Watch Party – Family Day
Date: July 18, 2026
Amount: $5,000
First 5 LA staff attended the Museum of Latin American Art's 2026 Summer International Soccer Tournament Watch Party – Family Day. The event brought families and community members together to celebrate the excitement of international soccer while enjoying a fun-filled day of culture, connection, and community.

Name: Alondra Park Ho'olaule'a
Date: July 18-19, 2026
Amount: $2,250
First 5 LA sponsored the Hawaiian Inter-Club Council of Southern California's Alondra Park Ho'olaule'a. The celebration brought the community together to honor and share Hawaiian culture, traditions, music, dance, and the spirit of aloha.

Name: 13th Annual Fighting for Life Celebration
Date: August 1, 2026
Amount: $2,500
The Communities Department and community members attended East Yard Communities for Environmental Justice's 13th Annual Fighting for Life Celebration. The event brought community members and advocates together to celebrate collective action, community resilience, and the ongoing work to create healthier and more equitable communities. Our support for this event helps elevate community voices, foster connections, and inspire positive change.

Name: 2nd Annual Discovery Cube Community Health Fair and 5k & Family Fun Run
Date: August 1- 23, 2026
Amount: $500
We sponsored the 2nd Annual Discovery Cube Community Health Fair and 5K & Family Fun Run, hosted by Discovery Cube. The event brought families and community members together to promote health, wellness, and active living through a fun and engaging day for all ages.

Name: Free Baby Expo & Resource Fair
Date: August 6, 2026
Amount: $5,000
First 5 LA sponsored the Free Baby Expo & Resource Fair, which brought together families and community organizations to connect parents and caregivers with essential health, family, and early-

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childhood resources. The event offered free supplies, information, family activities, and connections to local programs supporting the health and well-being of babies and their families.

Name: Art Gallery & Auction
Date: August 6, 2026
Amount: $500
The Communities Department attended T.R.U.S.T. South LA's Art Gallery & Auction. The event brought together community members, artists, and supporters to celebrate creativity, culture, and the power of art to connect with people. Our support helped create meaningful opportunities for community engagement while uplifting local voices and talent.

Name: BlackECE Symposium
Date: August 6-7, 2026
Amount: $5,000
We sponsored the BlackECE Symposium that convened educators, families, policymakers, cultural workers, and funders to advance California's early care and education system. The symposium explored how policy, funding, and infrastructure can repair historical harm, sustain cultural identity, and build economic power for Black children, families, and early learning professionals.

Name: Black Women for Wellness' Reproductive Justice Conference 2026
Date: August 13, 2026
Amount: $2,500
This year's conference, From Harm to Healing: Dismantling Barriers to Reproductive Justice for Black Women and Girls, sought to confront the reproductive harm endured by Black women and girls. Through workshops, policy discussions, community resources, and expert-led panels, the conference addressed maternal health disparities, access to quality care, reproductive autonomy, birth justice, and family wellness. The conference provided participants with knowledge, resources, and advocacy tools to improve health outcomes and support healthy Black families and communities.

Name: Their Futures First
Date: August 31 – September 2, 2026
Amount: $5,000
The Public Policy & Early Care and Education Department attended First 5 California's Their Futures First Summit. The event brought together leaders, advocates, and community partners dedicated to supporting young children and families, while creating opportunities to share ideas, strengthen partnerships, and build brighter futures.

Name: Noche de las Luminarias
Date: September 17, 2026
Amount: $1,000
First 5 LA Staff attended Active SGV's Noche de las Luminarias. The event brought community members together for an evening of celebration, connection, and reflection, highlighting the importance of creating vibrant and welcoming spaces for all. Our support brought folks together and strengthened community connections through shared experiences.

Name: 7th Annual Pomona Children's Festival
Date: September 19, 2026
Amount: $250
We sponsored the 7th Annual Pomona Children's Festival, hosted by the Pomona Children's Festival Committee. The event brought children and families together for a fun-filled celebration focused on creativity, learning, and community connection. Our support helped bring events that create meaningful experiences for children and families while helping build vibrant, connected communities.

Name: Bob Baker Day
Date: September 20, 2026
Amount: $1,000
First 5 LA sponsored the Bob Marionette Theater's Bob Baker Day, a celebration honoring the legacy of Bob Baker and his enduring impact on generations of families through puppetry, creativity, and imagination. The free community event brought people together to celebrate the arts and keep Bob's spirit of wonder and play alive.

Name: 2026 Annual Conference
Date: September 22-23, 2026
Amount: $2,500
First 5 LA staff attended Southern California Grantmakers' 2026 Annual Conference that brought together civic, philanthropic, and nonprofit leaders to discuss how philanthropy can renew its focus and create a new path forward. Our sponsorship helped create a space for meaningful dialogue, collaboration, and bold ideas that advance stronger, more resilient communities across Southern California.

Name: Lights above the City
Date: September 24, 2026
Amount: $2,500
We sponsored Eisner Health's Lights Above the City Gala, an evening celebrating community, compassion, and the partnerships that help expand access to high-quality healthcare across Los Angeles. The event helps to support Eisner Health's mission to ensure individuals and families have access to affordable, compassionate care.

Name: Dancing Under the Stars Gala
Date: September 25, 2026
Amount: $2,500
We sponsored Esperanza Community Housing's Dancing Under the Stars Gala, an event honoring immigrant families, workers, artists, and community members while celebrating the vibrant culture and resilience of South Los Angeles. The event reflected Esperanza's commitment to building a more equitable and thriving future for the community.

Name: Family Affair
Date: September 26, 2026
Amount: $1,500
We sponsored The Motherboard's Family Affair, an event focused on celebrating families while connecting with local resources, community leaders, and organizations working to strengthen maternal and family health.

Name: 2026 Champions for Equity Awards: We the People
Date: October 4, 2026
Amount: $2,500
First 5 LA staff attended the 2026 Champions for Equity Awards: We the People, hosted by Catalyst California. The event brought together community leaders, advocates, and partners to recognize efforts advancing equity and creating stronger, more inclusive communities. Our support helped to celebrate community leadership, inspire collaboration, and help build a more equitable future.

Name: 2026 Joint Annual Conference
Date: October 7-9, 2026
Amount: $750
We sponsored the 2026 Joint Annual Conference, hosted by the California Child Care Resource & Referral Network and Thriving Families CA. The conference brought together childcare

professionals, advocates, and community partners to share knowledge, build connections, and support thriving families across California. Our support helped to strengthen partnerships and advance opportunities for children, families, and communities.

Name: Doula Mingle + Launchpad Lite 2026
Date: October 8, 2026
Amount: $2,500
First 5 LA sponsored the Doula Mingle + Launchpad Lite 2026, hosted by the Los Angeles County Medi-Cal Doula Hub. The event brought doulas, health professionals, and community partners together to build connections, share resources, and strengthen support for families.

IV. CONTRACTS EXECUTED LEVERAGING PRESIDENT & CEO DELEGATION AUTHORITY

Pursuant to the Procurement Policy adopted on September 9, 2021, "The Executive Director (or designee) may approve any contract or amendment up to and including $150,000 in the aggregate and will establish appropriate internal policies and controls for those awards. Contracts that are executed under the Executive Director (or designee) between $10,000-$150,000 will be presented as information at the next Board of Commissioners meeting."

The following agreements and amendments were executed between April 9, 2026 and August 31, 2026, by President & CEO Karla Pleitéz Howell and her designees.

#10522 GAEL COLLECTIVE LLC – Contract Amount: $82,000
Contract Period: 05/08/2026 – 02/26/2027
The Contractor will provide consultation and support for a pilot Multilingual Learner (MLL) effort to expand access to and enrollment in multilingual Transitional Kindergarten (TK) programs in high-need communities within Los Angeles Unified School District (LAUSD). The Contractor will provide advisory consultation, specialized technical assistance, and strategic guidance to strengthen project learnings, scalability, and alignment with First 5 LA's strategic priorities during a seven (7)-month pilot with two (2) grantees.

#10523 ENGAGE R&D, INC. – Contract Amount: $84,963
Contract Period: 05/11/2026 – 11/11/2026
The Contractor will conduct a comprehensive literature review and landscape analysis of the current Early Care and Education (ECE) system. The work is organized into three sequential, interrelated components: literature review, Collaborative Tables and Stakeholder Roles Analysis, and Funding Landscape Analysis. The Contractor will ultimately produce a comprehensive and actionable body of work to inform First 5 LA's early learning policy priorities and systems change efforts.

#10457 INSIGHT PUBLIC SECTOR, INC. – Contract Amount: $12,578
Contract Period: 05/13/2026 – 05/13/2027
The vendor will provide a license subscription for one year for: the CISCO Meraki network infrastructure; includes hardware licenses for 18 Wireless access points, Network Switches and Security Firewall hardware.

#10518 QUENCH USA, INC. DBA CULLIGAN QUENCH – Contract Amount: $13,367
Contract Period: 5/15/2026 – 5/15/2029
The Vendor will provide three water and ice dispensers to be located on each floor of the First 5 LA office building.

#10526 INSIGHT GLOBAL, LLC – Contract Amount: $75,000
Contract Period: 05/18/2026 – 09/30/2026

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The Vendor will provide staffing services to the Contract Administration & Purchasing Department for an experienced Contract Compliance Officer for an initial period of about 5 months (which may be revised if extended for a longer period).

#10096 HEALTH MANAGEMENT ASSOCIATES, INC. – Contract Amount: $140,000
Contract Period: 7/1/2026 – 6/30/2027
The Contractor supports First 5 LA in strategy development by identifying key opportunities within the County and health plans, supporting partnership-building with relevant departments/business lines, and individuals who can help catalyze and advance First 5 LA's key priorities. As needed, Contractor provides technical expertise in operationalizing specific programmatic and policy strategies related to leveraging and maximizing funding (federal, state and local). In addition, Contractor supports First 5 Southern California County Commissions, including First 5 LA, in developing a collective strategy.

#10439 LIMOR CONSULTING INC (DBA DATALINK PARTNERS) – Contract Amount: $41,685
Contract Period: 7/1/2026 – 6/30/2027
The Contractor will continue to support the implementation of First 5 LA's Annual Reporting Project, which provides transparency on how First 5 LA expends public funds and positions First 5 LA to be accountable on how those funds are utilized. The overarching goals of the project are: 1) Provide transparency on First 5 LA investments in compliance with Proposition 10 requirements to increase public awareness about how funds are being utilized in Los Angeles County; and 2) Utilize Annual Reporting data to gain deeper understanding of First 5 LA's investments and grantees and contractors.

#10443 UNIVERSAL PROTECTION SERVICES, LP DBA ALLIED UNIVERSAL SECURITY SERVICES – Contract Amount: $112,304
Contract Period: 7/1/2026 – 6/30/2027
The Contractor will provide unarmed, uniformed security guards who shall promote the safety of First 5 LA's employees, contractors, and guests and protect First 5 LA's real and personal property at 750 N. Alameda Street, Los Angeles, CA 90012, including the adjacent surface parking.

#10479 CSS Facility Service-Los Angeles, Inc. – Contract Amount: $129,971
Contract Period: 7/1/2026 – 6/30/2027
The Contractor will perform janitorial services for the First 5 LA office building located on the Union Station campus in downtown Los Angeles at 750 N. Alameda Street, 90012. Janitorial services are needed to maintain a clean, healthy, safe, and orderly workspace for First 5 LA employees, tenants, and visitors.

#10520 Tri-Signal Integration, Inc. – Contract Amount: $18,150
Contract Period: 7/1/2026 – 6/30/2031
The Contractor will provide 24/7 fire life safety monitoring and annual Regulation 4 testing for the First 5 LA office building.
#10531 Poder Consulting Group – Contract Amount: $90,000
Contract Period: 8/3/2026 – 6/30/2027
The Contractor will provide facilitation services and support in planning, design, and implementation to engage with two cohorts of Quality Start Los Angeles (QSLA) early learning providers. As part of its commitment to First 5 CA's Building Equitable Early Learning Systems (BEELS) initiative, this project will elevate the voices of early learning providers and position them as thought partners in quality improvement efforts through the development of a series of Communities of Practice (CoP). The Contractor will synthesize the results of these conversations, as well as any other resources provided, into an online repository for QSLA members to access as needed.

#10261 Bumpercar, Inc. – Amendment Amount: $106,604.00

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Amendment Period: 07/01/2026 - 11/30/2026
This amendment adds additional funds in the amount of $106,604 for a total contract amount of $757,604 to allow the Contractor to continue providing content development support for the new First 5 LA website project.

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Report on First 5 LA Board Interviews Spring 2026

By: Nancy Strohl

Overall Themes

- Strong support for and broad unity with First Five LA's strategic direction, equity lens, and implementation of the 2024- 2029 Strategic Plan.
- Collaboration, engagement with diverse communities, partnerships with CBOs and government agencies were cited as key strengths.
- Numerous members expressed respect for the leadership provided by the CEO in these difficult times both internally and externally.

Federal Issues:

- The Board recognizes the necessity of continuing a strong advocacy role. First 5 LA needs to be both proactive and responsive.
- Numerous members noted they were proud that First 5 LA was strategic and responsive particularly the work to support immigrant families, and communities.
- Strengths noted included deep federal, state and county relations, expertise Birth to 5 issues, and connections to innovative community based LA programs.

Early Childhood Policy Council Role

- Board Members uniformly thought Frist 5 LA's appointment to the ECPC was an important opportunity for First 5 LA and a productive use of expertise and local, state and federal connections.

Long Term Financial Plan (LTFP):

- All Board Members understand the necessity of long-term financial planning and F5LA's strategic approach to downsizing in response to diminishing revenues.
- Members appreciated the detailed information and Board Meeting discussions. There was agreement that utilizing both The Equity Index (EI) and outcomes should be the guiding frame.
- Board Members expressed that the impact on staff and internal spending should be the same as external spending.

Home Visiting:

- Board Members consistently expressed that Home Visiting (HV) is a very important program and all think that F5 should continue to play a leadership role in partnership with DPH, DCFS and DPSS.

- Several Board Members indicated that this is not the time for Universal Programs and F5 should move to a targeted approach. Other Board members expressed that to be most effective we should choose one model to prioritize.
- Several members noted that F5 is an important funder and systems leader. Training, data systems, referral coordination, workforce development, cross-agency alignment, etc. are what make scale and consistency.
- Board Members understand that the model needs to be right sized and have requested options from staff for the future of this program that aligns to the Long-Term Financial Plan.

Best Start Transition:

- Board Members valued the work of the Grantees and were moved by the compelling testimony. The Board confirmed their decision to transition from the current funding model and assessed that the sixteen-month transition was a fair and responsive transition time.
- The Board looked forward to learning more about the HUB model, Several Board Members wanted to ensure F5LA build on existing models and services delivery systems and that HUBS were responsive and community based and actively redesign how families experience public systems.

Emerging Issues: These were defined in the questions as The Early Childhood Advocacy Fund, collaboration with the City of Los Angeles' Guaranteed Income (GI) Pilot Program and the LA County Poverty Alleviation Initiative; Multilingual Partnership with TK; Housing; and support for Immigrant Families.

- Board Members expressed support for the emerging issues as a whole and offered the importance of balancing being responsive and innovative while ensuring we assess taking on new issues with limited resources.
- The Board continues to unanimously strongly support for the work defending immigrant families. Numerous Board Members expressed strong support for Guaranteed Income.

Overall: A majority of members volunteered that the Board is strong and effective, and the Board consensus and Agency priorities are aligned. Many thanked the staff for their work to engage the Board, administer and implement the Strategic work of the organization.

Agenda Item: 7
Date: October 8, 2026

FIRST 5 LA

SUBJECT:
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 $150,000 for a Total of $2,163,792.50 Through December 31, 2028 to continue investing in community-driven innovation to advance Black birth equity through the African American Infant and Maternal Mortality Prevention Initiative (AAIMM) Village Fund.

RECOMMENDATION (PROVIDED AS INFORMATION):
This memo is provided as information for the Board's consideration at the October 8, 2026, Board of Commissioners meeting. First 5 LA staff recommends at the November 12, 2026, 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 $150,000 for a total of $2,163,792.50 through December 31, 2028. Funds for FY26-27 are included in the First 5 LA Programmatic Budget under AAIMM Birth Outcomes and Disparities – Policy and Systems Change. Funds for FY27-28 and FY28-29 will be presented to the Board of Commissioners at the June 2027 and June 2028 Commission meetings for approval. Funds for FY26-27 will be pulled from the assigned fund balance which was brought to the Board of Commissioners for approval on June 11, 2026. At the time of budget approval, requested resources will shift from the Assigned resource category of the fund balance, dedicated for broad Strategic Plan purposes, to the Committed category, amounts dedicated for a more specified purpose via resolution.

BACKGROUND:

Los Angeles County's African American Infant and Maternal Mortality Initiative (AAIMM)
First 5 LA and the Los Angeles County Department of Public Health's (LACDPH) continue efforts to co-lead the African American Infant and Maternal Mortality (AAIMM) Prevention Initiative. The Initiative's coalition also includes partnerships with the Los Angeles County Department of Health Services, the Los Angeles County Department of Mental Health, community organizations, mental and health care providers, funders, and community members. Since the onset of the AAIMM Initiative in 2018, the coalition instituted a shared leadership and decision-making approach among members to build trust and prioritize and implement strategies to address the unacceptably high rates of Black infant and maternal deaths countywide. The coalition meets regularly to develop, implement, and review strategies and catalyze community action to ensure healthy and joyous births for all Black families in LA County.

AAIMM acknowledges the root cause of disparities as racism related toxic stress and the impact that stress has on a Black woman's body, compounded by structures in society that perpetuate racism including lack of culturally competent care, and the presence of implicit and overt bias in the systems of support that impact Black families. AAIMM strategies are centered around the Community Health Equity Improvement Plan for Los Angeles County 2024-2029 (CHEIP)'s goal to reduce the gap by 50% in Infant Mortality Rates (IMR) between White and Black/African American babies by reducing the Black/African American IMR.

The AAIMM Village Fund (Community Grantmaking): A pooled fund supported by multiple public and private funders, which provides three-year grants ranging from $3,500 to $30,000 per year to fund innovative, community-led strategies to support the well-being of Black birthing families. Examples of Village Fund projects have included new parents' support groups, lactation & breast/chestfeeding support, community care circles, COVID-19 self-care packages, doula services, and more. More information is available at: https://www.blackinfantsandfamilies.org/the_village_fund.

First 5 LA's Investment to Date

In June 2020, the First 5 LA Board of Commissioners approved a Strategic Partnership with THE PARTNERSHIP to contribute $300,000 to the AAIMM Innovation Fund, a pooled fund leveraging public and private funding sources to support the sustainability of AAIMM and invest in community-driven innovation. Under the Strategic Partnership, First 5 LA funds have historically supported two main areas of work: the Village Fund (Community Grantmaking) and the AAIMM Community Action Teams (CATs). In February 2026, THE PARTNERSHIP notified First 5 LA that they intended to step down from the CATs intermediary role effective November 2026. As a result, this proposed Amendment includes funds only for continued support of the Village Fund. A separate memo has been submitted to the Board seeking approval for a new intermediary to enable continued support for the CATs.

To date, the Board of Commissioners has approved the following amendments to First 5 LA's Strategic Partnership with THE PARTNERSHIP:

- July 2022: Authorized an additional $400,000 and a one-year extension to fund CATs backbone support and additional capacity-building. "Backbone support" refers to a minimum amount of funding needed to operate, grow and sustain the CATs' organizational infrastructure. Under the approved amendment, THE PARTNERSHIP's work expanded to include managing the procurement and onboarding of CATs backbone agencies; ensuring fair allocation of backbone funding across the CATs; facilitating CATs peer learning, strategic planning, and sustainability planning; and ensuring documentation of CATs' efforts as part of the AAIMM evaluation.
- May 2023: Authorized an additional $450,000 and a one-year extension to support CATs backbone support, capacity building, and Village Fund, with a focus on building core organizational infrastructure.
- May 2024: Authorized an additional $450,000 and a one-year extension to support CATs backbone support, capacity building, and Village Fund, with a focus on strengthening & sustaining infrastructure.
- June 2025: Authorized an additional $450,000 and an eighteen-month extension to support CATs backbone support, capacity building, and Village Fund, with a focus on deepening community-driven birth equity strategies. This was later amended to $413,792.50 following LA Partnership's decision to step down from administering the CATs.

RATIONALE FOR AMENDMENT

The proposed amendment seeks to extend First 5 LA's Strategic Partnership with THE PARTNERSHIP for an additional two years through December 31, 2028, and provide $150,000 in additional funding to support the AAIMM Village Fund.

Cost Justification and Reason for Extension

The proposed amendment would continue contributing to the Village Fund pooled fund at the same level per year as FY25-26 ($75,000) for calendar years 2027 and 2028. Funds will allow THE PARTNERSHIP to sustain their current cohorts for their full 3-year commitment, as well as to continue bringing on new cohorts.

Contractor Performance & Progress to Date

THE PARTNERSHIP has continued to perform highly, achieving all First 5 LA contractual requirements while working closely with AAIMM leadership to support sustainability of the Village Fund and larger AAIMM initiative. Key accomplishments over the past year are presented below:

- Grantmaking: Graduated the third cohort of Village Fund grantees and led an inclusive selection process to select and launch a 6th cohort of grantees. Currently there are three active cohorts (4-6), with 42 total individuals/organizations funded to date. Funding has been secured and planning is currently under way to bring on a 7th cohort.
    - Demonstrating their continually expanding reach, the Village Fund received a record 64 applications for Cohort 6 (2026), leading to selection of 9 new grantees.
- Capacity Building: Provided ongoing support to grantees through quarterly peer learning convenings. Recent topics included presentations on AAIMM by countywide LACDPH AAIMM

leadership, business and tax practices for small businesses and nonprofits, fundraising, sustainable partnerships, and maintaining authenticity and credibility in community work.
    - Data Snapshot:
        - The Village Fund 2025 year-end impact survey captured results from 19 grantees across active cohorts (3-5), serving SPAs 1-4, 6, and 8.
        - A majority of grantees reported increased knowledge of the Black infant and maternal health landscape, as well as growth in nonprofit management and operations knowledge, as a result of their participation in the Village Fund. Grantees emphasized the value of peer connections to connect with fellow grantees, expand service offerings, increase clients, and create programming collaborations.
        - Five organizations reported securing new funding as a direct result of opportunities circulated through the Village Fund, and one of those organizations secured $550,000 in new funding with that support.
- Fundraising: THE PARTNERSHIP has continued to actively fundraise to grow the Village Fund, raising a total of $781,000 non-First 5 LA dollars in FY25-26 (First 5 LA contributed $75,000) for Village Fund cohorts seven (2026) and eight (2027).
- Evaluation: In 2024, THE PARTNERSHIP leveraged non-First 5 LA funds to commission evaluation and learning firm Engage R+D to conduct an in-depth evaluation of the Village Fund's first cohort, using document review, surveys, and interviews to understand impacts on organizational capacity and resilience, the way grantees work in communities, and communities they serve. The final report was published in November 2025, with highlights including the following:
    - **Grantees saw significant growth in professional development and organizational resiliency from pre- to post-Village Fund.** For example, 80% reported that their ability to provide services to Black birthing persons and families was strengthened "a great deal" as a result of participating in the Village Fund, and 90% reported expanding services "to a great extent."
    - **Grantees served over 4,322 people** from January 2021 – November 2024, offering services ranging from tangible resources to emotional support, health services, education and advocacy, and more.
    - **"The Black maternal health ecosystem** has been strengthened through grantees' increased visibility, community connection, and impactful programs." (Engage R+D 2025)

Proposed Work and Outcomes from Present to December 2028:
From now until December 2028, THE PARTNERSHIP will:

- Continue to maintain and grow the AAIMM innovation pooled fund
- Launch a 7th (and 8th, contingent upon securing continued funding) cohort of Village Fund grantees, selected by an inclusive community review committee
- Graduate grantee Cohorts 4-6 in December 2026-2028, respectively
- Provide ongoing support to Village Fund grantees through quarterly peer learning convenings, including capacity building support related to resource referrals, grant writing and fund development
- Continue connecting Village Fund grantees to the larger AAIMM network for continued opportunities to grow, cross-refer, and support birth equity
- Assess the impact of Village Fund grants and quarterly learning convenings on an annual basis through surveys and year-end closeout calls
- Participate in larger AAIMM Data and Fundraising efforts to support strengthening of AAIMM's overall data and fund development infrastructure

Alignment with First 5 LA's Strategic Plan
This Strategic Partnership aligns most closely with two of First 5 LA's 2024-2029 Strategic Plan objectives, approved by the Board in November 2023: (1) Reduce infant mortality, and (2) Increase culturally affirming services. The Village Fund funds services to support Black birthing families, designed by and for Black

community. Strategic Plan tactics utilized include engagement, capacity building, coordination, and access.

Pursuant to the Procurement Policy, Strategic Partners greater than $150,000 must be presented to the Board for approval. Staff is requesting an amendment of a Strategic Partnership in the Amount of $150,000 for a Total Project Cost of $2,163,792.50 to comply with this policy.

GOVERNANCE GUIDELINES #5 AND #6 (SUSTAINABILITY AND LEVERAGING):

Sustainability Plan

THE PARTNERSHIP will continue working to proactively grow the AAIMM Village Fund pooled fund, seeking to sustain and deepen commitments from existing funders, as well as to bring on new funders. Additionally, key new sustainability efforts in FY26-27 include a relaunched Funding Workgroup, which will seek to build core AAIMM overall infrastructure and readiness to rapidly pursue funding opportunities, inclusive of Village Fund grantees. Short-term objectives of the work group include building a core set of grant templates, data, program information, and other resources which are accessible to all AAIMM partners and can be readily accessed for funding applications; and established workflows and points of contact for pursuing funding opportunities.

Leveraged Resources

THE PARTNERSHIP has successfully grown the Village Fund to include contributions from many funders, a full list of which can be found at https://villagefundla.org/. Major funders include the Conrad N. Hilton Foundation, Ballmer Group and California Healthcare Foundation. In FY25-26, First 5 LA contributed $75,000 to the Village Fund and THE PARTNERSHIP was able to successfully leverage $781,000 from 15 other funders in FY25-26.

NEXT STEPS

Staff anticipates returning to the Board for action at the November 2026 Board meeting to amend this Strategic Partnership in the amount of $150,000, for a total project cost of $2,163,792.50 through December 31, 2028 and staff will execute a contract renewal.



First 5 LA Annual Report to the State, FY 2025-26

October 8, 2026

Aurea Montes-Rodriguez, First 5 LA

Today's item will cover:

01 **Background on the Annual Report**

02 **Sections from First 5 LA's Annual Report**

- Revenue and Expenditure Summary
- Demographic Worksheet
- County Highlights & Evaluation Summary

03 **Next Steps**



Background on the Annual Report

Section 1
Revenue and Expenditure Summary

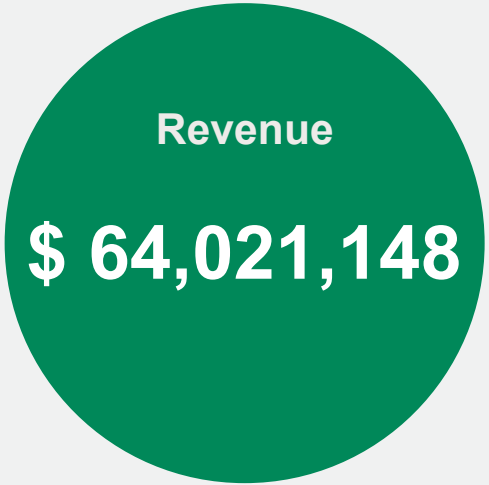
Section 2
Demographic Worksheet

141

Section 3
County Highlights & Evaluation Summary

Revenue and Expenditure

In FY 25-26, there was a difference of over $4 million between revenue and expenditure.

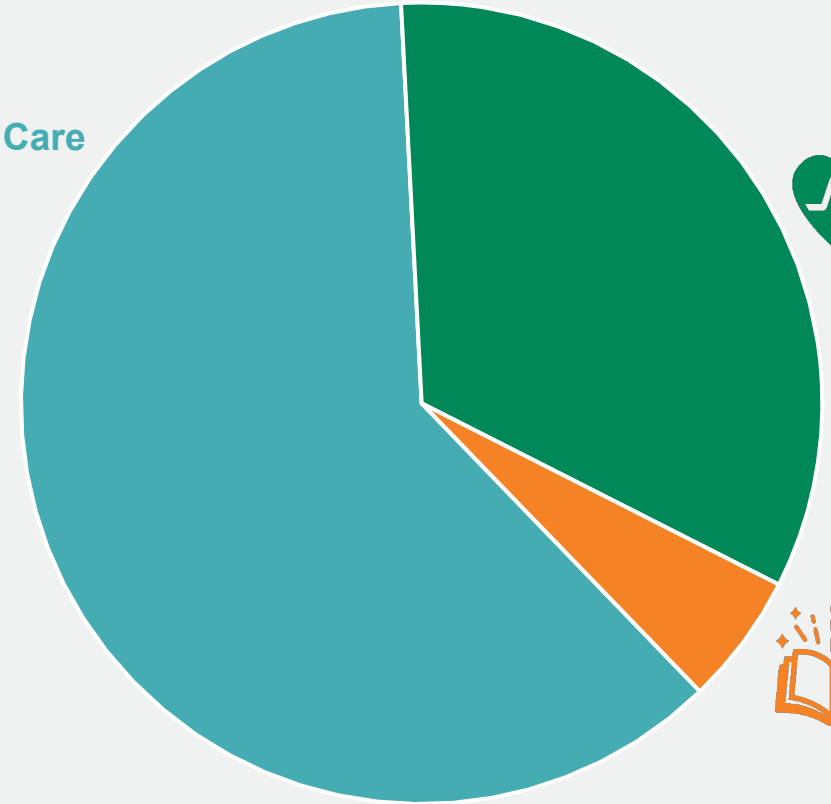




Demographic

Most First 5 LA contracts and grants were categorized as Systems of Care in FY 2025-26.

Systems of Care
61% (n=34)



Child Health
34% (n=19)

143

Child Development
5% (n=3)

Total: 56 contracts and grants

Demographic

Caregivers represent the largest group reached by First 5 LA direct service investments.

16,464
Children

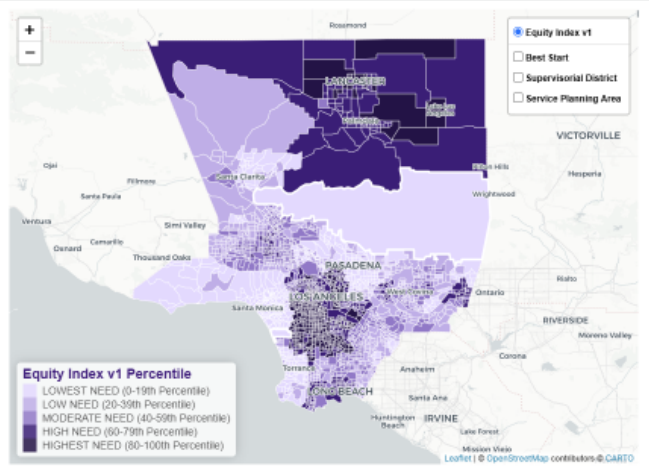
36,508
Primary Caregivers

16,571
Unique Families

294
Providers

144

County Highlight & Evaluation Summary



Building Brighter Futures Equity Index

- Developed and put Version 1.0 of the Index into use as a tool that identifies communities experiencing the greatest disparities
- Convened 14 stakeholder groups to identify factors and potential data sources related to access to parks and open space for young children in LA County
- Participants at a First 5 LA's April 2026 Vision to Action Summit a breakout session identified disparities they want the Index to surface as First 5 LA continues strengthening the Building Brighter Futures Equity Index

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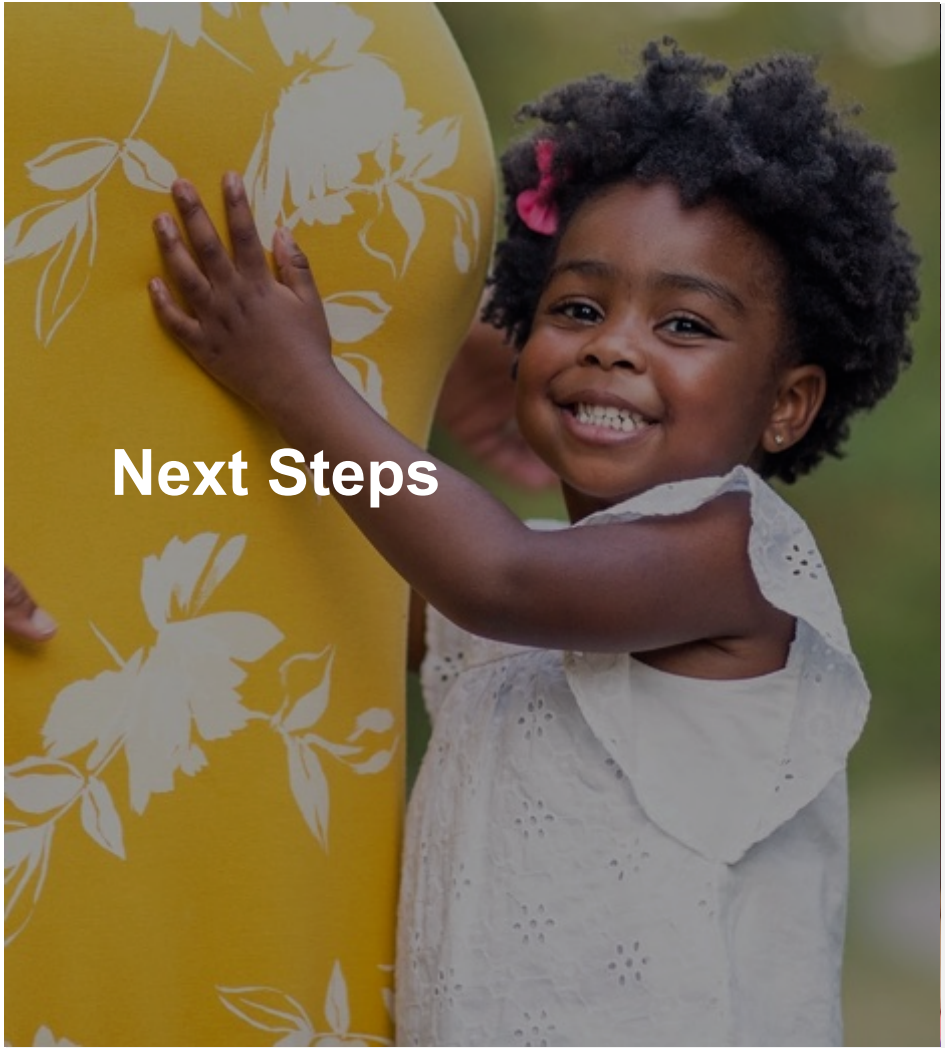
Help Me Grow LA

Help Me Grow LA Pathways

- Evaluated efforts to strengthen EII referral pathways
- Increase in the use of the online referral system and shift in the average age of referral for services from 23 months of age to 19 months of age

first 5 la
Giving kids the best start



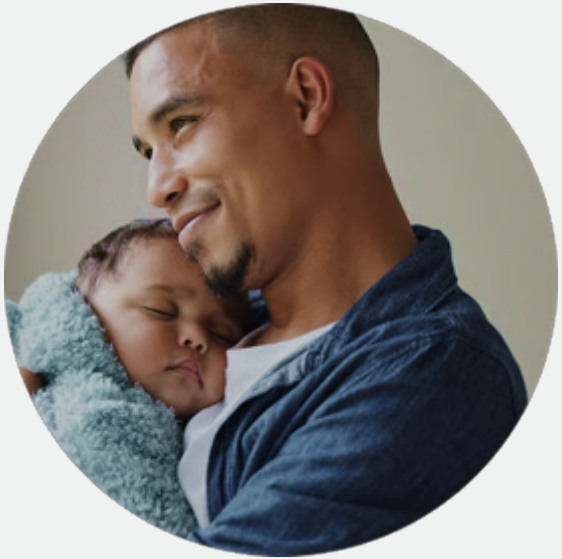
Next Steps

Receive Board Approval

October 8th

Submit Annual Report to First 5 CA

By October 31st



Questions?

147

Agenda Item: Item 8
Date: October 8, 2026

FIRST 5 LA

SUBJECT:
2025-2026 Annual Report to First 5 California (State Commission)

RECOMMENDATION:
Approve the First 5 LA Annual Report to the State Commission

BACKGROUND:
Each year First 5 LA staff prepares a report to the State Commission that provides fiscal and programmatic information following a State Commission-designated template. Staff are seeking approval of the First 5 LA Annual Report for Fiscal Year 2025-26 (July 1, 2025 – June 30, 2026), which is due to the State Commission by October 31, 2026. First 5 LA submits the report via the web-based platform provided by the State Commission. This request was presented as information at the September 24, 2026, Special Meeting of the Board of Commissioners, Program & Planning Committee, Budget and Finance and Executive Committees (per the Bylaws).

DISCUSSION:
As part of the submission, staff must categorize First 5 LA programmatic efforts into the following four Result Areas defined by the State Commission:

- **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 Functioning**: 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.

Following are descriptions and a summary of each section of the First 5 LA Annual Report for Fiscal Year (FY) 2025-26. Please refer to “Attachment 1, First 5 LA's FY 25-26 Annual Report” for the full report.

Section 1: Revenue and Expenditure Summary
Section 1 of the Annual Report provides First 5 LA’s total revenue and expenditures in FY 25-26, aligned with the financial audit, and a breakdown of programmatic expenditures across the four Result Areas.

- *Revenue and Expenditures:*
  - The total revenue was $64,021,148
  - The total expenditures were $68,127,094, resulting in a net decrease to our fund balance of $4,105,946
  - The fund balance at the end of FY 25-26 was $252,006,618

- *Programmatic Expenditures by Result Area:*
  - *Improved Child Development:* $2,366,955 (5% of programmatic expenditures)
  - *Improved Child Health:* $27,802,450 (54% of programmatic expenditures)
  - *Improved Systems of Care:* $21,320,124 (41% of programmatic expenditures)
  - *Improved Family Functioning:* There were no expenditures categorized under this area in FY25-26.

Section 2: Demographic Worksheet
Section 2 of the Annual Report provides information on the populations reached in FY 25-26 through

First 5 LA's direct service investments in total and by demographics such as age and race and ethnicity. Please refer to Attachment 1 for a more detailed breakdown of the data.

- *Populations Reached:* First 5 LA investments reached a total of 16,464 children and 36,508 caregivers. There were 16,571 unique families served. First 5 LA investments also reached 294 providers.
- *Demographics:*
    - *Age Distribution*: Most children reached through First 5 LA investments were under 3 years old (98.5%).
    - *Race/Ethnicity*: The majority of children reached by First 5 LA investments were children of color, and were reported as follows:
        - 75% Hispanic or Latino
        - 11% Two or more races
        - 7% Black or African American
        - 3% Asian
        - 3% White
        - Less than 1% were American Indian/Alaskan Native, Middle Eastern or North African, Native Hawaiian or Pacific Islander, or identified as some other race.
    - *Language*: Of the children reached, 64% came from households that spoke primarily English, 33% from households that spoke primarily Spanish, and 1% from households that primarily speak another language, such as Khmer and Tagalog.

Section 3: Evaluation Summary/County Highlights

This section includes a summary of First 5 LA's evaluations including overview and objectives, methodology and evaluation approach, key findings and outcomes, equity and access, and lessons learned and recommendations. This section also provides county highlights that describe accomplishments including purpose and activities, key achievements and outcomes, community engagement, partnerships and equity-focused efforts, qualitative impact, and looking forward. Please refer to Attachment 1 for more comprehensive information.

Evaluation Summary

- *Help Me Grow LA Pathways:* First 5 LA examined efforts to strengthen early identification and intervention (EII) referral pathways for young children with or at risk of developmental delays through seven community collaboratives. Findings showed an increase in the use of the online referral system for EII services among participating partners and saw a shift in the average age of referral for services from 23 months of age to 19 months of age. Findings also point to disparities in access to EII services, referral satisfaction, and age at referral, especially for Black/African American children and families. Lessons learned will continue to guide investments in developmental screenings, referrals, and disparities in the EII system.

County Highlights:

- *Building Brighter Futures Equity Index (Index):* In FY 25-26, First 5 LA, in partnership with Catalyst California, developed and put Version 1.0 of the Index into use as a tool that identifies communities experiencing the greatest disparities. First 5 LA used the Index to drive a countywide assessment of high need areas through a multi-step, data-driven process, assessing high need through 2024-2029 Strategic Plan objectives, the population of children ages 0-5, and racial/ethnic disparities. In December 2025, First 5 LA convened 14 stakeholder groups to identify factors and potential data sources related to access to parks and open space for young children in LA County. And participants at a breakout session at First 5 LA's April 2026 Vision to Action Summit identified disparities they want the Index to surface as First 5 LA continues strengthening the Building Brighter Futures Equity Index.

NEXT STEPS:

After receiving Board Approval, First 5 LA will submit the final State Annual Report to the State Commission by October 31, 2026.

Annual Report AR-1

Los Angeles Revenue and Expenditure Summary

July 1, 2025 - June 30, 2026

Revenue Detail

Category	Amount
Tobacco Tax Funds	$46,357,964
IMPACT Legacy	$3,215,781
Small Population County Augmentation Funds	$0
Home Visiting Coordination Funds	$0
Other First 5 California Funds	$0
Other First 5 California Funds Description	
Other Public Funds	$3,496,439
Other Public Funds Description LA County Department of Mental Health - to support home visiting services in SPAs 1 & 2 with enhanced referral pathways and licensed clinicians ($2,962,240); State of CA - CA Electronic Cigarette Excise Tax ($534,199)	
Donations	$0
Revenue From Interest Earned	$9,122,458
Grants	$0
Grants Description	
Other Funds	$1,828,506
Other Funds Net Increase in Fair Value of Investments (accounting entry to record unrealized gain to value of F5LA's LA County Investment Pool) ($977,040); LA Care Health Plan - to support Welcome Baby home visiting program that pairs families, pregnant women and new parents with trained professionals ($450,000); Other Funds - from rental income ($301,466); Blue Shield of California Promise Hope Health Plan - to support Welcome Baby and Select Home Visitation programs ($100,000)	
Total Revenue	**$64,021,148**

Improved Family Support

No data entered for this section as of 9/22/2026 7:40:44 AM.

Improved Child Development

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
Quality Early Learning and Care Supports	CBO/Non-Profit	• Not Applicable ()	0	0	50	$257,385
Quality Early Learning and Care Supports	County Office of Education/School District	• Quality Counts California	0	0	196	$2,109,570
Early Learning and Care Program Direct Costs	Research/Consulting Firm	• Not Applicable ()	0	0	36	$0
					Total	**$2,366,955**

Improved Child Health

Service	Grantee	Program(s)	Children	Caregivers	Providers	Unique Families	Amount
Perinatal and Early Childhood Home Visiting	Hospital/Health Plan	• Welcome Baby	11144	24265	7	11178	$11,214,987
Perinatal and Early Childhood Home Visiting	Resource and Referral Agency (COE or Non-Profit)	• Parents as Teachers	324	797	0	320	$2,657,316
Perinatal and Early Childhood Home Visiting	CBO/Non-Profit	• Healthy Families America	367	904	5	380	$4,504,282
Perinatal and Early Childhood Home Visiting	CBO/Non-Profit	• Parents as Teachers	424	863	0	398	$2,679,456
Perinatal and Early Childhood Home Visiting	CBO/Non-Profit	• Welcome Baby	4205	9679	0	4295	$6,746,409
						Total	**$27,802,450**

Improved Systems Of Care

Service	Grantee	Program(s)	Amount
Policy and Public Advocacy	CBO/Non-Profit	• Early Learning	$308,695
Policy and Public Advocacy	CBO/Non-Profit	• Resilient Families and Communities	$9,372,043
Policy and Public Advocacy	CBO/Non-Profit	• Not Applicable ()	$5,109,784
Policy and Public Advocacy	Research/Consulting Firm	• Child Health	$366,515
Policy and Public Advocacy	Research/Consulting Firm	• Early Learning	$87,940
Policy and Public Advocacy	Research/Consulting Firm	• Resilient Families and Communities	$16,998
Policy and Public Advocacy	Research/Consulting Firm	• Not Applicable ()	$793,442
Systems Building	CBO/Non-Profit	• Health Systems	$396,573
Systems Building	Higher Education	• Not Applicable ()	$545,655
Systems Building	Hospital/Health Plan	• Health Systems	$3,391,694
Systems Building	Research/Consulting Firm	• Early Identification and Intervention	$54,566
Systems Building	Research/Consulting Firm	• Not Applicable ()	$732,084
Emergency and Disaster Relief	CBO/Non-Profit	• Direct Material Support	$144,135
		Total	**$21,320,124**

Expenditure Details

Category	Amount
Program Expenditures	$51,489,529
Administrative Expenditures	$16,315,998
Evaluation Expenditures	$321,567
Total Expenditures	$68,127,094
Excess (Deficiency) Of Revenues Over (Under) Expenses	($4,105,946)

Other Financing Details

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

Net Change in Fund Balance

Category	Amount
Fund Balance - Beginning	$256,112,564
Fund Balance - Ending	$252,006,618
Net Change In Fund Balance	($4,105,946)

Fiscal Year Fund Balance

Category	Amount
Nonspendable	$93,581
Restricted	$0
Committed	$53,024,448
Assigned	$146,913,037
Unassigned	$51,975,552
Total Fund Balance	$252,006,618

Expenditure Note

One contract began in mid-May 2026 and started serving providers before the fiscal year ended, but the related work was not completed within FY 25-26 and so incurred no expenditures during the year. This accounts for the $0 shown under RA 2, Child Development: Early Learning Program Direct Costs.

Annual Report AR-2

Los Angeles Demographic Worksheet

July 1, 2025 - June 30, 2026

Population Served

Category	Number
Children Less than 3 Years Old	16,224
Children from 3rd to 6th Birthday	208
Children – Ages Unknown (birth to 6th Birthday)	32
Primary Caregivers	36,508
Providers	294
Total Population Served	**53,266**

Primary Language Spoken in Home

Category	Number of Children	Number of Primary Caregivers
Cantonese	3	3
English	10,564	10,744
Mandarin	9	10
Spanish	5,435	5,567
Tagalog	25	25
Vietnamese	6	6
Other - Specify with text box Achi	1	1
Other - Specify with text box Afghani	1	1
Other - Specify with text box Amharic	2	2
Other - Specify with text box Arabic	17	17
Other - Specify with text box Armenian	7	7
Other - Specify with text box ASL	2	2
Other - Specify with text box Babylonian/Aramaic	2	2
Other - Specify with text box Bangali	8	9
Other - Specify with text box Creole	3	3
Other - Specify with text box Dialect	5	5
Other - Specify with text box Farsi	3	3
Other - Specify with text box Filipino and English	1	1
Totals	**16,464**	**36,508**

Category	Number of Children	Number of Primary Caregivers
Other - Specify with text box French	5	5
Other - Specify with text box French and local dialect	1	1
Other - Specify with text box Hindi	3	3
Other - Specify with text box Hmong	1	1
Other - Specify with text box Igbo	3	3
Other - Specify with text box Japanese	2	2
Other - Specify with text box Khmer	39	35
Other - Specify with text box Mam	2	2
Other - Specify with text box Maya	1	1
Other - Specify with text box Nepali	4	4
Other - Specify with text box Panjabi	0	4
Other - Specify with text box Pashto	1	1
Other - Specify with text box Portuguese	3	3
Other - Specify with text box Punjabi	7	3
Other - Specify with text box Q'eqchi	12	12
Other - Specify with text box Quitche	1	1
Other - Specify with text box Russian	1	1
Totals	**16,464**	**36,508**

Category	Number of Children	Number of Primary Caregivers
Other - Specify with text box Spanish & English	2	2
Other - Specify with text box Sudanese Arabic	1	1
Other - Specify with text box Swahili	1	1
Other - Specify with text box Tamil	1	1
Other - Specify with text box Thai	1	1
Other - Specify with text box Turkish	1	1
Other - Specify with text box Urdu	2	2
Other - Specify with text box Vietnamese	1	1
Other - Specify with text box Xhosa	1	1
Other - Specify with text box Other (Unknown)	18	17
Unknown	255	19,990
Totals	**16,464**	**36,508**

Race and/or Ethnicity of Population Served

Category	Number of Children	Number of Primary Caregivers
Alaska Native/American Indian	3	10
Asian	444	653
Hispanic/Latino	12,340	13,079
Middle Eastern or North African	82	81
Native Hawaiian or Other Pacific Islander	17	40
Non-Hispanic Black or African American	1,120	1,260
Non-Hispanic White	485	779
Alaska Native/American Indian Asian	1	2
Alaska Native/American Indian Hispanic/Latino	44	19
Alaska Native/American Indian Non-Hispanic Black or African American	4	4
Alaska Native/American Indian Non-Hispanic White	6	0
Asian Hispanic/Latino	163	13
Asian Middle Eastern or North African	4	1
Asian Native Hawaiian or Other Pacific Islander	6	0
Asian Non-Hispanic Black or African American	34	11
Asian Non-Hispanic White	121	20
Asian Unknown	5	2
Hispanic/Latino Middle Eastern or North African	22	2
Totals 162	**16,464**	**36,508**

Category	Number of Children	Number of Primary Caregivers
Hispanic/Latino Native Hawaiian or Other Pacific Islander	22	4
Hispanic/Latino Non-Hispanic White	671	235
Hispanic/Latino Unknown	47	27
Middle Eastern or North African Non-Hispanic White	11	9
Native Hawaiian or Other Pacific Islander Non-Hispanic White	5	4
Hispanic/Latino Non-Hispanic Black or African American	432	77
Middle Eastern or North African Non-Hispanic Black or African American	3	0
Native Hawaiian or Other Pacific Islander Non-Hispanic Black or African American	11	0
Non-Hispanic Black or African American Non-Hispanic White	102	32
Non-Hispanic Black or African American Unknown	13	8
Non-Hispanic White Unknown	6	3
Other – Specify with text box Arabic	2	2
Other – Specify with text box Armenian	1	1
Other – Specify with text box ASL	1	0
Other – Specify with text box Brazilian	0	1
Other – Specify with text box Caribbean	0	3
Other – Specify with text box Colombian	1	2
Totals	**16,464**	**36,508**

Category	Number of Children	Number of Primary Caregivers
Other – Specify with text box Croatian	1	1
Other – Specify with text box Egyptian	2	2
Other – Specify with text box Filipino and English	1	0
Other – Specify with text box Greek	2	2
Other – Specify with text box Haitian	1	0
Other – Specify with text box Indian	2	2
Other – Specify with text box Indigenous	0	1
Other – Specify with text box Italian	1	1
Other – Specify with text box Native American	0	2
Other – Specify with text box Pakistani	0	1
Other – Specify with text box Pashto	1	0
Other – Specify with text box Persian	0	1
Other – Specify with text box Punjabi	1	0
Other – Specify with text box Russian	1	1
Other – Specify with text box South Asian	1	2
Other – Specify with text box Spanish & English	2	0
Other – Specify with text box Tamil	1	0
Totals	**16,464**	**36,508**

Category	Number of Children	Number of Primary Caregivers
Other – Specify with text box Ukrainian	0	1
Other – Specify with text box West African	1	1
Other – Specify with text box Other (Unknown)	15	28
Other – Specify with text box Two or More Races (specific races unknown)	101	96
Unknown	101	19,982
Totals	**16,464**	**36,508**

Duplication Assessment

Category	Data
Degree of Duplication	15%
Confidence in Data	Somewhat confident
Additional Details (Optional)	

Annual Report AR-3

Los Angeles County Evaluation Summary and Highlights

July 1, 2025 - June 30, 2026

County Evaluation Summary

Evaluation Activities Completed, Findings, and Policy Impact

Program Overview and Objectives

Help Me Grow Los Angeles (HMG LA) Pathways is a countywide, multi-year systems-change initiative led by First 5 LA in partnership with the LA County Department of Public Health. Its goal is to strengthen early identification and intervention (EII) referral pathways so that all young children with or at risk of developmental or behavioral delays connect to needed services, regardless of race, language, income, or geography. To serve children across LA County, seven community collaboratives were formed, each anchored by a Unifying Agency (UA) in partnership with collaborative agencies and community stakeholders. UAs planned, tested, and refined strategies to make referral pathways in their communities more coordinated, integrated, and multidirectional, making it easier for families to find and access the support they need. UAs selected and executed strategies meant to strengthen and expand existing referral pathways in LA County, including: building or adopting web-based referral platforms, developing an early childhood resource directory, equipping a call center to assist families, enhancing access to the regional center website with language and audio accessibility tools, educating medical professionals about available EII assessment and services, and conducting community outreach led by trusted messengers such as promotoras. UAs were enrolled in the Pathways program in two cohorts, referred to as Wave 1 and Wave 2, and each wave had three data collection periods (Baseline, Cycle 1 and Cycle 2). The target population is children ages birth to five who are at risk of or experiencing developmental or behavioral delays, and their parents/caregivers, with an emphasis on reaching families historically underserved by the EII system.

Methodology and Evaluation Approach

VIVA Social Impact Partners, project evaluator, developed a Data Collection, Evaluation, and Learning Plan for each UA using a continuous quality improvement (Plan-Do-Study-Act) process. Quantitative data—referral records, partner surveys and caregiver satisfaction surveys collected at Baseline, Cycle 1 and Cycle 2—were analyzed to track referral volume, successful connections to services, and partner/caregiver satisfaction over time. Qualitative data from data-review meetings and family journey-mapping interviews were analyzed to capture families' and partners' experiences navigating referral pathways and identify access barriers. Limitations include inconsistent data-collection processes and capacity across UAs and over time, non-uniform survey tools, and small samples at some sites. Survey samples also grew substantially between cycles (e.g. 58 to 306 caregivers in Wave 1). As the baseline sample was small in comparison, it limited pre/post comparisons, and findings are preliminary.

Key Findings and Outcomes

HMG LA Pathways met its intended objective of strengthening EII referral pathways across the seven collaboratives. All UAs built or adopted referral portals that improved workflows and data integration despite staff turnover and

technical issues, and Partners' regular use of these systems rose 8 percentage points between Cycle 1 and 2, improving referral tracking and communication between agencies. Children were also referred notably younger: Wave 2 UAs cut the average referral age by 4 months, from 23 to 19 months, between Baseline and Cycle 2. Parent/caregiver satisfaction with the referral process and linkage to services rose from 80% to 93% over the same period. UAs also established sustainable approaches (online referral systems/portals, cross-sector partnerships, data collection and use, and community outreach and education). By the end of the project, all UAs felt prepared to sustain these practices with plans to embed approaches into existing systems and funding priorities.

Equity and Access

Evaluation findings point to disparities in access to EII services, referral satisfaction, and age at referral, especially for Black/African American children and families. At Long Beach Department of Health and Human Services UA, English-speaking households were more satisfied with the referral process than Spanish-speaking households (88% vs. 70%). Across the Pathways UAs, access and satisfaction have been lowest, and age at referral highest, for Black/African American children and families. Reaching these families remains a growth area, with Children's Bureau's Padres Poderosos launching a program that includes workshops, coaching, and advocacy for Black and Latino families as an early model. San Gabriel/Pomona's Regional Center also expanded its trusted-messenger outreach to address language-access gaps: promotora visits to Spanish-speaking families grewfrom 7 to 70 between cycles. UA's additionally address access gaps through provider education.

Lessons Learned and Recommendations

Key lessons include: (1) building partnerships and strengthening referral systems takes time, often longer than a single funding cycle; (2) having dedicated funding for data collection and partner participation is essential to sustaining engagement and improving data quality; (3) collaborating with cross-sector partners (medical practices, regional centers, school districts) is essential to UAs' work, but is time and resource intensive; and (4) investing in referral platforms/portals ultimately improved efficiency, but having several platforms across LA County creates confusion. Recommendations include: (1) continuing to examine and address existing disparities; (2) offering support and incentives for consistent data collection, data sharing, and collective learning; (3) creating a countywide referral portal/protocol to reduce fragmentation; (4) targeting medical partners to engage in the EII system; and (5) centering community and family experiences.

County Highlights

Purpose and Activities

First 5 LA is focusing its investments in the county's high-need areas in response to changing community conditions such as population shifts and rising housing costs, alongside the organization’s shrinking public resources and a sharpened commitment to an equity lens and closer alignment with the 2024-2029 Strategic Plan. Developed in partnership with Catalyst California, the Building Brighter Futures Equity Index (Index) is a geographic tool that looks beyond a single measure of need to identify and prioritize communities experiencing the greatest disparities. It helps First 5 LA direct resources toward improving the well-being of young children and families in communities where impact would be the greatest. First 5 LA has begun applying the Index and is deepening the tool by building out new domains that draw on measures at multiple levels—individual, community, systems, and environmental—to provide a more complete picture of conditions affecting young children and families.

Key Achievements and Outcomes

In FY 2025-26, First 5 LA put Version 1.0 of the Equity Index into use, measuring structural inequities across conditions tied to the 2024-2029 Strategic Plan. First 5 LA used the Index to drive a countywide assessment of high-need areas through a multi-step, data-driven process, assessing high need through Strategic Plan objectives, the population of children ages 0-5, and racial/ethnic disparities, narrowing LA County's 263 neighborhoods to a smaller, more focused set of high-need areas. This gives First 5 LA a more consistent, equity-informed basis for prioritizing communities for investment. First 5 LA also began deepening the Index by developing domains that combine multiple conditions related to each topic covered by the Index. For example, the new Parks and Open Space domain looks beyond whether park space exists to include indicators that give insights on whether the park space is walkable, safe, and equipped with amenities for children ages 0-5.

Community Engagement, Partnerships and Equity-Focused Efforts

The Equity Index supports a targeted universalism approach in directing resources to communities facing the greatest disparities while advancing well-being for all young children countywide. The Index’s equity focus is also driving how domains are built. In December 2025, First 5 LA convened 14 stakeholder groups, including public agencies (e.g., LA County Department of Parks & Rec, LA County Regional Park & Open Space District), community-based and philanthropic partners (e.g., LA Parks Foundation, LA Neighborhood Land Trust), and research and planning partners (e.g., USC's Neighborhood Data for Social Change, MIG), to identify factors and potential data sources related to access to parks and open space for young children in LA County. Their input directly informed development of the Parks and Open Space domain.

Qualitative Impact

At First 5 LA’s April 2026 Vision to Action Summit, a breakout session titled "Using Equity Data to Drive Targeted Community Investments," drew an estimated 50-60 participants. Participants identified disparities they want the Index to surface, including higher infant mortality, greater child welfare involvement, and fewer maternal supports for Black families, alongside housing instability, unmet basic needs, and fear of immigration enforcement. This input is shaping how First 5 LA builds out the Index. Participants also identified concrete ways Index data can drive action: prioritizing resources among organizations outside of First 5 LA; increasing awareness of issues and promoting joint efforts, including coalition building; tailoring support to help families navigate existing resources to meet basic needs; and combining the Index with other data to better understand local issues, demonstrating how the Index can be used and applied in practice.

Looking Forward

In FY 2026-27, First 5 LA will continue strengthening the Building Brighter Futures Equity Index while expanding its practical application and use. Plans include refreshing the Index with updated data, developing additional domains to capture a fuller picture of community conditions beyond single indicators, facilitating broader use of the Index among First 5 LA staff to inform decision-making, and deepening external engagement with community partners and stakeholders.

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"

Designated Position	**Disclosure Categories**
Board of Commissioners & Alternates	1, 2, 3, 4
Vice President of Operations & Sustainability	1, 3, 4
Vice President of Community Engagement & Policy	1, 3, 4
~~Vice President of Strategy & Culture~~	~~1, 3, 4~~
~~Director of Impact & Accountability~~	~~1, 3~~
Director of Public Policy & Early Care and Education	1, 3
~~Director of Communications~~	~~1, 3~~
~~Communications Coordinators~~	~~1, 3~~
~~Consultants/~~New Positions*	
Director of Communities	1, 3
Director of Contract Administration and Purchasing	1, 3, 4
Director of Finance	1, 2, 3
Director of Family Supports	1, 3
~~Director of Health Systems~~	~~1, 3~~
Director of Human Resources	1, 3, 4

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

EXHIBIT "B" (Cont'd)

Designated Position	**DisclosureCategories**
Director of Information Technology	3
President and Chief Executive Officer	1, 2, 3, 4
~~Board Relations Manager~~	~~3~~
~~Executive Vice President~~	~~1, 2, 3, 4~~
Ex-Officio Representatives	1, 2, 3, 4
~~Financial Planning & Analysis Manager~~	~~1, 3~~
~~IT Project Manager~~	~~3~~
Legal Counsel	1, 2, 3, 4

*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 President and CEO or his or her designee may determine in writing that a particular 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 new position's duties and based upon that description, a statement of the extent of disclosure requirements. The President and CEO or his or her designee's determination is a public record and shall be retained for public inspection in the same mannerand 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: 11/12/2026

Agenda Item: 9
Date: October 8, 2026

FIRST 5 LA

SUBJECT:
2026 Biennial Update to First 5 LA's Local Conflict of Interest (COI) 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 November 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 October 8 Commission Meeting and will be presenting it for action on Consent at the upcoming Commission meeting on November 12, 2026.

DISCUSSION:
The last time First 5 LA made substantial revisions to its COI Code was in November 2024 when First 5 LA made additional changes to its structure to align with the new 2024-2029 Strategic Plan. First 5 LA informed the County that further revisions would be submitted in October 2026 as part of the Biennial Update.

The amendments required by the County (see Attachment A) are solely reflective of a recent organizational restructuring.

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

Agenda Item: 10
Date: October 8, 2026

First 5 LA

SUBJECT:
Annual Review of the First 5 LA Strategic Plan

BACKGROUND:
First 5 LA is funded through the voter-enacted Proposition 10, which was designed to support planning and decision making at the county level to ensure that the investments generated by the revenue address the diverse and unique needs of each county in California. To ensure accountability across the state, Proposition 10 requires certain annual procedures for each county commission as a condition for receiving Proposition 10 tobacco tax funds. Each year, First 5 LA is required to submit an annual report to First 5 California, conduct an annual audit, hold an annual review of First 5 LA's strategic plan, and hold that review as a public hearing if there are any changes to First 5 LA's strategic plan. Given there are no proposed changes in our strategic plan, this item will constitute the required annual review of the strategic plan and will not require a public hearing.

DISCUSSION:
The last public hearing of First 5 LA's strategic plan occurred during the September 28, 2023, Board of Commissioners Meeting. This discussion was followed by the Board's adoption of the new 2024-2029 strategic plan in November 2024. Given we are not recommending any changes to the Board-adopted strategic plan, this discussion in today's Board meeting will provide a brief high-level recap on work focusing on strategic plan implementation. This update will serve as the annual review on First 5 LA's strategic plan, consistent with the Proposition 10 requirements.

NEXT STEPS:
During the October 2026 Board of Commissioners Meeting, staff will provide a high-level review of work that has been undertaken on the Board-approved 2024-2029 strategic plan. There is no additional action required by the Board to fulfill the requirements of Proposition 10.



October 8, 2026
Board of Commissioners Meeting

Annual Review of 2024-29 Strategic Plan

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JR Nino
Vice President of Operations and Sustainability

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HEALTH AND SAFETY CODE SECTION 130100-130155

(iii) The county commission shall, on at least an annual basis, be required to periodically review its county strategic plan and to revise the plan as may be necessary or appropriate.

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Board-Approved Strategic Plan (Res. No. 2023-05)

- Board Approval November 10, 2023
- Goals, Objectives, Strategies, Tactics (GOST) Framework used
- Parameters guiding staff development of Tactics
  - Alignment to Strategic Plan and impact
  - Equity-driven planning process
  - Cost-benefit and sustainability

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Vision: We envision a future where every child is born healthy and thrives in a nurturing, safe and loving community.

Mission: We advocate for children and their families, amplify community voice and partner for collective impact so that every child in Los Angeles County reaches their full developmental potential throughout the critical years of prenatal to age 5.

Recommending no revisions.

GOALS	OBJECTIVES	STRATEGIES	TACTICS
Children prenatal to age 5 and their families have their basic needs met.	Reduce - Infant Mortality - Poverty - Housing Insecurity	Catalyze **public policies** efforts at the local, state, and federal levels that prioritize the needs of children prenatal to age 5 and their families.	**The four initiatives will serve as the roadmap for translating First 5 LA's strategic plan into action that uplifts the well-being of children age 5 and younger across L.A. County.** - Access - Advocacy - Capacity Building - Communications - Coordination/Alignment - Data/Planning - Engagement - Research - Workforce - Curriculum
Children prenatal to age 5 have nurturing relationships and environments.	Increase - Supports for Maternal Depression - Choices for Healthy Foods - Parks & Open Space	Collaborate with partners to **strengthen public systems**, services, and supports for children prenatal to age 5 and their families.	
Children prenatal to age 5 have a solid foundation for well-being, lifelong learning and success.	Increase - Early Care & Education - Early Intervention Services - Culturally Affirming Services	Partner with **communities to collaboratively grow a social movement** that elevates the needs of children prenatal to age 5 and their families.	

Prevention First:
Centering Community Strengths to Address Root Causes and Keep Families Thriving Together

Vibrant Environments:
Ensuring Access to Healthy Foods and Welcoming Outdoor Spaces for Play

Maternal & Child Well-Being:
Ensuring Holistic Care for Mothers and Children Age 5 and Younger

Whole Child, Bright Futures:
Universal Quality Early Care and Education that Meets Every Family's Needs

November 2024 Board of Commissioners Meeting

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Implementation of Strategic Plan Initiatives

Initiatives	Implementation through Priority Areas
Prevention First	• Prevention • Hubs • Housing
Vibrant Environments	• Parks and Open Space • Increasing Access to Healthy Foods
Maternal & Child Well-being	• Home Visiting • Birth Equity
Whole Child, Bright Futures	• Federal Advocacy • Reimagining Child/Early Care Systems • Workforce

Next Steps:

- Annual Prop 10 Required Strategic Plan Review: Complete with no Revisions

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First 5 LA Home Visiting Long-Term Vision: Family-Centered Access and Triage Model

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- *Aurea Montes-Rodriguez, Vice President of Community Engagement and Policy, First 5 LA*
- *Diana Careaga, Director of Family Supports, First 5 LA*
- *Chris Ringewald, Senior Fellow, Catalyst California*
- *Dr. Tamara Hunter, Division Chief, DCFS*

October Board Meeting
October 8, 2026

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Home Visiting Long-Term Vision: No Wrong Door Triage Model

1 RESULTS

What outcomes are we trying to improve?

RESULT	OBJECTIVES (Strategic Plan)	TARGET
Every child is born healthy and thrives in a nurturing, safe and loving community.	1. Reduce #s of death of children under one years old 2. Reduce poverty 3. Reduce housing insecurity 4. Increase maternal mental health care 5. Increase access to healthy food 6. Increase access to parks and open space 7. Increase ECE access 8. Increase access to early intervention services 9. Increase culturally affirming services	Targeted Universalism – Use of Equity Index

2 FACTOR ANALYSIS

What factors most influence those outcomes?

- **System navigation** is complex and limits linkage to services.
- **Systemic practices** root in lack of culturally affirming care, anti-black practices and racism.
- **Systemic mistrust** of services from groups previously harmed by official practices/policies.
- **Insufficient engagement and outreach strategies** for priority populations.
- **Perinatal and birth disparities** for Black families.
- **Stigma** of receiving services

3 STRATEGIES

What strategies are most likely to make a meaningful difference?

STRATEGIES

Highest value role First 5 LA should play to influence key factors and advance our outcomes

Systems Change:

- Coordination with County partners to leverage learnings, findings and advocacy to inform local, State and Federal partners.
- Coordination and development of referral pathways
- Improve connections to services with use of data and workforce support.
- Leveraging technology infrastructure and elevating data.

4 EVALUATION

How will we measure progress and learn over time?

EVALUATION – WHAT DO WE WANT TO MEASURE?

OUTCOMES	SERVICE QUALITY & ENGAGEMENT	SYSTEMS IMPACT & UPTAKE	EQUITY & REACH OF IMPACT	COST & RESOURCE STEWARDSHIP
What changes do we want to see for children and families?	How well are services meeting needs?	How are systems improving and adapting?	Who are we reaching and how are we advancing equity?	Are we using resources effectively and sustainably?

First 5 LA: Rightsizing the Home Visiting Investment

Home Visiting Long-Term Vision:

- Maximize impact for children and families with the greatest needs, aligned with First 5 LA's Strategic Plan
- Rightsizing the home visiting investment for long-term sustainability, while preserving the greatest opportunity to improve outcomes and advance systems change

Key Decision Today: Endorse the evolution of First 5 LA's Home Visiting investment to ensure it is focused, sustainable, and aligned with our long-term strategic and fiscal direction:

1. Home Visiting Evolution: No Wrong Door Triage Approach
2. Fiscal Alignment: Significantly right-size the Home Visiting investment to align with First 5 LA's Long-Term Financial Plan and future funding levels
3. Investment Direction: Establish the general direction for how First 5 LA resources are allocated across the Home Visiting continuum through a No Wrong Door Triage Approach

First 5 LA: Home Visiting

What would success look like five years from now? (Previous Board responses)

- Recognize and acknowledge the strengths, gaps and limitations in First 5 LA's current Home Visiting model.
- Define clear outcome measures and use data to assess long-term impact and family outcomes.
- Tracking referrals, service connections and extent to which families' needs are met.
- Implement a closed-loop referral system to monitor service utilization, needs met and long-term outcomes.
- Prioritize services for families with the greatest needs through a Targeted Universalism approach.
- Consideration for universal approaches must help increase access while improving reach and outcomes for populations experiencing persistent disparities.

First 5 LA: Home Visiting

Grounding on Current State FY 26-27:

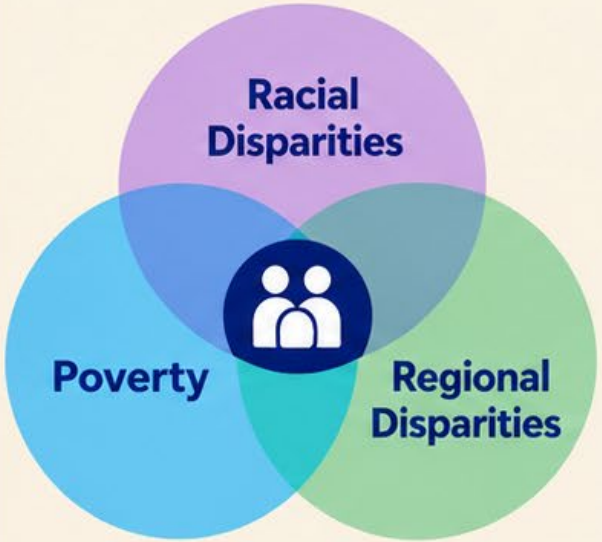
- Three Program Models:
  - Welcome Baby: 9 contracts
  - SHV (HFA, PAT): 9 contracts
- Two Infrastructure components: Oversight Entity and Database

- Types of Entities Involved in Implementation:
  - Welcome Baby: 7 hospitals, 4 Community Based Organization's
  - SHV: 9 Community Based Organization's

Investment	Serving Capacity	FY 26-27 Budget
Welcome Baby (9 sites)	11,220	$14,078,295
Healthy Families America (6 sites)	390	$10,476,976
Parents As Teachers (5 sites)	640	
Oversight Entity	---	$3,022,375
Stronger Families Database	----	$664,500
TOTAL	12,250	***$28,242,146***

Home Visiting: No Wrong Door Triage

Start with Families in Higher-Need Communities



We focus on families in communities with the greatest needs, based on the intersection of race, poverty, and region, to advance equitable access and outcomes.

Path A
Welcome Baby

All families enter through Welcome Baby, receive initial screening and assessment, and are connected to the level of support that best meets their needs.

Examples of Supports

- Short-term home visiting (up to 3–4 months)
- Parenting resources
- Community connections
- Ongoing screening and assessment for changing needs

Path B
Community Partnerships

Families who may need **some additional support** due to emerging needs, risk factors, or desire for more guidance.

Examples of Supports

- Short-term or moderate-intensity home visiting
- Targeted support services
- Exploring doula pathways
- Connection to community resources
- Ongoing assessment and referral as needed

Path C
Select Home Visiting (eg – PAT and HFA)

Families with the **highest needs**, including multiple risk factors, who require intensive, longer-term support.

Examples of Supports

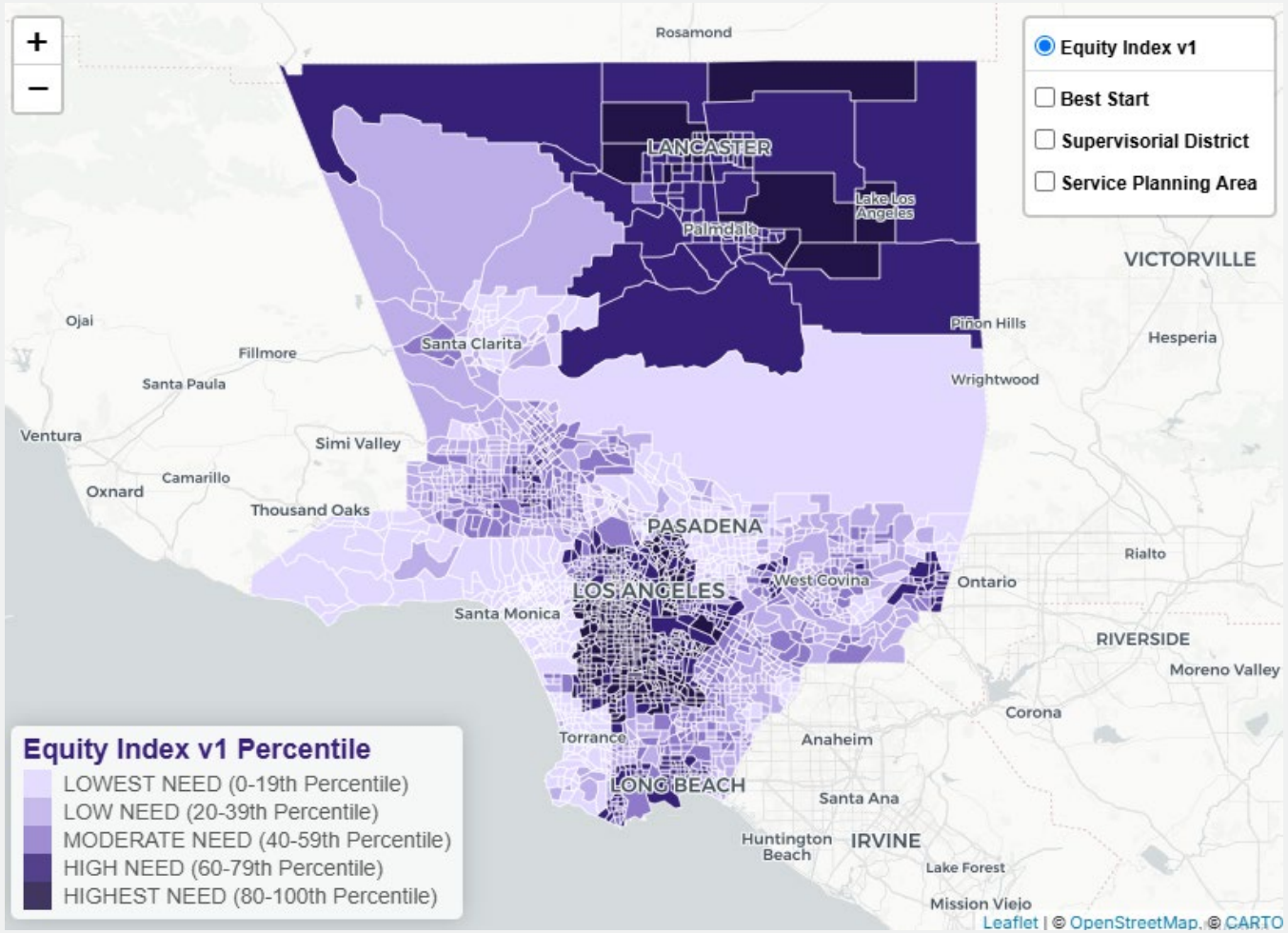
- Intensive, evidence-based home visiting
- Comprehensive care coordination
- Connection to multiple services (e.g., mental health, basic needs, early learning)
- Ongoing, sustained support

Lower Intensity

Higher Intensity

Equity Index

The Building Brighter Futures Equity Index





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Implements First 5 LA's equity definition

It identifies communities where families face the greatest poverty and regional and racial disparities.

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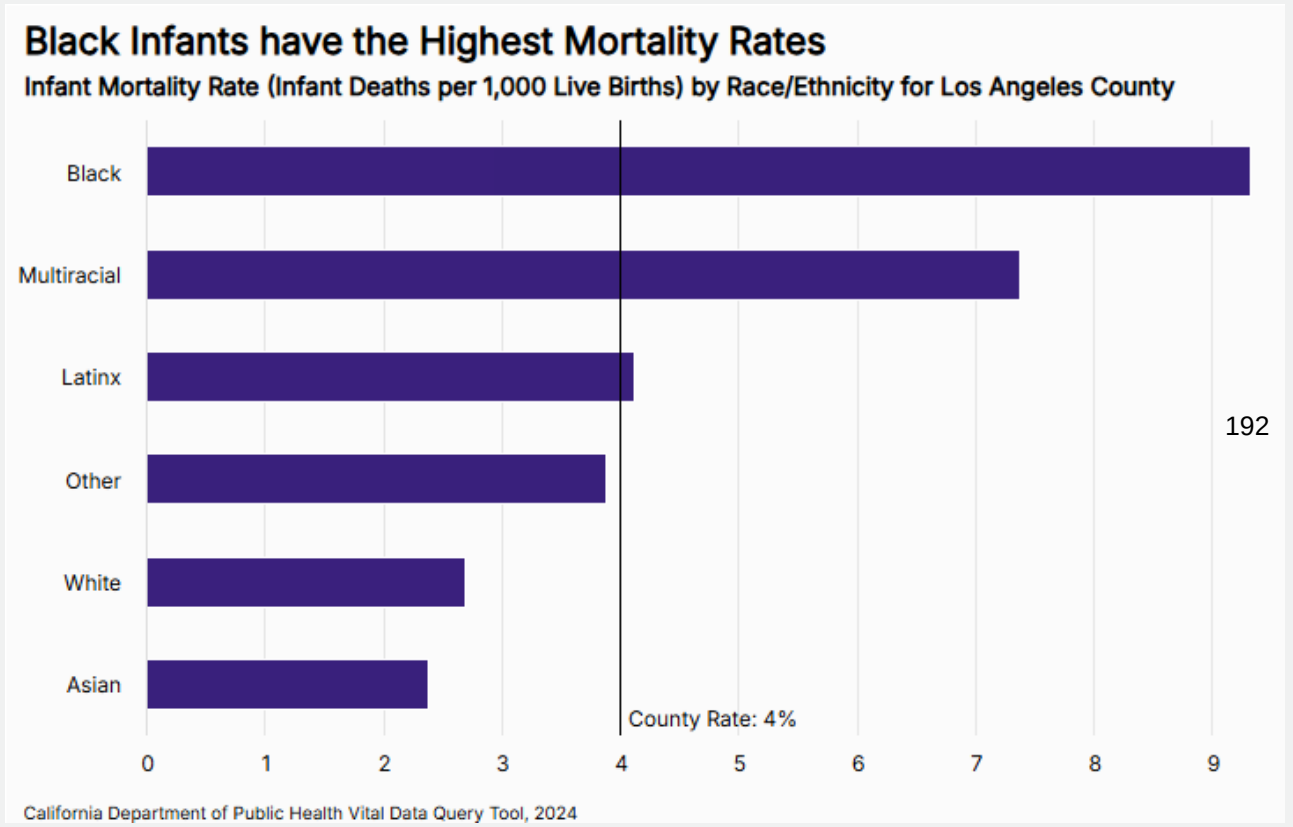
The Building Brighter Futures Equity Index





Includes one indicator for each First 5 LA Strategic Plan Objective

Infant mortality is one indicator.

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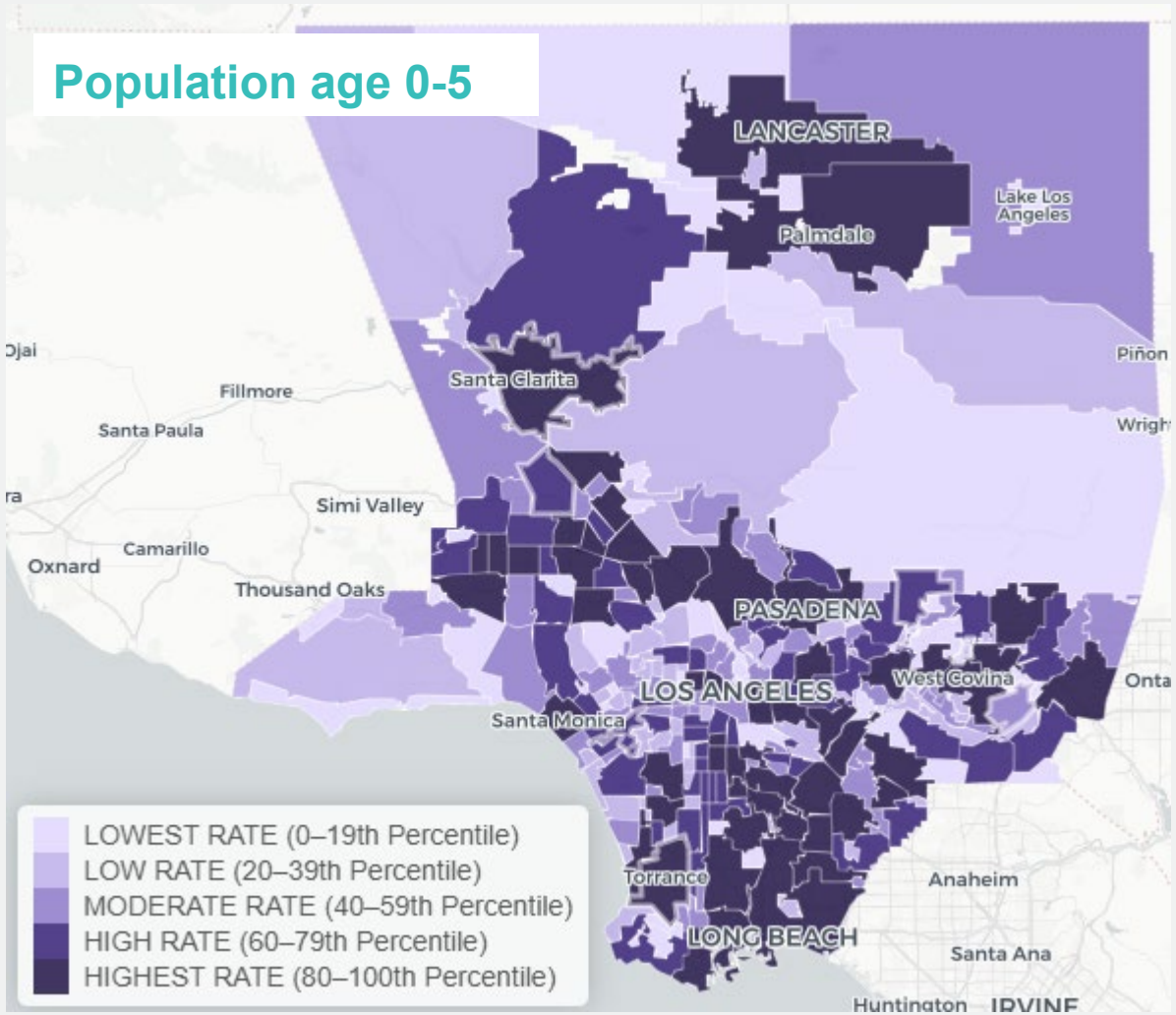
The Building Brighter Futures Equity Index



Findings

- Age 0-5 populations are dispersed across the county.
- The population age 0-5 decreased overall in the past ten years.
- Population age 0-5 decreases occurred in many lower-income neighborhoods, signaling that affordability is an issue for families with young children.
- The population age 0-5 increased in some neighborhoods, e.g., in the Antelope Valley.

And one indicator of the age 0-5 population

This indicator leverages where children are, and as we update the index, where populations of families with children are changing.

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The Building Brighter Futures Equity Index

Future applications
We've started mapping assets, to understand high-need neighborhoods in relation to neighborhood assets.

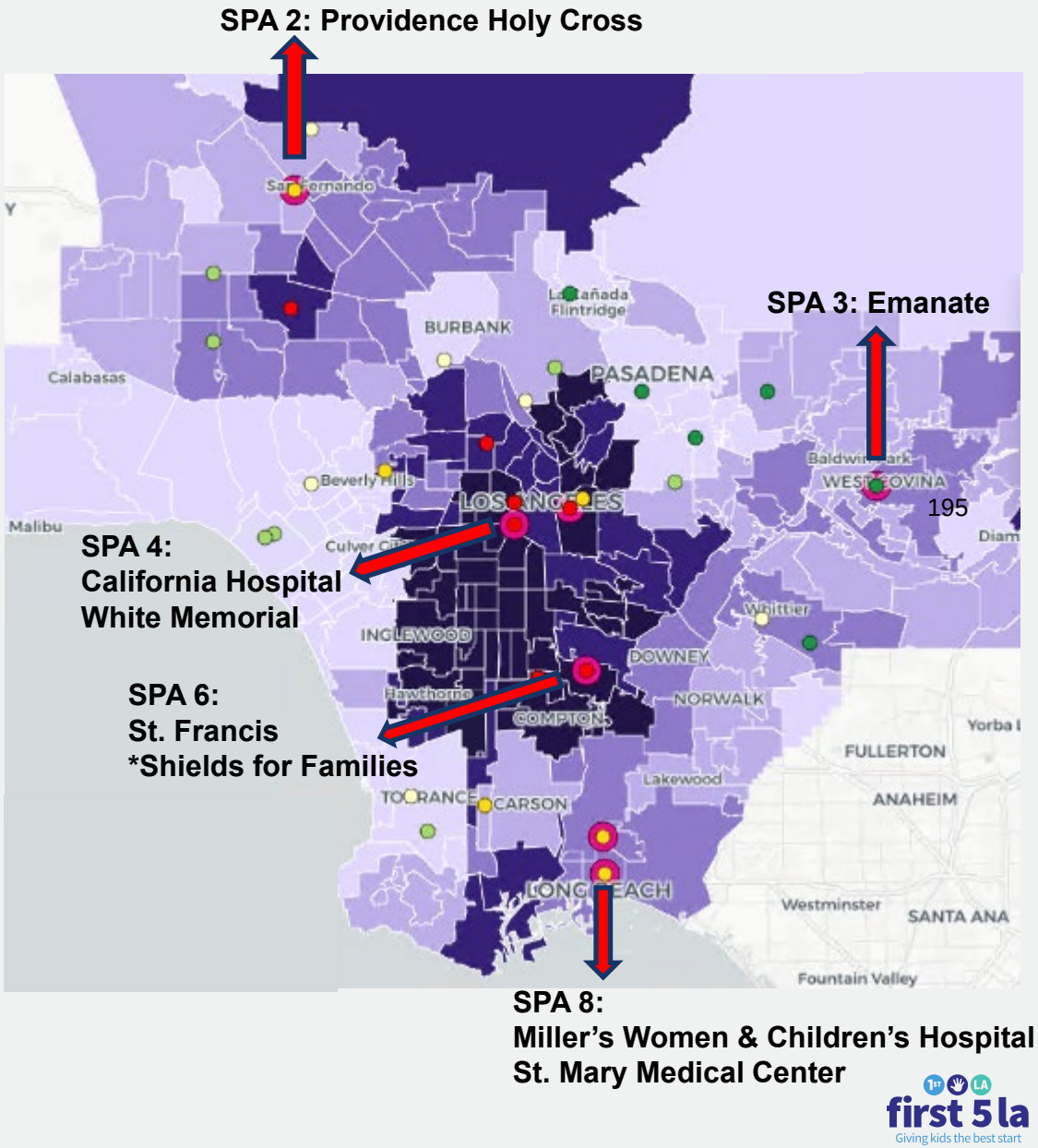
- Nonprofit organizations
- Birth hospitals
- Hospitals
- Clinics
- Licensed child care
- Parks and open space

With the exception of birth hospitals, discussed next, and parks and open space, findings are forthcoming.

Home Visiting: Evolution to Align to Fiscal Plan

- Map highlights which ones are current Welcome Baby hospitals (circled in red)
  - Tier 1: AVPH, California Hospital, St. Francis, White Memorial
  - Tier 2: Providence Holy Cross, Miller Hospital, St. Mary's
  - Tier 5: Emanate





No Wrong Door
Triage Model: Overview

Home Visiting: Evolution to Align to Fiscal Plan

No Wrong Door Triage Model

Leverages trusted community touchpoints and program familiarity to assess risk and triage families to the appropriate level of support through a coordinated front door in highest need communities. Identifies needs early and strengthens connections to services and complementary supports to maximize outcomes and advance systems change efforts.

KEY ELEMENTS

Outreach & Engagement

- What conditions are essential to ensure families are reached effectively?
- How are family needs identified and assessed?

Home Visiting Support

- How do Welcome Baby, HFA and PAT coordinate to provide different levels of support to meet families' needs and address persistent disparities?

Addressing Outcome Disparities

- What partnerships and coordination mechanisms are critical to effectively support families?
- What complementary services and supports can families be connected to?

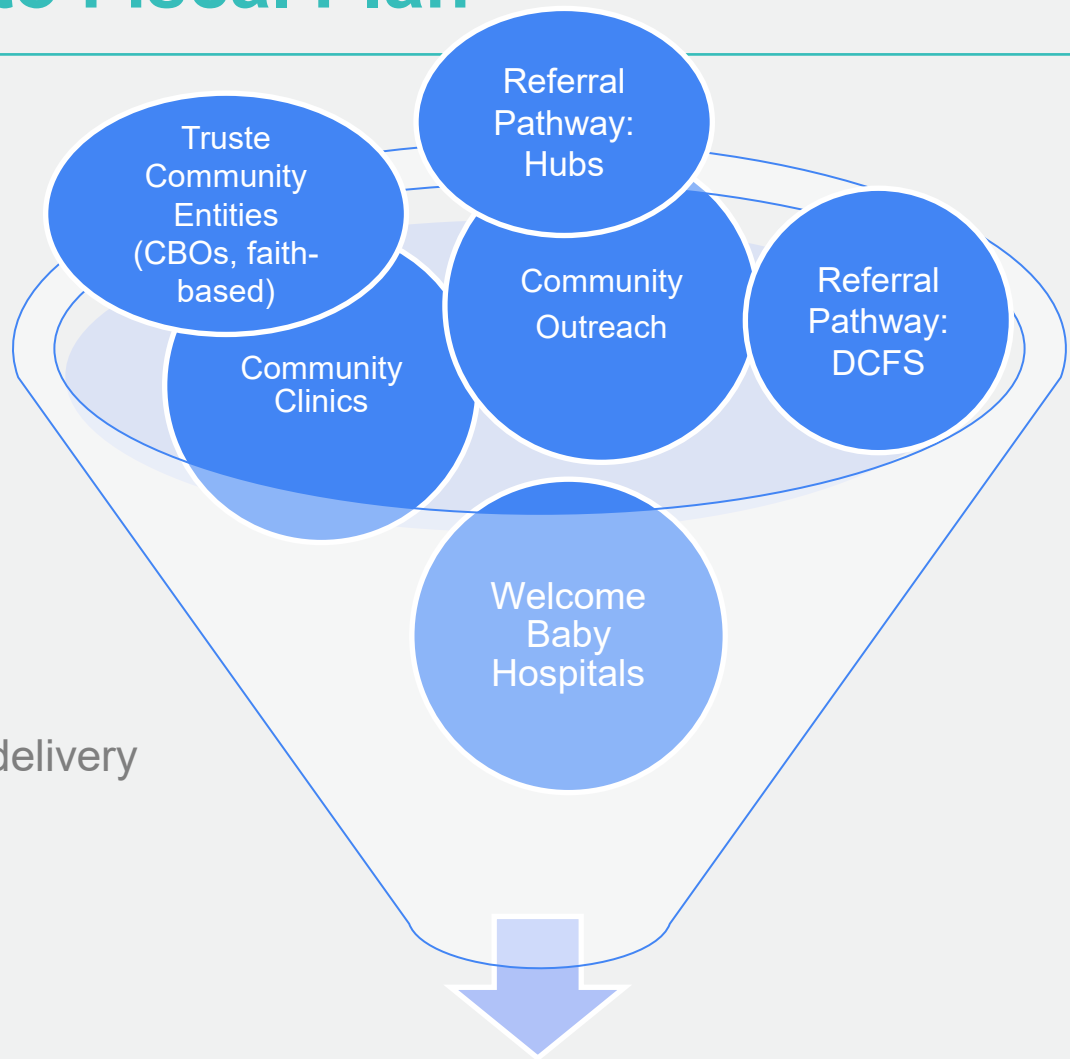
Systems Change Efforts

- How to leverage lessons learned to strengthen prevention strategies and drive system change?
- How will families experience improved outcomes over time?

Home Visiting: Evolution to Align to Fiscal Plan

OUTREACH AND ENGAGEMENT EFFORTS

- What are essential conditions to ensure families are being reached?
  - Ensure variety of strategies via:
    - Community outreach
    - Community clinics
    - Trusted community entities (CBOs, faith-based)
    - Hubs
    - Welcome Baby hospitals
- How is level of family needs identified?
  - Focus on serving high need areas with universal entry
  - Need Assessments: prenatally, hospital visit at time of delivery
  - Addressing stigma of services
- What options are available for families?
  - Select Home Visiting: HFA, PAT
  - Connections to supports such as doulas
  - Medical homes (FQHCs), Regional Centers, FamilySource Center



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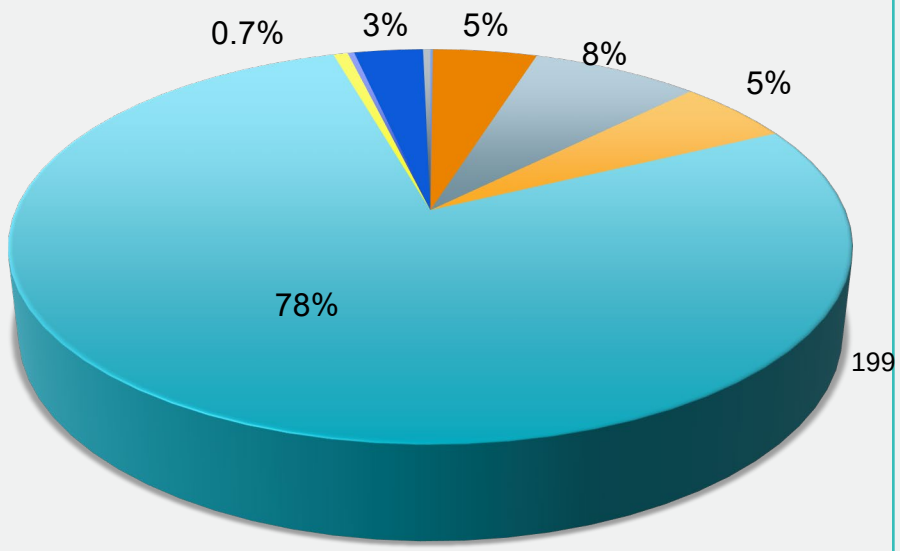
Home Visiting: Evolution to Align to Fiscal Plan

OUTREACH AND ENGAGEMENT EFFORTS

- Which populations have been reached most effectively?
  - Effective at reaching Latinos, but improvements needed in reaching other groups such as Black/African-Americans, Asians and Pacific Islanders
  - Additional outreach and engagement strategies are needed to reach populations experiencing birth disparities and overrepresentation in the child welfare system

Welcome Baby Enrollment by Race/Ethnicity: FY 24-26



Approach:
Priority populations will be eligible for enrollment regardless of geographic area: Black/African American, Pregnant Youth, Transition Age Youth, Native Hawaiian/Pacific Islander and American Indian/Alaska Native, housing insecure, and those at risk of child welfare involvement.

Home Visiting: Evolution to Align to Fiscal Plan

HOME VISITING SUPPORT

How do Welcome Baby, HFA and PAT coordinate to provide different levels of support? Each program model provides different levels support in communities with the highest need, and would reach an estimated 5,350 families.

Welcome Baby (PATH A):

- Evidence-informed, short-term intervention model that provides prenatal outreach and engagement, a universal point of contact at birth, risk screening, and referrals to the most appropriate postpartum supports.
- Enhancements will include services from the prenatal period through 3-4 months postpartum.
- Will add a prenatal risk assessment to strengthen triage and connection to appropriate early supports.

Complementary Supports (PATH B) 200

- Referrals and connections to complementary supports, such as doulas and Managed Care Plan efforts.

Healthy Families America (HFA) & Parents As Teachers (PAT) (PATH C)

- Evidence-based models that provide more intensive, longer-term support from the prenatal period through the child's 5th birthday, with visits at least twice a month.

Shared Infrastructure Supporting Home Visiting Models in LA County

- Shared Database: Standardized data collection, referral management with capacity to refer families across the network, data sharing to support care coordination, and funder-specific reports.
- Oversight Entity: Provides functions such as oversight of database development and reporting, workforce training and professional development across programs.

Home Visiting: Evolution to Align to Fiscal Plan

ADDRESSING OUTCOME DISPARITIES

What partnerships and coordination efforts are critical to improving outcomes?

Strengthening referral connections is essential:

- Convert the existing Welcome Baby position into a Connections Specialist role to provide follow-up on key referrals, including after the final program visit at 3-4 months.

- Enhance home visitor protocols to support successful service linkage, including scheduling assistance, warm hand-offs, 30-day follow-up, and barrier resolution.

Strengthen referral pathway coordination and development:

- Enhance referral pathway from WB hospital visit to HFA and PAT programs across funding streams, prioritizing state-funded slots before locally-funded slots, such as First 5 LA.

- Develop referral pathways with DCFS' Young Children in Care program to connect families impacted by the child welfare system but who may not have access to longer-term intervention supports.

Home Visiting: Evolution to Align to Fiscal Plan

ADDRESSING OUTCOME DISPARITIES

What potential complementary services can strengthen support for families?

- Doulas:
  - Initiate and provide support during the prenatal, birth and postpartum periods, including birth preparation, labor support, and immediate postpartum recovery, while serving as a bridge to longer-term supports.
  - Medi-Cal covers doula services, creating an opportunity to expand access for eligible families.

- Potential Partners:
  - Sustainability partnerships
  - Manage Care Plans
  - DPH's African American Infant Maternal Mortality (AAIMM) Initiative
  - Frontline Doulas

- CalAIM (California Advancing and Innovating Medi-Cal):
  - State (California Department of Health Care Services) Initiative designed to transform Medi-Cal and improve care coordination, whole person care, and health equity.
  - Opportunity to address disparities, strengthen cross-system coordination, and inform policy and advocacy efforts.

Home Visiting: Evolution to Align to Fiscal Plan

SYSTEMS CHANGE: How can data and lessons learned be leverage to strengthen prevention efforts and inform system change?

- Tracking and Improving Long-Term Outcomes
  - Enhance the shared database to track outcomes over time, assessing whether families needs are met beyond the initial service linkage.
  - Prioritize measurement of outcomes aligned with Strategic Plan objectives, including maternal mental health, early intervention, and basic needs.

- Partner Coordination
  - Collaborate to transition eligible families and workforce capacity to the CalWORKs Home Visiting Program.
  - CalWORKs represents the largest home visiting funding stream in LA County.
  - Maximizing this funding stream remains challenging due to eligibility requirements, immigration status, and application and documentation process.
  - DPH and providers have significantly improved utilization, resulting in restored funding, an increased FY 2026-27 allocation, and estimated expansion of capacity for 400 additional families.
  - Opportunity to transition current F5LA-funded services and workforce capacity to CalWORKs while strengthening the county home visiting system's ability to fully utilize this “use it or lose it” funding source.

Home Visiting: Evolution to Align to Fiscal Plan

SYSTEMS CHANGE

- Partner Coordination (continued)
  - Leverage the Data Lake to produce bi-annual data reports on countywide family needs, system gaps, and emerging challenges to inform prevention strategies and countywide system improvement efforts.
  - Support full utilization of DPH's Unified Billing System to maximize use of resources and improve operational efficiency.
  - Continue coordination with Managed Care Plans to strengthen accountability, improve outcomes, and align local and state efforts.
- Advocacy at the Local, State and Federal Levels
  - Apply lessons learned from leveraging external funding sources to inform local, state and federal policy and advocacy efforts.
  - Use implementation and outcome date to identify policy opportunities that strengthen prevention systems and improve family outcomes.

Home Visiting: Evolution to Align to Fiscal Plan

SYSTEMS CHANGE: How will families be better off in the future? Example measures being explored:

QUANTITY

EFFORT

How much did we do?

- # families reached through prenatal, hospital and community touchpoints
- # families receiving standardized risk/needs assessment
- # families triaged to WB, HFA/PAT or community supports
- # key referrals receiving Connections Specialist follow-up

EFFECT

How many were better off?

- # high-need families successfully enrolled in intensive HV
- # families with key referral needs met
- # families reporting easier navigation/trust in the system

QUALITY

EFFORT

How well did we do it?

- % priority-population families enrolled
- % assessed and triaged within established timeframe
- % key referrals with warm handoff + 30-day follow-up
- % sites/partners using shared triage and closed-loop navigation

EFFECT

What % were better off?

- % high-need families successfully enrolled in intensive HFA or PAT
- % families with key referral needs met
- % families reporting easier navigation/trust in the system

Home Visiting: Evolution to Align to Fiscal Plan

Long-Term Vision Considerations

- Summary of the No Wrong Door Triage Approach:
  - Prioritize programs in highest need communities and populations
  - Center services around family needs and goals:
    - Provide tiered supports aligned to level of family need
    - Allocate approximately 85% of funding to direct services and 15% to infrastructure
  - Maximize braided funding by utilizing the most restrictive funding sources first
  - Sustain core infrastructure through shared database and data system oversight, technical assistance, and workforce capacity development

- Sustainability Strategies:
  - First 5 LA cannot serve as the sole funder and primary driver of scale
  - Leverage external opportunities and partnership opportunities, including:
    - Managed Care Plan Engagement
    - Welcome Baby to access the Community Health Worker Benefit
    - HFA and PAT:
      - Other sustainable funding pathways (i.e., CalWORKs)
      - Continue to explore Behavioral Health Services Act (BHSA) funding opportunities with DMH
      - Families First Prevention Services (FFPS) opportunities in partnership with DCFS

Briefing on the First 5 LA + Family First Prevention Services (FFPS) Partnership Opportunity

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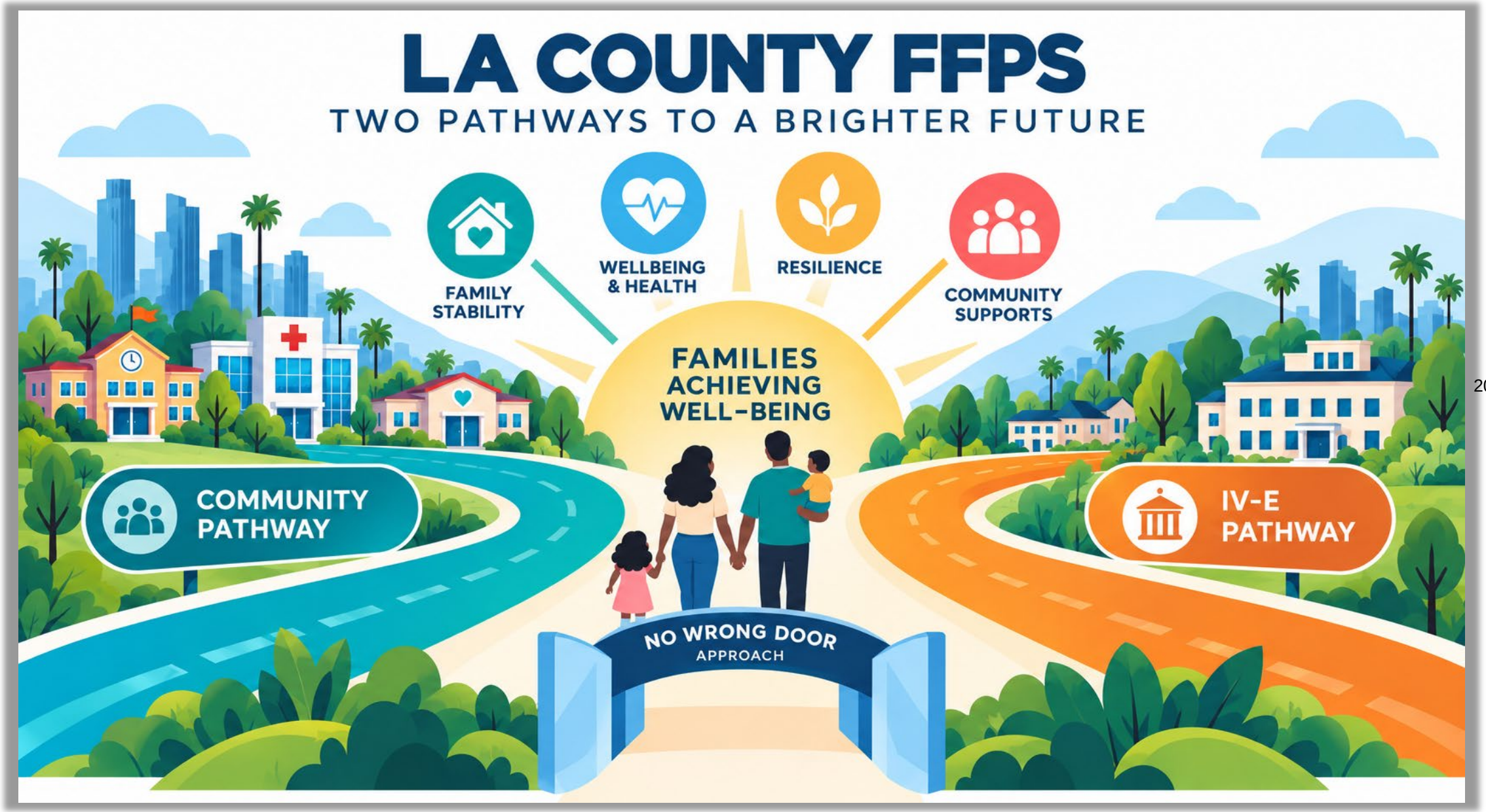
The Background

Family First Prevention Services Act (FFPSA)

- Federal legislation signed into law in February 2018
- Restructures federal funding to support prevention of foster care placement
- Redirects **Title IV-E funding** to "well-supported" evidence-based programs
  - mental health programs
  - substance use disorder (SUD) treatment programs
  - in-home parenting skill-based programs

Family First Prevention Services Program (FFPS)

- California's more expansive iteration of FFPSA
- Envisions a child and family well-being system inclusive of:
  - all levels of prevention and early intervention
  - community-based services and supports beyond "evidence-based" programs
- Prioritizes of addressing racial disproportionality


LA COUNTY FFPS
TWO PATHWAYS TO A BRIGHTER FUTURE
FAMILY STABILITY
WELLBEING & HEALTH
RESILIENCE
COMMUNITY SUPPORTS
FAMILIES ACHIEVING WELL-BEING
COMMUNITY PATHWAY
IV-E PATHWAY
NO WRONG DOOR
APPROACH

The Populations



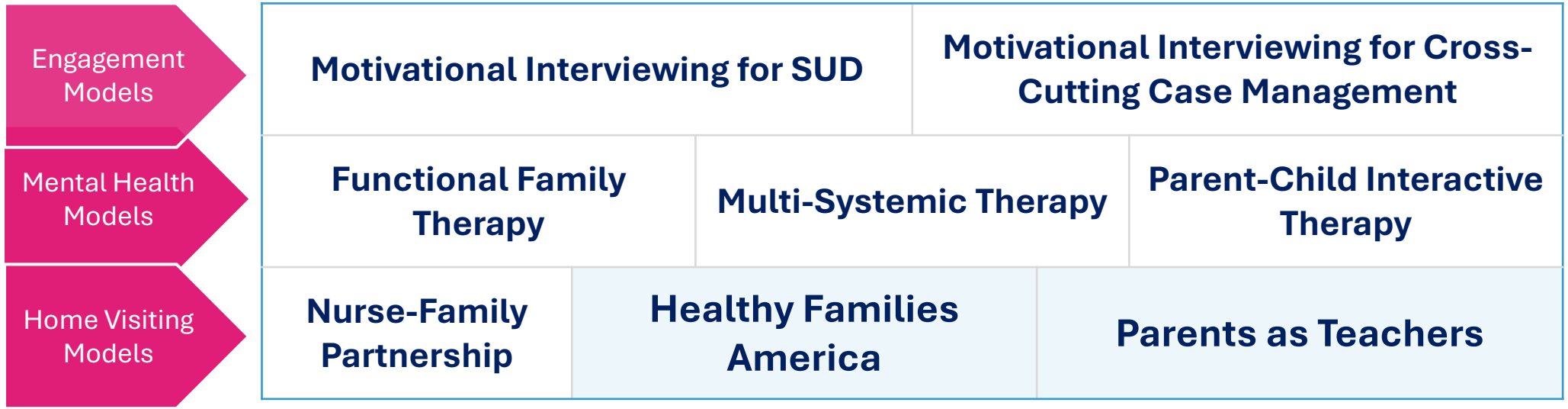
Eligible “candidates” for FFPS services are ***systems-involved or at risk*** of systems involvement

- Children with open DCFS cases receiving family maintenance services
- Expectant and parenting youth in foster care
- Probation youth with a petition under WIC Section 602
- Children whose guardianship or adoption is at-risk of disruption
- Children whose caretakers experience substance use issues and/or domestic violence
- **Children experiencing risk factors that when combined with family instability or safety threats would be assessed to be at imminent risk of foster care**

Alignment with First 5 LA’s priority populations

The Program Models

LA County FFPS Evidence-Based Programs



Alignment with First 5 LA's select home visiting programs

The Opportunity



50% federal reimbursement for:

- Select Home Visiting service costs
- Select Home Visiting administrative costs
- FFPS-related administrative costs ***(New)***
- FFPS-related training ***(New)***

Flexible dollars to reinvest in Los Angeles County's prevention and early intervention infrastructure

The Risks

Challenges associated with implementing a new federal funding source and statewide computer platform

- Evolving state-issued guidance
- Operationalizing new policy
- Technical glitches
- Learning curve

The Requirements

A First 5 LA + DCFS partnership would require:

- Implementation of an FFPS evidence-based program to model fidelity
- Access to non-federal (private, local, or state) “match” funding, *such as Prop 10 dollars*
- Compliance with federal payor of last resort mandate and no supplantation condition
- Compliance with state and local requirements
  - FFPS training and administrative processes
  - Data collection and participation in the FFPS continuous quality improvement (CQI) workgroup
  - Use of the state-mandated FFPS Provider Portal for referral management and cost tracking
- Executed interagency agreement governing the partnership and fiscal relationship

The Role of DCFS

- County's lead for FFPS and California Department of Social Services-directed and approved comprehensive prevention plan (CPP)
- Serve in a "passthrough" capacity for federal Title IV-E funding
  - Submit claims to the state
  - Receive and distribute reimbursement revenue to "match"-providing partners, where applicable
- Convene the FFPS home visiting CQI workgroup and interagency leadership team
- Provide technical assistance and support

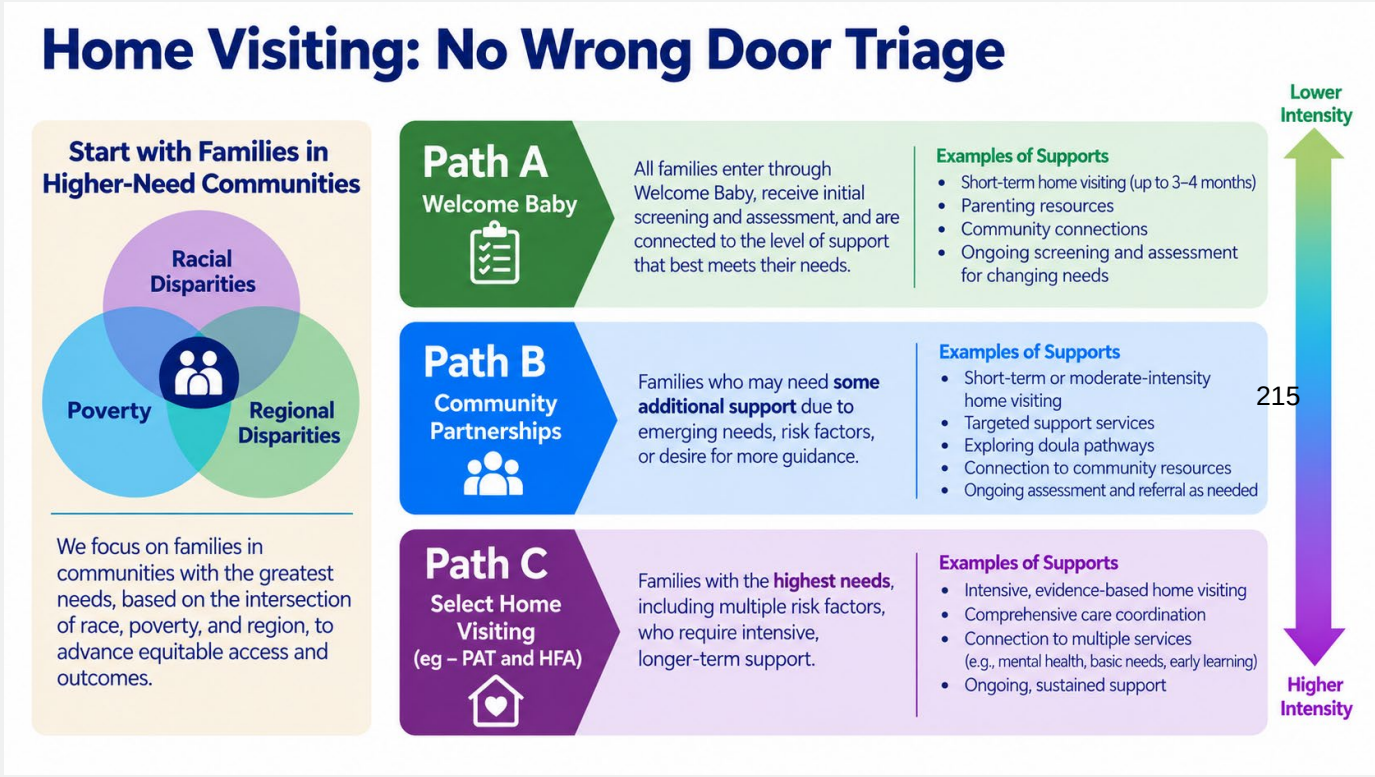


Discussion

Part I: Given the significant reduction in available funding, staff and PPC recommend a No Wrong Door Triage approach to right-size First 5 LA's Home Visting investments.

- As you consider endorsement to the No Wrong Door Triage approach, what would strengthen this direction and ensure continued alignment with equity and our Strategic Plan? What recommendations or partnership opportunities with County and City could strengthen implementation of this work?
- With those considerations, does the Board endorse this direction for the evolution our Home Visting investment?

Part II: Given our fiscal reality and the No Wrong Door Triage model, how should F5LA balance Prop 10 funding across 3 paths? Where should we invest less or more, and what should guide our decisions?



Home Visiting

Next Steps:

Today
Board discussion and endorsement

Next
Staff will begin to prepare for implementation, including notification of changes to grantees before end of the calendar year

