

AGENDA

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

Budget & Finance Committee Chair: Robert Byrd

**Wednesday, May 24, 2017
 10:30 AM**

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



ASPOSE

Your File Format APIs

1. **ACTION**
 Call to Order
 - **Jane Boeckmann, Committee Member**
2. **INFORMATION** **3**
 Review Special Meeting of the Budget and Finance Committee
 Notes – April 26, 2017
 - **Jane Boeckmann, Committee Member**
3. **INFORMATION** **9**
 Monthly Financial Statements
 - **Raoul Ortega, Finance Director**
4. **INFORMATION** **15**
 Annual Audit - Entrance Interview
 - **Faustino Genio, Manager, Accounting**
 - **Roger Alfaro, Partner, Vavrinek, Trine, Day & Co**
5. **INFORMATION** **24**
 Revised Proposed FY 2017-18 Budget
 - **Raoul Ortega, Finance Director**
 - **Daisy Lopez, Financial Planning & Analysis Analyst/Budget
 Manager**
6. **INFORMATION**
 Public Comment

COMMISSIONERS

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

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Barbara Ferrer, Ph.D.,
 M.P.H., M.Ed.
 Jacquelyn McCroskey, DSW
 Deanne Tilton

EXECUTIVE DIRECTOR

Karla Pleitéz Howell

EXECUTIVE VICE PRESIDENT

John A. Wagner

A PUBLIC ENTITY

7. **ACTION**
Adjournment



SUMMARY MEETING NOTES

**FIRST 5 LA
SUMMARY MEETING NOTES
Special Meeting of the Budget & Finance Committee
April 26, 2017
10:30 am – 12:00 pm**

COMMITTEE MEMBERS PRESENT:

Linda Aragon
Christopher Thompson

COMMITTEE MEMBERS ABSENT:

Jane Boeckmann (Chair)
Sylvia Swilley (Alternate)

STAFF PRESENT:

Christina Altmayer, VP of Programs
Kim Belshé, Executive Director
Carl Gayden, Senior Director of Administration
Faustino Genio, Manager, Accounting
Daisy Lopez, Financial Planning and Analysis Analyst/
Budget Manager
Kim Pattillo Brownson, VP of Policy & Strategy
Linda Vo, Board Relations Specialist
John Wagner, Executive Vice President

1. Call to Order/Roll Call

The meeting was called to order by Committee member Thompson at 10:33 am. Roll call completed.

2. Review of Meeting Notes – Special Meeting of the Budget and Finance Committee, March 7, 2017

Meeting notes were received and filed with no deletions and/or additions.

3. Monthly Financial Statements

Mr. Genio went over the current monthly financial statements for the month ending March 31, 2017. He noted that these will be presented to and approved by the Commission at the upcoming April 13, 2017 Board of Commissioners meeting. He then highlighted some of the transactions for the month of March. First 5 LA started the month with a cash balance of approximately \$452 million and had \$8.9 million in total revenue.

He went on to explain that there was about \$1.9 million out the door in operating expenditures, \$7.3 million in program expenditures, and \$6,109 in pass-through expenditures. As a result, First 5 LA ended the month with a cash balance of \$451.8 million.

There is no further discussion on this item.

4. Review Draft Proposed FY 2017-18 Budget

Mr. Gayden explained to the Committee that today's presentation will be the first draft of the FY 17-18 Budget.

Ms. Lopez went over the goals and objectives of her presentation. She talked about overview of key budget dates, the mid-year process approach, the actual budget adjustments, and next steps.

Ms. Belshé then went over some background and explained to the Committee a few overarching themes. She informed the Committee that this year's budget is different and is a better reflection of what we do and how we do the work we do. This year's Strategic Implementation & Budget Related Themes are:

SUMMARY MEETING NOTES

- Learning by doing – an evolving approach to budgeting
- Partnership-based work
- Policy and systems change – at the center of our work
- Long-term impact requires long-term commitment
- Emerging Opportunities
- Integration & Learning – learning as a strategic asset
- Sustainability planning

Ms. Lopez covered the summary for the FY 17-18 budget:

BUDGET CATEGORY	FY 2016-17 Budget		Proposed FY 2017-18	Variance %
	Original	Revised		
Program				
<i>2015-2020 Strategic Plan: Focusing for the Future</i>				
a. Strategic Plan Priority Outcome Areas	\$ 83,584,000	74,044,500	\$ 74,683,000	0.9%
b. Strategic Plan Related Investment Areas & Support Costs	8,537,000	7,006,000	10,366,000	48.0%
c. Integration & Learning	6,468,000	5,212,000	6,153,000	18%
<i>Total 2015-2020 Strategic Plan</i>	\$ 98,589,000	\$ 86,262,500	\$ 91,202,000	5.7%
<i>Legacy Investments</i>	41,696,000	39,497,000	31,809,000	-19.5%
Total Program (85%)	\$ 140,285,000	\$ 125,759,500	\$ 123,011,000	-2.2%
Operating (15%)	21,235,158	\$ 21,235,158	21,282,675	0.2%
TOTAL BUDGET	\$ 161,520,158	\$ 146,994,658	\$ 144,293,675	-1.8%

Some highlights she covered includes:

- Overall decrease of \$2.7 million or 1.8%
- Increase of \$4.9 million (5.7%) to support the 2015-2020 Strategic Plan
- Decrease of \$8 million (19.5%) in Legacy Resources
- Net decrease of \$2.8 million (2.2%) in total programs budget
- Increase of \$48,000 (0.2%) in support of Operating resources

Ms. Lopez reminded the Committee that the FY 2017-18 budget is aligned to the new internal structure and staffing to advance the work outlined in the Strategic Plan and continue to support ongoing Legacy Investments.

The current structure is divided into four divisions:

- 1) Programs
- 2) Policy & Strategy
- 3) Integration & Learning
- 4) Administration

The presentation of the budget is then handed over to the four VPs, beginning with the VP of Programs, Christina Altmayer. Ms. Altmayer begins with a slide on estimated resources that are required to support work related to the anticipated Year 3 activities of the Strategic Plan.

2015-2020 STRATEGIC PLAN OUTCOME AREA	Revised FY 2016-17	Proposed FY 2017-18	Variance
Families	\$ 31,998,500	\$ 29,586,000	-7.5%
Communities	17,401,000	18,952,000	8.9%
Early Care & Education (ECE) Systems	23,378,000	22,027,000	-5.8%
Health-Related Systems	1,267,000	4,118,000	225.0%
Total Strategic Plan Priority Outcome Areas	\$ 74,044,500	\$ 74,683,000	0.9%

SUMMARY MEETING NOTES

Ms. Altmayer then goes into each outcome area within the Programs division.

FAMILIES OUTCOME AREA STRATEGY	Revised		Proposed	
	FY 2016-17 Budget		FY 2017-18 Budget	
Strategy 1 - Home Visiting	\$ 30,602,000	96%	\$ 27,138,000	92%
Strategy 2 - Family Engagement	1,396,500	4%	1,385,000	5%
Emerging Opportunities	-	0%	1,063,000	4%
Total Families Outcome Area	\$ 31,998,500	100%	\$ 29,586,000	100%

Key Assumptions:

- Ongoing investment in Welcome Baby and Select Home Visiting represents 74% of the total Families Outcome Area budget.
 - 14 Welcome Baby Providers - \$9.7 million
 - 19 Select Home Visiting Providers – \$12.2 million
- Increase in the Family Strengthening Oversight Entity budget related to augmented support to database management, enhanced Continuous Quality Improvement activities and activities related to responding to the Board of Supervisors Home Visiting motion.

COMMUNITIES OUTCOME AREA STRATEGY	Revised		Proposed	
	FY 2016-17 Budget		FY 2017-18 Budget	
Strategy 1 - Community Leadership & Collaboration	\$ 14,870,000	85%	\$ 13,512,000	71%
Strategy 2 - Coordinated Services & Supports	400,000	2%	500,000	3%
Strategy 3 - Built Environment Policy & Advocacy	695,000	4%	1,306,000	7%
Cross-Strategy Investments	1,436,000	8%	3,154,000	17%
Emerging Opportunities	-	0%	480,000	3%
Total Communities Outcome Area	\$ 17,401,000	100%	\$ 18,952,000	100%

Key Assumptions:

- ECE Policy Advocacy Fund
- Advancement of Kindergarten Readiness Assessment (KRA) and learning communities
- Continue the systems building work of the QRIS Architects and testing of initial QRIS model for LA County
- Continued investments in Workforce Development

HEALTH OUTCOME AREA STRATEGY	Revised		Proposed	
	FY 2016-17 Budget		FY 2017-18 Budget	
Strategy 1 - Early Identification/Developmental Screening/Connection to Services	\$ 570,000	45%	\$ 2,518,000	61%
Strategy 2 - Trauma-Informed Care	697,000	55%	1,350,000	33%
Emerging Opportunities	-	0%	250,000	6%
Total Health Outcome Area	\$ 1,267,000	100%	\$ 4,118,000	100%

Across Both Strategies:

- Represents most “emerging” work with our Strategic Plan

Strategy 1- Early Identification and Intervention

- Anticipates Help Me Grow (HMG) will move from design to implementation phase; organizing entity to be contracted

SUMMARY MEETING NOTES

Strategy 2- Trauma-Informed Care (TIC)

- Reflects anticipated work in major areas, however specific projects will be determined by both environmental scan and action plan to be completed in June 2017

Commissioner Thompson asked if any potential support has been identified regarding implementing fund leveraging and what that would look like.

Ms. Altmayer informed the Committee that staff are currently exploring options in how home visiting can be sustained. She explained that there are many models where some home visitors track their own time and are able to bill targeted case management funds. This is one model that can yield sustainability for the home visiting program, which is currently being explored in partnership with DPH.

Ms. Altmayer handed over the presentation to Ms. Pattillo Brownson, who went over the Policy and Strategy Division's budget.

Commissioner Thompson expressed concerns over not having a broad definition of what trauma is. His suggestion to staff was to perhaps broaden the definition of trauma beyond what is noted in the Diagnostic and Statistical Manual of Mental Disorders (DSM-5), used by mental health professionals, and to possibly include chronic/toxic stress, etc.

Ms. Belshé acknowledges that this is an important point and that the final definition of what trauma is as it relates to First 5 LA's work will be a group effort between First 5 LA and other entities.

Key highlights for this Division's budget are:

Policy/Advocacy (\$2.8 million)

- Key policy activities to support work in Home Visiting and Early Care & Education
- Exploration of priority policy and sustainability issues aligned with the Strategic Plan

Strategic Communications & Marketing (\$6.3 million)

- Develop and implement strategic communications plans that build our brand, engage decision makers, elevate awareness and create urgency, and support internal communications

Strategic Partnerships (\$1.2 million)

- Reach out to build new civic allies and champions in the business, higher education and philanthropy sectors to support policy and systems change for LA's young children.

Given Ms. Pineda was out, Ms. Belshé took over presenting the Integration and Learning Division's budget.

Key highlights for this Division's budget are:

Build Staff Capacity to Improve

- Provide structured opportunities for staff to reflect, capture and share insights- internally and externally

Build A Knowledge Base

- Assess state of current information systems and how the organization uses data as initial step for creating a knowledge base

SUMMARY MEETING NOTES

Rigorous research and evaluation

- Support of ongoing evaluation of key investments (Welcome Baby, Best Start)

Mr. Wagner then went over the key highlights of the Administration Division’s budget:

Key Budget Highlights

- Financial Re-engineering (\$125,000): Enhancing our financial system (BlackBaud) by revamping our Chart of Accounts (COA) and looking at other improvements
- IT Assessment (\$200,000): informing how best to support the needs of the organization and role of IT

Emerging Opportunity

- County Partnership Fund (\$50,000)

Other

Capital Project Fund (TBD)

He also went through the budget related to Legacy Investments, which includes 12 investments and represents ongoing work of the Commission. He informed the Committee that there is a shift from majority spending on legacy initiatives.

He informed the Committee that initiatives ending in FY 16-17 include:

- Healthy Kids – Insurance component ended in December 2016 (\$373,000 decrease)
- Healthy Food Access (\$1.2 million decrease)
- Oral Health & Nutrition – Dental Home (\$601,000 decrease)
- Reducing Childhood Obesity (\$6.1 million decrease)
- Resource Mobilization – ECE and Health (combined \$476,000 decrease)
-

Ms. Lopez once again took over the presentation by going through the operating budget.

OPERATING COST CATEGORY	FY 2016-17 Budget				Proposed	
	Original		Revised		FY 2017-18 Budget	
Personnel Services	\$ 17,088,095	80%	\$ 16,951,430	80%	\$ 16,845,543	79%
General Operating Expenses	1,325,540	6%	1,305,005	6%	1,363,370	6.4%
Professional Services	803,052	4%	775,752	4%	810,352	3.8%
Consultant Services	1,492,950	7%	1,659,950	8%	1,554,700	7.3%
Travel & Meeting Expenses	430,521	2%	448,021	2%	563,710	2.6%
Capital Improvements	95,000	0%	95,000	0%	145,000	0.7%
Total Operating Costs	\$ 21,235,158	100%	\$ 21,235,158	100%	\$ 21,282,675	100%

Ms. Lopez highlighted the following for the internal operations budget:

- Total cost is largely aligned with FY 2016-17
- Minor increase is largely in support of the new organizational structure and associated needs
 - Travel & Meeting Expenses
 - Capital costs (new computers, printers)
- Maintained FTE at the FY 2016-17 approved count of 148
 - Repurposing vacant positions, as necessary

SUMMARY MEETING NOTES

Ms. Lopez reminded the Committee that First 5 LA takes a very conservative approach with its administrative cost limit. First 5 LA budgets all costs for administrative departments, as well as 100% of salary/benefit costs for Executive and Senior Leadership, Directors, and Administrative Assistants. First 5 LA also has one of the lowest percentages for its administrative cost limit, with rates across all County Commissions ranging from 7.67-25% of spending.

Ms. Lopez concluded her presentation by informing the next steps for this budget, which includes presentations to the Executive Committee, then to Commission, and then back to the Budget and Finance Committee before a final action presentation at the June Commission.

There is no further discussion on this item.

5. Public Comment

No public comment.

ADJOURNMENT:

The meeting was adjourned at 12:06 pm.

NEXT MEETING:

The next Budget and Finance Committee meeting will take place on Wednesday, May 24, 2017 at 10:30 am.

First 5 LA
Conference Room B, First Floor
750 N. Alameda Street
Los Angeles, CA 90012

Summary minutes were recorded by Linda Vo, Secretary of the Board of Commissioners.

FIRST 5 LA

SUBJECT:
Monthly Financial Reports

RECOMMENDATION:
Approval of the monthly financial statements for the month ending March 31, 2017.

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 with a cash balance of \$452.1 million. During the month of March 2017, we received \$9.0 million in revenues. We had \$7.3 million in program expenditures, \$6,109 in pass-through expenditures and \$1.9 million in operating expenditures. As a result, First 5 LA ended the month with a cash balance of \$451.8 million.

This report includes detailed financial information for the month ending March 31, 2017. 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 March 31, 2017.
- Detailed operating and program expenditures: Shows expenses against the FY 2016-17 Budget approved on June 09, 2016 and adjusted on April 13, 2017 as well as a report of expenditures related to programs functioning as pass-through agreements.

Los Angeles County Children and Family First -
Proposition 10 Commission (aka) First 5 LA
Revenue and Expense Statement
March 31, 2017, Unaudited

	REVENUES AND EXPENDITURES	FISCAL YTD EXPENDITURES/ BUDGET %
Cash Balance as of February 28, 2017	\$ 452,119,833	
Revenue		
Monthly State Allotments	\$ 7,123,703	(1)
State Commission Matching Grant - Cares Program	-	
Medi-Cal Administrative Activities (MAA)	-	
State Commission - Other Program Funds		
Interest Income - Unreserved	245,974	
Investment Income - Other	-	
Rental Revenue - La Petite	9,363	
Partnerships for Families (PFF) - LA County Dept. of Children and Family Services (DCFS)	1,595,420	
ECE-LA County IMPACT	-	
Total Revenue	\$ 8,974,459	
Expenses		
Program Budget (Attachment A)		
2015-2020 Strategic Plan: Focusing For The Future	\$ 3,948,929	37%
Legacy Investments	3,238,883	44%
Research and Evaluation	118,058	46%
Total Initiative/Program Expenses	\$ 7,305,870	39%
Pass-Through (Attachment B)		
Medi-Cal Administrative Activities (MAA)	\$ 6,109	
Partnerships for Families (PFF) - LA County Dept. of Children and Family Services (DCFS)	-	
Total Pass-Through Expenses	\$ 6,109	
Operation and Administration (Attachment C)		
Personnel	\$ 1,720,197	68%
General Operating	72,989	61%
Professional Services	29,390	34%
Consultant Services	82,979	40%
Travel & Meetings	31,645	43%
Capital Improvements	-	3%
Total Operation and Administration	\$ 1,937,200	63%
Total Expenses	\$ 9,249,179	
Variance (Revenue - Expenses)	\$ (274,720)	
Cash Balance as of March 31, 2017	\$ 451,845,113	(2)

NOTE:

- 1) Tobacco Tax Revenue for January 2017.
- 2) Cash Balance excludes fixed assets and liabilities.

**LOS ANGELES COUNTY CHILDREN AND FAMILY FIRST - PROPOSITION 10 COMMISSION (AKA FIRST 5 LA)
PROGRAM EXPENDITURES BY FY 2016-17 BUDGET
MARCH 31, 2017, UNAUDITED**

INITIATIVE/PROGRAM	FY 2016-17 BUDGET	MARCH EXPENDITURES	FISCAL YTD EXPENDITURES	BALANCE REMAINING	FISCAL YTD EXPENDITURES /BUDGET%
2015-2020 STRATEGIC PLAN: FOCUSING FOR THE FUTURE					
Strategic Plan Priority Outcome Areas					
Families	31,998,500	2,211,601	12,808,538	19,189,962	40%
Communities	17,401,000	1,259,415	7,350,664	10,050,336	42%
Early Care & Education Systems	23,378,000	148,721	7,183,910	16,194,090	31%
Health-Related Systems	1,267,000	2,893	114,414	1,152,586	9%
Strategic Plan Investment Areas & Support Costs					
Policy Agenda/Advocacy	1,692,000	147,448	625,187	1,066,813	37%
Communications & Marketing	4,689,000	178,851	1,348,217	3,340,783	29%
Communications - Conference Funding	300,000	-	87,099	212,901	29%
Subtotal 2015-2020 Strategic Plan	80,725,500	3,948,929	29,518,029	51,207,471	37%
LEGACY INVESTMENTS					
At-Risk Fathers Investment	116,000	1,417	1,417	114,583	1%
Baby Friendly Hospitals	614,000	-	283,636	330,364	46%
Black Infant Health	2,008,000	73,279	330,918	1,677,082	16%
Children's Dental Care	9,013,000	-	1,774,663	7,238,337	20%
Children's Vision Care	1,340,000	-	792,695	547,305	59%
Early Identification and Intervention - Autism and other Developmental Delays	1,013,000	94,186	531,618	481,382	52%
Healthy Food Access	1,197,000	92,373	541,590	655,410	45%
Healthy Kids	373,000	-	271,381	101,619	73%
Information Resource and Referral	1,260,000	-	597,105	662,895	47%
Little by Little/One Step Ahead	3,312,000	282,553	1,339,007	1,972,993	40%
Oral Health & Nutrition - Dental Home	601,000	-	-	601,000	0%
Parent Child Interaction Therapy	3,590,000	-	1,284,553	2,305,447	36%
Policy Advocacy Fund	1,263,000	65,955	454,615	808,385	36%
Reducing Childhood Obesity	6,113,000	1,781,073	2,602,218	3,510,782	43%
Resource Mobilization - ECE	150,000	-	74,000	76,000	49%
Resource Mobilization - Funder Partnership	75,000	25,000	70,000	5,000	93%
Resource Mobilization - Health	326,000	82,012	132,276	193,724	41%
Resource Mobilization - Organizational Capacity Building	125,000	-	47,006	77,994	38%
Resource Mobilization - Project Development	125,000	-	-	125,000	0%
Universal Assessment of Newborns	6,653,000	628,509	6,150,305	502,695	92%
Workforce Development	555,000	112,527	270,111	284,889	49%
Subtotal Legacy Investments	39,822,000	3,238,883	17,549,114	22,272,886	44%
RESEARCH AND EVALUATION					
Data Development and Integration	861,000	73,642	524,645	336,355	61%
Data Partnership with Funders	900,000	-	400,363	499,637	44%
Program Evaluation	3,451,000	44,416	1,491,741	1,959,259	43%
Subtotal Research and Evaluation	5,212,000	118,058	2,416,749	2,795,252	46%
TOTAL	125,759,500	7,305,870	49,483,892	76,275,608	39%

The FY 2016-17 Budget reflects the mid-year budget adjustments approved on April 13, 2017.

NOTES - PROGRAM EXPENDITURES BY FY 2016-17 BUDGET:

Journal entries for FY 2015-16 accrued expenses were reversed in July 2016. The amounts reported are the actual program expenditures for March 2017.

LOS ANGELES COUNTY CHILDREN AND FAMILY FIRST - PROPOSITION 10 COMMISSION (AKA FIRST 5 LA)
 EXPENDITURES - PASS-THROUGH
 March 31, 2017, UNAUDITED

Attachment B

INITIATIVE/PROGRAM - PASS-THROUGH	MARCH EXPENDITURES	YEAR TO DATE EXPENDITURES
Medi-Cal Administrative Activities (MAA) - LA County Charges	-	-
Medi-Cal Administrative Activities (MAA) - Participation Payment	6,109	9,381
Partnerships For Families - LA County Department of Children and Family Services (DCFS)	-	4,105,643
TOTAL	6,109	4,115,025

**Los Angeles County Children and Family First -
Proposition 10 Commission (aka) First 5 LA
Operating & Administrative Budget Update
March 31, 2017, UNAUDITED**

OPERATION AND ADMINISTRATION EXPENSE	MARCH ACTUAL	FISCAL YTD ACTUAL	FY 2016-17 BUDGET	FISCAL YTD VARIANCE	FISCAL YTD/BUDGET %
Personnel Services					
Salaries & Wages	1,369,577	8,981,225	13,068,592	4,087,367	69%
Fringe Benefits	350,620	2,557,706	3,889,538	1,331,832	66%
Total Personnel Services	1,720,197	11,538,931	16,958,130	5,419,199	68%
General Operating Expenses					
ADP Payroll Charges	5,578	25,361	31,000	5,639	82%
Workers Compensation Insurance	-	76,103	100,000	23,897	76%
Corporate Insurance	-	32,525	76,000	43,475	43%
Mileage Expense	4,944	35,205	64,650	29,445	54%
Telephones & Modems	5,082	37,200	53,000	15,800	70%
Printing	363	7,667	18,750	11,083	41%
Postage & Delivery	1,100	9,870	13,300	3,430	74%
Office Supplies	5,055	48,374	77,940	29,566	62%
Subscriptions & Publication	1,581	3,601	10,375	6,774	35%
Equipment Rental	14,674	74,482	118,200	43,718	63%
Repair & Maintenance - Furniture & Fixtures	13,990	135,461	180,000	44,539	75%
Repair & Maintenance - Equipment	125	954	22,500	21,546	4%
Rents & Lease - Offsite Storage	525	16,924	19,700	2,776	86%
Los Angeles County Overhead	-	8,943	27,000	18,057	33%
Contingency	-	23,000	65,000	42,000	35%
Facilities & Other Supplies	610	10,490	22,150	11,660	47%
Utilities	10,825	119,584	165,000	45,416	72%
Educational Supplies	106	468	1,450	982	32%
Cell Phones	3,777	31,421	52,390	20,969	60%
Hardware & Software Maintenance	4,655	105,635	190,600	84,965	55%
Total General Operating Expenses	72,989	803,266	1,309,005	505,739	61%
Professional Services					
Audit and Accounting Fees	-	36,085	70,000	33,915	52%
Legal Fees	9,823	50,616	175,000	124,384	29%
Membership Dues	550	23,206	86,052	62,846	27%
Professional Development	11,214	42,501	241,500	198,999	18%
Professional Dues First 5 Association	-	70,000	70,000	-	100%
Staff Recruitment	3,917	5,941	25,000	19,059	24%
Commission Stipends	2,400	11,400	34,000	22,600	34%
Human Resources Related Costs	1,486	23,694	78,000	54,306	30%
Total Professional Services	29,390	263,443	779,552	516,109	34%
Consultant Services					
Consultant Fees	62,257	449,557	1,342,000	892,443	33%
Other Professional Fees	20,722	192,943	276,950	84,007	70%
External Reviewers	-	1,500	6,000	4,500	25%
Total Consultant Services	82,979	644,000	1,624,950	980,950	40%
Travel & Meeting Expenses					
Conferences - Travel & Lodging	5,892	46,419	96,492	50,073	48%
State Prop 10 Commission Activities	-	989	-	(989)	
Conference - Registration Fees	6,562	50,119	126,485	76,366	40%
Local Meeting Expenses	10,064	36,554	79,800	43,246	46%
Lodging	5,991	43,014	110,726	67,712	39%
Per Diem	3,136	22,313	55,018	32,705	41%
Total Travel & Meeting Expenses	31,645	199,409	468,521	269,112	43%
Capital Improvements					
Capital Outlay (Equipment Purchases)	-	2,832	75,000	72,168	4%
Capital Improvements	-	-	20,000	20,000	0%
Total Capital Improvements	-	2,832	95,000	92,168	3%
TOTAL OPERATING EXPENSES	1,937,200	13,451,881	21,235,158	7,783,277	63%

NOTES - OPERATING & ADMINISTRATIVE BUDGET UPDATE:

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

The FY 2016-17 Budget reflects the mid-year budget adjustments approved on April 13, 2017.

**Los Angeles County Children and Families First -
Proposition 10 Commission
Statement of Net Assets
March 31, 2017 Unaudited**

Current Assets:

Cash	\$	5,607,946
Cash- Morlin Mgmt Corp		26,950
Investment:		
Operating and Allocated funds		417,486,810
Operating Fund - SRI		-
Advance - LA Care Health Plan		7,983,209
Advance - LAUP		19,015,511
Advance - UCLA Dental Home Project		776,697
Interest Receivable		-
Other Receivables		1,610,056
Total Current Assets	\$	452,507,180

Fixed Assets:

Land	\$	2,039,000
Building & Improvements		12,076,512
Furniture & Fixtures		627,671
Computer, Software & Accessories		1,779,722
Office Equipment		331,033
Accumulated Depreciation		(5,260,912)
Total Fixed Assets	\$	11,593,026

Total Assets **\$ 464,100,206**

Liabilities and Net Assets

Current liabilities:

Other Liabilities	\$	277,605 (1)
Total Current Liabilities	\$	277,605

Net Assets:

Investment in capital assets	\$	11,593,026
Restricted		452,229,575
Total Net Assets	\$	463,822,601

Total Liabilities and Net Assets **\$ 464,100,206**

NOTES:

(1) Other Liabilities include accounts payable, security deposit from La Petite Academy and other related liabilities.



First 5 LA

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AUDIT COMMUNICATIONS

Audit Scope and Timing

Perform the audit of the:

- Comprehensive Annual Financial Report (CAFR)
- State Compliance – *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* issued by the State Controller’s Office
- OMB Uniform Grant Guidance – Single Audit

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Timeline:

- Planning and Interim Fieldwork – June
- Final Fieldwork – August
- Report Delivery – September/October

Our Responsibility

U.S. Generally Accepted Auditing Standards and Government Auditing Standards

Express opinions about whether the financial statements that have been prepared by management with the oversight of the Commission are presented fairly, in all material respects, in conformity with generally accepted accounting principles

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- Reasonable, not absolute assurance
- Audit does not relieve the management of its responsibilities

If a Single Audit is applicable, express an opinion on compliance applicable to major federal programs

Issue a report on state compliance SCO guidelines

Our Responsibility

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing and extent of further audit procedures -

- Material misstatements may result from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity
- No opinion on internal control will be expressed

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Our Responsibility

Communicate other matters:

- Qualitative aspects of accounting policies, accounting estimates and note disclosures
- Difficulties encountered
- Uncorrected misstatements
- Material corrected misstatements
- Disagreements with management
- Management representations
- Consultations with other accountants

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Our Approach

Planning and Risk Assessment:

- Meet with Management
- Obtain an understanding of the entity, its environment and risks
- Identify audit risk areas
- Inspect financial and other information
- Consider/inquire regarding fraud risks
- Understand the design and implementation of internal control
- Prepare risk assessment and audit plan
- Test key business cycles – revenue, disbursements, payroll, investments, capital assets, financial reporting, IT and budget
- State Compliance – Guidelines₂₀ issued by State Controller

Our Approach

Final:

- Address key audit areas
- Perform tests, on a sample basis, on account balances and classes of transactions
- Prepare draft CAFR
- Test journal entries
- Assess accounting principles used and significant estimates
- Confirm contingencies with legal counsel
- Consider subsequent events

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Exit:

- Propose / discuss audit adjustments
- Present findings and recommendations
- Provide required communications to those charged with governance

Questions

Contact information
Roger Alfaro, Partner
ralfaro@vtdcpa.com
909-466-4410

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FY 2017-18 BUDGET:

TRANSMITTAL MEMO

Memo

To: Budget and Finance Committee

From: Kim Belshé

Date: May 24, 2017

Subject: **FIRST 5 LA PROPOSED FISCAL YEAR 2017-18 BUDGET**

Members of the Committee,

We are pleased to present the edits to the FY 2017-18 Proposed Budget, for your consideration and discussion. This proposed budget represents the third budget to align with the 2015-2020 Strategic Plan: Focusing for the Future and the first budget organized to reflect First 5 LA's new organizational structure and staffing in furtherance of our strategic direction, role and intended impact.

Committee members will find in the attached material information for review that includes a summary of the changes from the proposed budget draft presented at the May 11 Commission meeting, revised budget estimate summaries, and a summary of the revised operating costs. The changes are the result of conversations and feedback received by both the Budget and Finance Committee at the April 26 meeting and the Executive Committee at the May 3 meeting, as well as additional staff analysis.

What follows are a number of observations about key themes and issues associated with the proposed FY 2017-18 Budget.

Strategy Implementation

In its adoption of the 2015-2020 Strategic Plan in November 2014, the Board recognized the fiscal realities of our declining revenues, and that First 5 LA needs to approach its work differently to achieve our goals for young children in Los Angeles County. First 5 LA's evolving approach – anchored in partnership and focused on policy and systems change – is reflected in the attached proposed FY 2017-18 Budget. The proposed budget represents staff's best estimate of the financial resources needed to move work forward to advance the goals and priorities articulated in our Strategic Plan – and the evolving nature of our approach to impact. The following are a number of key themes to highlight relative to the proposed budget:

- Learning by doing: an evolving approach to budgeting. First 5 LA's approach to budgeting has evolved in recent years and the proposed FY 2017-18 Budget reflects the continued evolution in approach. Historical spending is factored into the estimates upon which First 5 LA's budget is built. In addition to actual program experience, First 5 LA

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endeavors to partner with other funders, leverage non-First 5 LA funds, and complement – not duplicate – public investments. Informed by learning from our budget process generally and the mid-year budget adjustments more recently, the FY 2017-18 Budget incorporates refinements in our budgeting estimates to achieve greater precision, clarity and transparency. These refinements are also informed by learning from the experience of our programmatic investments.

- Partnership-based work. Central to our success will be staff working together in new ways and engaging externally in partnerships that advance shared policy and systems change goals on behalf of young children and their families. The Commission's emphasis on partnership recognizes that progress toward our goals will be the product of how effectively and strategically we work with others who share our aspirations for young children – as opposed to “going it alone.” Throughout the proposed budget, Commissioners will see the evolution in First 5 LA's approach and role, shifting from primarily a funder role to a lead convener, partner and catalyst role. Partnership work is hard, challenging, time - and labor - intensive. It is an essential component in First 5 LA's achievement of sustainable changes in systems, policies and practices that are fundamental to advancing our goals for young children and their families.
- Policy and systems change: at the center of our work. First 5 LA's Strategic Plan recognizes that the path to widespread impact and sustainability runs throughout community, systems and policy change. The proposed FY 2017-18 Budget reflects a continued transition away from funding discrete direct services with impact at the participant level and an increased emphasis on collaboration, systems change and public policy. Throughout the Programs Division's work, Commissioners will see a focus on changes in provider practices, service delivery systems and public policies. Within our Policy & Strategy Division's work, there are important investments proposed to cultivate diverse partners, create awareness and urgency among decision-makers, and support the coalitions of the willing to advocate for policy change on behalf of young children and their families. With the initial build out of our Integration & Learning Division we will clarify the learning agendas for Welcome Baby and Best Start, inform necessary mid-course corrections in strategy and approach, and guide development of a broader results framework and measurement reporting for the year ahead. And finally, within our Administration Division, we are including resources to partner with and support the very County systems needed to sustain larger scale impact on young children and their families, where County priorities are aligned to those with First 5 LA.
- Long-term impact requires long-term commitment. The outcomes to which First 5 LA seeks to contribute are long-term in nature. Policy and systems change is at the heart of our work and, as noted above, such efforts take time and effort – and require a long view, by First 5 LA and our diverse partners. The proposed FY 2017-18 Budget reflects new work where we believe First 5 LA can contribute to broader change, such as developmental screening and early intervention, and investments in First 5 LA's “anchor initiatives” which the organization has supported for over 7 years, such as Welcome Baby. Welcome Baby is a good example of where our long-term commitment to family strengthening is paying off, both in terms of improved maternal and child outcomes and in terms of its contribution to informing broader systems change efforts in LA County.
- Emerging opportunities: be nimble and adaptable. The work First 5 LA does is fundamentally adaptive in nature, given the complexity of the multiple systems that influence and shape child outcomes and the uncertain and fluid environment within which we do our work. To be sure, we need to be focused and disciplined in implementing our organizational strategy, but not inflexible in the face of new developments, information

and learning. The proposed budget incorporates resources for “emerging opportunities” to allow First 5 LA to be responsive to new opportunities – and threats – to child well-being.

- Integration & Learning: learning as a strategic asset. First 5 LA’s Strategic Plan recognizes the importance of using data, evaluation, and learning to advance strategies that change policies and systems that benefit young children, measure progress toward our outcomes, and continuously inform organizational performance and improvement. With the creation of the new Integration & Learning Division, First 5 LA now has dedicated capacity to lead First 5 LA to a more intentional organizational learning culture. The proposed budget reflects resources for the essential “building blocks” to support this important evolution in our learning approach – an approach that is critical to data-informed decision-making, clear learning priorities and agendas, and organization-wide process and program improvements.
- Sustainability planning. Consistent with the Strategic Plan’s direction that First 5 LA move toward a budgeting approach to live within its declining revenues, and with Board-approved Governance Guidelines, First 5 LA’s programmatic efforts – both legacy and new activities - are including a more intentional focus on sustainability and leveraging. In addition, our Policy & Strategy Division will be leading work to explore and map out a strategy related to alternative revenue generation. The proposed budget for FY 2017-18 reflects the imperative that First 5 LA proactively and intentionally incorporate sustainability in our work and in our policy and systems change strategies and activities.

Organization Alignment

The FY 2017-18 Budget represents the first budget reflecting First 5 LA’s new organizational structure and staffing aligned to First 5 LA’s strategic direction, role and impact. Highlights to call out here include:

- Staffing. First 5 LA’s evolving approach to impact – one that places less emphasis on direct services and more emphasis on partnership, policy and systems – has implications for First 5 LA’s staffing. Our more collaborative, partners-focused approach to advancing shared policy and systems goals is more staff-intensive, relative to staff’s more traditional contract solicitation and management roles. As proposed for FY 2017-18, First 5 LA will maintain the number of positions authorized in the current year budget and will fill vacant positions to align with our new structure and staffing model. As we gain deeper experience in First 5 LA’s more collaborative, partner-focused approach to systems and policy change, we anticipate more staff will be required in some areas of the organization.
- Staff development/support. First 5 LA recognizes the importance of supporting staff to learn and grow in their jobs and strengthen the skills and capabilities they need to succeed. In the proposed budget for FY 2017-18, resources are included to support the comprehensive training approach that has been developed, the aptly named “First 5 LA University.” Training priorities have been identified that are grounded in our commitment to effectively execute the Strategic Plan, invest in our employees, and secure First 5 LA’s continued success as a high-performing, high-impact organization.
- Infrastructure/systems. Administration Division leadership has worked collaboratively to identify specific business systems and processes to support First 5 LA’s new Strategic Plan and direction. For FY 2017-18, resources are proposed to advance a number of foundational projects. Examples include implementation of a new Chart of Accounts to help First 5 LA leverage financial data for broader learning and strategic purposes and

initial implementation of a knowledge management strategy that will enable staff to capture and easily access data and information that can be used to inform our work and course-corrections. Both projects are examples of First 5 LA's efforts to create an organizational culture of more intentional learning by charting and accessing the flow of information at First 5 LA.

- Capital improvements. As the owner and operator of our building, into which we moved in 2005, we are reaching the point in the life of our facility which will require certain capital expenditures to maintain this critical asset. The FY 2017-18 Budget process proposes the establishment of a Capital Project fund, into which will be deposited unspent funding from our operating budget. In addition to improving the layout of the building to enhance internal collaboration and work, there will be a certain amount of ongoing investment to maintain our building. The creation of this fund will allow immediate needs to be addressed, as well as plan for the future needs of a facility that is now over twelve years old.
- Cost effective operations. Each year, the Commission approves an annual administrative cost limit, which is a percentage of the total fiscal year budget. The administrative cost for supporting First 5 LA programs is projected to be 9.01% of the budget. Consistent with First 5 LA's past practice, First 5 LA continues to have one of the lowest administrative limit percentages among all 58 First 5 Commissions.

The FY 2017-18 Budget demonstrates First 5 LA's continued development of and commitment to advancing the goals detailed in the 2015-2020 Strategic Plan, with the majority of resources in FY 2017-18 slated for these purposes, as seen in the table below.

BUDGET CATEGORY	FY 2016-17 Budget		Proposed		Variance
	Original	Revised	FY 2017-18 Budget		
Program					
<i>2015-2020 Strategic Plan: Focusing for the Future</i>					
a. Strategic Plan Priority Outcome Areas	\$ 83,584,000	74,044,500	\$ 74,617,000	\$ 572,500	0.8%
b. Strategic Plan Investment Areas & Support Costs	8,537,000	7,006,000	10,441,000	3,435,000	49.0%
c. Integration & Learning ¹	6,468,000	5,212,000	6,377,000	1,165,000	22.4%
<i>Total 2015-2020 Strategic Plan</i>	\$ 98,589,000 61%	\$ 86,262,500 59%	\$ 91,435,000 63%	5,172,500	6.0%
<i>Legacy Investments</i>	41,696,000 26%	39,497,000 27%	31,824,000 22%	(7,673,000)	-19.4%
Total Program	\$ 140,285,000 87%	\$ 125,759,500 86%	\$ 123,259,000 85%	\$(2,500,500)	-2.0%
Operating²	21,235,158 13%	21,235,158 14%	21,614,104 15%	378,946	1.8%
TOTAL BUDGET	\$ 161,520,158 100%	\$ 146,994,658 100%	\$ 144,873,104 100%	\$(2,121,554)	-1.4%

1. The Integration & Learning costs include research and evaluation resources in support of ongoing legacy investments.

2. The operating budget includes \$8.7 million, or 40%, in support of programs and \$13.0 million, or 60%, in support of organization-wide administrative functions, the latter being the annual Administrative Cost Limit. See Attachment B - Administrative Limit Calculation for additional detail.

Attachment A presents the FY 2017-18 Budget Highlights reflecting the Commission's direction and priorities for the year. Additional specific program and operating cost detail can be found in Attachments C-G by internal division and department, based on the new organizational structure.

SUMMARY OF CHANGES FROM PROPOSED BUDGET DRAFT (MAY)

INITIATIVE	PROGRAM	DRAFT FY 2017-18 BUDGET (MAY)	CHANGE	FINAL FY 2017-18 BUDGET (JUNE)	% CHANGE	REASON FOR CHANGE	EXPLANATION OF CHANGE
1	Families Strategy 1 - Home Visiting	Welcome Baby Hospitals \$ 9,706,000	\$ 15,000	\$ 9,721,000	0.2%	ND	Additional resources are required to host events and tours highlighting Welcome Baby Hospitals, with key partners and policymakers. The cost for each event varies depending on size and scope, with some events hosting 100+ participants. This amount would support roughly 3 to 4 events. Funds for these activities were housed within the Policy Agenda/Advocacy - Strategic Plan Advocacy Strategies program in FY 2016-17.
2	Families Strategy 1 - Home Visiting	Stronger Families Database 855,000	(75,000)	780,000	-9%	ND	Adjustment is based on updated actual activity and anticipated need to support and continue the build-out of the Stronger Families Database in FY 2017-18.
3	Communities Strategy 1 - Community Leadership & Collaboration	Community Partnerships 10,721,000	(206,000)	10,515,000	-2%	ND	The adjustment is the net result of an increase in communications support, an increase in logistical support for 13 of the 14 Best Start Communities, and a decrease in the average BSF grant amount.
4	Communities - Cross-Strategy Investments	Capacity Building & Learning 3,154,000	147,000	3,301,000	5%	ND	The revised estimate accounts for a full year of note-taking support (an increase from 8 months proposed in the original budget). The additional resources also account for additional time for CSPP management to participate in planning meetings with First 5 LA, to prepare the partnerships for the transition to the new structure. These adjustments result in an overall increase in the Center for the Study of Social Policy (CSSP) contract.
5	ECE Strategy 1 - Policy/Advocacy	Kindergarten Readiness Assessment 714,000	53,000	767,000	7%	ND	An increase is required to appropriately support the piloting of a KRA tool in up to three communities in LA county and also support communities that are already implementing KRA.
6	Policy & Strategy - Emerging Opportunities	Emerging Opportunities - Policy & Strategy -	75,000	75,000	100%	ND	Based on Commissioner feedback, resources are being included to respond to emerging needs or unanticipated opportunities when identified to align with the organizational direction and strategic plan. Funds will address issues that fall under the purview of the Policy & Strategy Division, such as immigration.
7	Integration & Learning - Emerging Opportunities	Emerging Opportunities - Integration & Learning -	50,000	50,000	100%	ND	Based on Commissioner feedback, resources are being included to respond to emerging needs or unanticipated opportunities when identified to align with the organizational direction and strategic plan. Funds will address issues that fall under the purview of the Integration & Learning Division, such as work to connect county data sources.
8	Baby Friendly Hospitals	Baby Friendly Hospitals Project - Cycle 3 5,000	15,000	20,000	300%	D	Resources from FY 2016-17 are being carried-over into FY 2017-18 in order for the grantee to complete the activities identified in the scope of work. No new/additional resources are being requested.
9	Program Evaluation	Professional Development Program Evaluation -	54,000	54,000	100%	D	Resources from FY 2016-17 are being carried-over into FY 2017-18 to complete activities originally scheduled for FY 2016-17, resulting in a need to extend the contract period. No new/additional resources are being requested.
10	Program Evaluation	Welcome Baby Impact Study 1,446,000	120,000	1,566,000	8%	ND	In FY 2017-18, the Family Strengthening Learning Agenda will be fully ramped up and will require ongoing guidance to address key decision points throughout the process. In addition, the countywide efforts to enhance and expand home visiting will highlight additional learning questions, pilots and protocol tests that will require continuous quality improvement and other forms of study.
INTERNAL OPERATIONS							
11	Finance	Consultant Fees 75,000	15,000	90,000	20%	ND	Additional project implementation funds are needed to ensure the completion of the Chart of Accounts Financial Reengineering which is anticipated to continue through July 31, 2017.
12	Family Support	Personnel Services 1,329,424	175,697	1,505,121	13%	ND	Identified need and request for additional Temporary Program Supports staff to help advance the activities and work within the Families outcome area
13	Family Support	Consultant Fees -	120,000	120,000	100%	ND	Resources will support two consultants: one who will focus on programmatic guidance of evaluation activities and another who will contribute to the development of a data dashboard in support of the home visiting investment.
14	Communities	Personnel Services 2,537,541	20,731	2,558,272	1%	ND	The salaries for three vacant PO positions were adjusted slightly upward
Total			\$ 579,428				

KEY: Reason for Change

ND = New data available to inform budget development

D = Delay in current year activity

O = Oversight led to inadvertent omission in the May budget



ATTACHMENT B:

FY 2017-18 BUDGET

- Budget Summary
- Budget Summary for Programs by Initiative/Program
- Operating Costs Summary
- Administrative Limit Calculation
- Schedule of Authorized Positions

BUDGET COMPONENT		APPROVED FY 2016-17	PROPOSED ADJUSTMENT	REVISED FY 2016-17 BUDGET	PROPOSED FY 2017-18 BUDGET
2015-2020 STRATEGIC PLAN: FOCUSING FOR THE FUTURE					
Strategic Plan Priority Outcome Areas					
1	Families	\$ 38,081,000	\$ (6,082,500)	\$ 31,998,500	\$ 29,526,000
2	Communities	18,883,000	(1,482,000)	17,401,000	18,893,000
3	Early Care & Education Systems	24,199,000	(821,000)	23,378,000	22,080,000
4	Health-Related Systems	2,421,000	(1,154,000)	1,267,000	4,118,000
	Sub-total: Strategic Plan Priority Outcome Areas	\$ 83,584,000	\$ (9,539,500)	\$ 74,044,500	\$ 74,617,000
Strategic Plan Related Investment Areas & Support Costs					
5	Policy Agenda/Advocacy	\$ 2,442,000	\$ (750,000)	\$ 1,692,000	\$ 2,820,000
6	Communications & Marketing	5,345,000	(656,000)	4,689,000	6,044,000
7	Communications - Conference Funding	300,000	-	300,000	300,000
8	Strategic Partnership-Cross-Cutting Funder Partnership	75,000	-	75,000	660,000
9	Strategic Partnership-Grantmaking Memberships	-	-	-	42,000
10	Strategic Partnership-Organizational Capacity	125,000	-	125,000	200,000
11	Strategic Partnership-Partnership Development	250,000	(125,000)	125,000	250,000
12	Policy & Strategy - Emerging Opportunities	-	-	-	75,000
13	County Partnerships	-	-	-	50,000
	Sub-total: Strategic Plan Related Investment Areas & Support Costs	\$ 8,537,000	\$ (1,531,000)	\$ 7,006,000	\$ 10,441,000
Integration & Learning					
14	Data Development and Integration	\$ 861,000	\$ -	\$ 861,000	\$ 1,050,000
15	Data Partnership with Funders	900,000	-	900,000	850,000
16	Program Evaluation	4,707,000	(1,256,000)	3,451,000	4,105,000
17	Learning Plan Development	-	-	-	100,000
18	Communities of Practice	-	-	-	51,000
19	Grantee Assessment	-	-	-	75,000
20	Organizational-Wide Investment	-	-	-	96,000
21	Integration & Learning - Emerging Opportunities	-	-	-	50,000
	Sub-total Integration & Learning	\$ 6,468,000	\$ (1,256,000)	\$ 5,212,000	\$ 6,377,000
	TOTAL 2015-2020 STRATEGIC PLAN: FOCUSING FOR THE FUTURE	\$ 98,589,000	\$ (12,326,500)	\$ 86,262,500	\$ 91,435,000
LEGACY INVESTMENTS					
22	At-Risk Fathers Investment	\$ 299,000	\$ (183,000)	\$ 116,000	\$ 314,000
23	Baby Friendly Hospitals	918,000	(304,000)	614,000	457,000
24	Black Infant Health	2,203,000	(195,000)	2,008,000	2,006,000
25	Children's Dental Care	8,908,000	105,000	9,013,000	7,217,000
26	Children's Vision Care	1,333,000	7,000	1,340,000	252,000
27	Early Identification and Intervention - Autism and Other Developmental Delays	908,000	105,000	1,013,000	884,000
*	Healthy Food Access	1,174,000	23,000	1,197,000	-
*	Healthy Kids	373,000	-	373,000	-
28	Information Resource and Referral	1,260,000	-	1,260,000	1,240,000
29	Little by Little/One Step Ahead	3,312,000	-	3,312,000	3,979,000
*	Oral Health & Nutrition - Dental Home	890,000	(289,000)	601,000	-
30	Parent Child Interaction Therapy	3,590,000	-	3,590,000	3,943,000
31	Policy Advocacy Fund	1,263,000	-	1,263,000	310,000

FY 2017-18 BUDGET SUMMARY

BUDGET COMPONENT	APPROVED FY 2016-17	PROPOSED ADJUSTMENT	REVISED FY 2016-17 BUDGET	PROPOSED FY 2017-18 BUDGET
* Reducing Childhood Obesity	5,133,000	980,000	6,113,000	-
* Resource Mobilization - ECE	800,000	(650,000)	150,000	-
* Resource Mobilization - Health	326,000	-	326,000	-
32 Universal Assessment of Newborns	8,451,000	(1,798,000)	6,653,000	10,680,000
33 Workforce Development	555,000	-	555,000	542,000
TOTAL LEGACY INVESTMENTS	\$ 41,696,000	\$ (2,199,000)	\$ 39,497,000	\$ 31,824,000
TOTAL FIRST 5 LA PROGRAM BUDGET	\$ 140,285,000	\$ (14,525,500)	\$ 125,759,500	\$ 123,259,000

* Initiative/cost area ends in FY 2016-17, with no anticipated spending for FY 2017-18.

FY 2017-18 BUDGET SUMMARY FOR PROGRAMS BY INITIATIVE/PROGRAM

INITIATIVE / STRATEGY NAME	PROGRAM NAME	APPROVED FY 2016-17 BUDGET	PROPOSED ADJUSTMENTS	REVISED FY 2016-17 BUDGET	PROPOSED FY 2017-18 BUDGET	% VAR TO FY
2015-2020 STRATEGIC PLAN: FOCUSING FOR THE FUTURE						
Strategic Plan Priority Outcome Areas						
Families						
Families Strategy 1 - Home Visiting	Welcome Baby Hospitals	\$ 16,447,000	\$(3,735,000)	\$ 12,712,000	\$ 9,721,000	-24%
	Select Home Visiting Programs	15,640,000	(1,998,000)	13,642,000	12,230,000	-10%
	Family Strengthening Oversight Entity	3,373,000	-	3,373,000	4,287,000	27%
	Stronger Families Database	875,000	-	875,000	780,000	-11%
	LAC Perinatal and Early Childhood Home Visiting Consortium	-	-	-	60,000	N/A
	Abriendo Puertas	601,000	-	601,000	740,000	23%
	Family Engagement: Emerging Opportunities	340,000	(140,000)	200,000	-	-100%
	Project Dulce	670,000	(109,500)	560,500	645,000	15%
	Project Dulce Evaluation	135,000	(100,000)	35,000	-	-100%
	Emerging Opportunities	-	-	-	1,063,000	N/A
Sub-total Families		\$ 38,061,000	\$(6,082,500)	\$ 31,998,500	\$ 29,526,000	-7.7%
Communities						
Communities Strategy 1 - Community Leadership & Collaboration	Broader Community Building and Engagement	\$ 9,300,000	\$ -	\$ 9,300,000	\$ 2,500,000	-73%
	Community Advisory Council	-	-	-	186,000	N/A
	Transition Team	-	-	-	105,000	N/A
	Community Partnerships	4,815,000	755,000	5,570,000	10,515,000	89%
Communities Strategy 2 - Coordinated Services & Supports	Community Resource Networks	1,064,000	(664,000)	400,000	500,000	25%
	Policy/Advocacy Partnerships	1,005,000	(810,000)	695,000	-	-100%
Communities Strategy 3 - Built Environment Policy & Advocacy	Community Advocacy Fund	-	-	-	500,000	N/A
	Legacy Investments	-	-	-	806,000	0%
Communities - Cross-Strategy Investments	Capacity Building and Learning	1,029,000	(893,000)	136,000	3,301,000	2327%
	Communications & Marketing	1,670,000	(370,000)	1,300,000	-	-100%
	Emerging Opportunities	-	-	-	480,000	N/A
Sub-total Communities		\$ 18,883,000	\$(1,482,000)	\$ 17,401,000	\$ 18,893,000	8.6%
Early Care & Education (ECE) Systems						
ECE Strategy 1 - Policy/Advocacy	ECE Policy Advocacy Fund	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 3,000,000	0%
	Grade Level Reading Campaign	285,000	(220,000)	65,000	-	-100%
	Educare Policy and Advocacy	-	-	-	833,000	N/A
	Kindergarten Readiness Assessment	475,000	-	475,000	767,000	61%
	Early Childhood Educators Improving Quality (CCALA)	600,000	(300,000)	300,000	745,000	148%
	QRIS Architects Group and Systems Planning	1,085,000	-	1,085,000	1,433,000	32%
	QRIS Continuous Site Engagement (LAUP)	16,868,000	-	16,868,000	13,842,000	-18%
	Shared Services Support	350,000	-	350,000	200,000	-43%
	Early Childhood Education Credential Advocacy Project	558,000	-	558,000	790,000	42%
	Early Childhood Educator Competencies Curriculum	170,000	(120,000)	50,000	220,000	340%
ECE Strategy 3 - Professional Development	Higher Education Peer Learning Project	181,000	(181,000)	-	-	0%
	ECE Workforce Registry	627,000	-	627,000	650,000	4%
	Emerging Opportunities	-	-	-	100,000	N/A
Sub-total ECE		\$ 24,199,000	\$(821,000)	\$ 23,378,000	\$ 22,080,000	-6%
Health, Mental Health & Substance Abuse Systems						
Health Strategy 1 - Early Identification/Developmental Screening/Connection to Services	Developmental Screening: Help Me Grow	\$ 1,124,000	\$(654,000)	\$ 570,000	\$ 2,518,000	342%
	Trauma-Informed Care	1,297,000	(600,000)	697,000	1,350,000	94%
Health Strategy 2 - Trauma-Informed Care	Health - Emerging Opportunities	-	-	-	250,000	N/A
	Emerging Opportunities	-	-	-	4,118,000	225%
Sub-total Health		\$ 2,421,000	\$(1,154,000)	\$ 1,267,000	\$ 4,118,000	225%
Sub-Total: Priority Outcome Areas		\$ 83,564,000	\$(9,539,500)	\$ 74,044,500	\$ 74,617,000	0.8%

FY 2017-18 BUDGET SUMMARY FOR PROGRAMS BY INITIATIVE/PROGRAM

INITIATIVE / STRATEGY NAME	PROGRAM NAME	APPROVED FY 2016-17 BUDGET	PROPOSED ADJUSTMENTS	REVISED FY 2016-17 BUDGET	PROPOSED FY 2017-18 BUDGET	% VAR TO FY
Strategic Plan Related Investment Areas & Support Costs						
Policy Agenda/Advocacy	Federal Policy and Sustainability Advocate	\$ 127,000	\$ -	\$ 127,000	\$ 130,000	2%
	State Policy and Sustainability Advocate	440,000	-	440,000	440,000	0%
Communications & Marketing	Strategic Plan Advocacy Strategies	1,875,000	(750,000)	1,125,000	2,250,000	100%
	Communications & Marketing	5,345,000	(656,000)	4,689,000	6,044,000	29%
Communications - Conference Funding	Conference Funding	300,000	-	300,000	300,000	0%
	Emerging Funder Collaboratives	75,000	-	75,000	450,000	500%
	LA Diversity Equity & Inclusion (DED) Funder Group	-	-	-	15,000	N/A
	LA Funders Collaborative	-	-	-	15,000	N/A
	LA-N-Sync	-	-	-	40,000	N/A
	Los Angeles Chamber of Commerce	-	-	-	15,000	N/A
	Los Angeles Partnership for Early Childhood Investment	-	-	-	40,000	N/A
	Southern California Grant Maker	-	-	-	110,000	N/A
Strategic Partnership-Grantmaking Memberships	Grantmaking Memberships	-	-	-	42,000	N/A
Strategic Partnership-Organizational Capacity	Organizational Capacity Building	125,000	-	125,000	200,000	60%
	Consulting	150,000	(75,000)	75,000	150,000	100%
	Convenings	100,000	(50,000)	50,000	100,000	100%
Policy & Strategy - Emerging Opportunities	Emerging Opportunities - Policy & Strategy	-	-	-	75,000	N/A
	County Partnership Fund	-	-	-	50,000	N/A
		\$ 8,537,000	\$ (1,531,000)	\$ 7,006,000	\$ 10,441,000	49.0%
Sub-Total: Strategic Plan Related Investment Areas & Support Costs						
INTEGRATION & LEARNING						
	Data Consultant	\$ 4,000	\$ -	\$ 4,000	\$ 100,000	2400%
	Data Requests	5,000	-	5,000	5,000	0%
	Dissemination	15,000	-	15,000	15,000	0%
	Data Analytics	-	-	-	25,000	N/A
	Indicator Development	-	-	-	165,000	N/A
	First 5 LA Contracts and Grants Program Reporting Database	187,000	-	187,000	140,000	-25%
	WIC Data Mining Research Partnership	650,000	-	650,000	600,000	-8%
	Children's Data Network (CDN)	900,000	-	900,000	850,000	-6%
	Best Start Evaluation	734,000	(515,000)	219,000	950,000	334%
	Early Care and Education Policy Advocacy Fund Evaluation	243,000	(193,000)	50,000	-	-100%
	Obesity Prevention & Nutrition Collective Impact Evaluation	961,000	-	961,000	750,000	-22%
	Parent-Child Interaction Therapy Evaluation	125,000	(8,000)	117,000	131,000	12%
	Professional Development Program Evaluation	490,000	-	490,000	54,000	-89%
	Quality Rating and Improvement System Evaluation	100,000	(20,000)	80,000	-	-100%
	Universal Screening Psychometric Study	67,000	-	67,000	-	-100%
	Welcome Baby Impact Study	1,035,000	(406,000)	629,000	1,566,000	149%
	Welcome Baby Implementation and Outcomes Evaluation	952,000	(114,000)	838,000	654,000	-22%
	ECE Outcome Area	-	-	-	50,000	N/A
	Health Systems Outcome Area	-	-	-	50,000	N/A
	External Partner Learning	-	-	-	6,000	N/A
	Learning Advisory Committee	-	-	-	20,000	N/A
	Organizational-Wide Learning	-	-	-	25,000	N/A
	Grantee Perception Report	-	-	-	75,000	N/A
	Investment Process	-	-	-	96,000	N/A
	Emerging Opportunities - Integration & Learning	-	-	-	50,000	N/A
		\$ 6,468,000	\$ (1,256,000)	\$ 5,212,000	\$ 6,377,000	0.0%
		\$ 98,589,000	\$ (12,326,500)	\$ 86,262,500	\$ 91,435,000	6.0%
Sub-Total 2015-2020 STRATEGIC PLAN: FOCUSING FOR THE FUTURE						

FY 2017-18 BUDGET SUMMARY FOR PROGRAMS BY INITIATIVE/PROGRAM

INITIATIVE / STRATEGY NAME	PROGRAM NAME	APPROVED FY 2016-17 BUDGET	PROPOSED ADJUSTMENTS	REVISED FY 2016-17 BUDGET	PROPOSED FY 2017-18 BUDGET	% VAR TO FY
LEGACY INVESTMENTS						
At-Risk Fathers Investment	At-Risk Fathers Investment	\$ 299,000	\$ (183,000)	\$ 116,000	\$ 314,000	171%
Baby Friendly Hospitals	Baby Friendly Hospital Project - Cycle 3	453,000	(114,000)	339,000	20,000	-94%
	Baby Friendly Hospital Project - Cycle 4	465,000	(190,000)	275,000	437,000	59%
	Birth Outcomes and Disparities – Policy and Systems Change	500,000	-	500,000	500,000	0%
Black Infant Health	Black Infant Health Program	1,703,000	(195,000)	1,508,000	1,506,000	0%
Children's Dental Care	Children's Dental Care Program	8,908,000	105,000	9,013,000	7,217,000	-20%
Children's Vision Care	Children's Vision Care	1,333,000	7,000	1,340,000	252,000	-81%
Early Identification and Intervention - Autism and Other Developmental Delays	Early Identification and Intervention - Autism and Other Developmental Delays	908,000	105,000	1,013,000	884,000	-13%
Healthy Food Access	Children's Garden Collaborative	434,000	23,000	457,000	-	-100%
	Market Match	740,000	-	740,000	-	-100%
Healthy Kids	Healthy Kids Insurance Coverage	373,000	-	373,000	-	-100%
Information Resource and Referral	211 LA County	1,240,000	-	1,240,000	1,240,000	0%
	Performance Based Agreement (Consulting)	20,000	-	20,000	-	-100%
Little by Little/One Step Ahead	Little by Little/One Step Ahead Program	3,312,000	-	3,312,000	3,379,000	20%
Oral Health & Nutrition - Dental Home	Oral Health & Nutrition - Dental Home	890,000	(289,000)	601,000	-	-100%
Parent Child Interaction Therapy	Parent Child Interaction Therapy	3,590,000	-	3,590,000	3,943,000	10%
Policy Advocacy Fund	Policy Advocacy Fund - I	300,000	-	300,000	-	-100%
	Policy Advocacy Fund - II	850,000	-	850,000	197,000	-77%
	Policy Advocacy Fund Technical Assistance Provider	113,000	-	113,000	113,000	0%
Reducing Childhood Obesity	Reducing Childhood Obesity	5,133,000	980,000	6,113,000	-	-100%
Resource Mobilization - ECE	ECE Recoverable Grant/Bridge Fund	800,000	(650,000)	150,000	-	-100%
Resource Mobilization - Health	Early Childhood Linkages to Wellness	326,000	-	326,000	-	-100%
Universal Assessment of Newborns	Welcome Baby Hospitals	8,451,000	(1,798,000)	6,653,000	10,680,000	61%
Workforce Development	P-5 Workforce Development Core Competencies	555,000	-	555,000	542,000	-2%
TOTAL LEGACY INVESTMENTS		\$ 41,696,000	\$ (2,199,000)	\$ 39,497,000	\$ 31,824,000	-19.4%
TOTAL FIRST 5 LA PROGRAM BUDGET		\$ 140,285,000	\$ (14,825,500)	\$ 125,459,500	\$ 123,259,000	-13%

FY 2017-18 OPERATING COSTS SUMMARY

OPERATING COSTS SUMMARY FY 2017-18								
	FY 2016-17		FY 2017-18					
	Revised Budget	Estimated Expenditures	Variance	Governance and Executive	Administration Division Support	Program	Proposed Budget	Variance from FY 2016-17
Personnel Services								
Total Salaries	13,068,592	10,969,117	2,099,475	864,221	2,065,079	9,374,091	13,204,391	135,799
Total Employee Benefits	3,889,538	3,462,497	427,041	227,064	531,255	2,776,292	3,857,581	(61,957)
Total Personnel Services	16,958,130	14,431,614	2,526,516	1,091,285	3,800,334	12,150,353	17,041,972	83,842
General Operating Expenses								
6131 ADP Payroll Charges	31,000	29,312	1,688	-	31,000	-	31,000	-
6132 Workers' Compensation Insurance	100,000	76,103	23,897	-	90,000	-	90,000	(10,000)
6202 Utilities	165,000	165,000	-	-	165,000	-	165,000	-
6205 Corporate Insurance	76,000	68,000	8,000	-	76,000	-	76,000	-
6205 Mileage and Parking	64,650	54,435	10,215	7,800	3,350	59,030	70,180	5,530
6206 Telephones and Modems	53,000	52,755	245	-	70,000	-	70,000	17,000
6207 Cell Phones and Mobile Devices	52,390	41,834	10,556	1,800	17,400	37,800	57,000	4,610
6208 Outside Printing	18,750	8,866	9,884	-	2,700	17,000	19,700	950
6209 Other Supplies	22,150	18,500	3,650	250	20,000	20,250	20,250	(1,900)
6210 Postage and Delivery	13,300	13,200	100	-	13,300	-	13,300	-
6211 Educational Supplies	1,450	233	1,217	-	250	2,500	2,750	1,300
6212 Office Supplies	77,940	67,980	9,960	8,000	59,000	28,360	95,360	17,420
6214 Subscriptions and Publications	10,375	2,768	7,607	-	3,000	9,300	12,300	1,955
6218 Equipment Rental	118,200	95,455	22,745	-	118,200	-	118,200	-
6220 Building Repairs and Maintenance	180,000	180,000	-	-	180,000	-	180,000	-
6221 Equipment Repairs and Maintenance	22,500	538	21,962	-	22,000	2,000	24,000	1,500
6222 Offsite Storage	19,700	16,753	2,947	-	15,000	18,500	33,500	14,200
6223 Hardware and Software Maintenance	190,600	158,250	32,350	-	194,400	3,000	197,400	6,800
6230 Miscellaneous Service Charges	27,000	12,000	15,000	-	12,000	-	12,000	(15,000)
6231 Miscellaneous/Contingency	65,000	46,000	19,000	50,000	25,000	-	75,000	10,000
Total General Operating Expenses	1,309,005	1,107,982	201,023	67,850	1,117,600	177,920	1,363,370	54,365
Professional Services								
6502 Audit	70,000	70,000	-	-	70,000	-	70,000	-
6504 Legal	175,000	125,000	50,000	125,000	-	-	125,000	(50,000)
6507 Professional Dues	86,052	52,653	33,399	3,000	19,000	44,852	66,852	(19,200)
6508 First 5 California Association	70,000	70,000	-	70,000	-	-	70,000	-
6509 Professional Development	241,500	242,232	215,268	18,400	171,200	148,400	338,000	96,500
6512 Staff Recruitment	25,000	3,011	21,989	-	25,000	-	25,000	-
6514 Commission Stipends	34,000	23,000	11,000	34,000	-	-	34,000	-
6606 Human Resources Related Costs	78,000	30,578	47,422	-	81,500	-	81,500	3,500
Total Professional Services	779,552	400,774	378,778	250,400	366,700	193,252	810,352	30,800
Consultant Services								
6601 Consultant Fees	1,342,000	767,373	574,627	170,000	640,000	572,200	1,382,200	40,200
6602 Other Professional Fees	276,950	260,854	16,096	-	300,000	-	300,000	23,050
6603 External Reviewers	6,000	3,000	3,000	-	6,000	1,500	7,500	1,500
Total Consultant Services	1,624,950	1,031,227	593,723	170,000	946,000	573,700	1,689,700	64,750
Travel and Meeting Expenses								
6701 Airfare	96,492	63,042	33,450	6,600	10,300	107,180	124,080	27,588
6703 Lodging	110,726	69,619	41,107	4,900	15,900	106,500	127,500	16,574
6704 Conference Registration	126,485	64,251	62,234	3,500	23,000	112,900	139,400	12,915
6706 Local Meetings	79,800	43,671	36,129	17,500	12,600	77,500	107,600	27,800
6707 Per Diem	55,018	32,858	22,160	3,300	8,600	53,430	65,330	10,312
Total Travel and Meeting Expenses	468,521	273,441	195,080	35,800	70,400	457,510	563,710	95,189
Capital Improvements								
6216 Capital Outlay	75,000	4,800	70,200	-	145,000	-	145,000	70,000
6302 Capital Improvements	20,000	-	20,000	-	-	-	-	(20,000)
Total Capital Improvements	95,000	4,800	90,200	-	145,000	-	145,000	50,000
Total Operating Expenses	21,235,158	17,249,838	3,985,320	1,615,335	6,146,034	13,552,735	21,614,104	378,946

ADMINISTRATIVE LIMIT CALCULATION

First 5 LA		
FY 2017-18 Operating Budget		
Administrative Limit Calculation		
		FY 2017-18
Departmental Budgets:		
Board of Commissioners	\$	116,850
Administration		582,330
VP Programs		376,598
VP Policy & Strategy		474,905
VP Integration & Learning		700,935
Communications		1,213,551
Contract Administration & Purchasing		1,014,907
Executive		1,498,485
Facilities Management		885,400
Finance		1,413,996
Human Resources & Talent Mgmt.		1,311,259
Information Technology		1,238,142
Salary & Benefits*:		
Communities		275,170
Community Relations		206,962
Early Care & Education		262,830
Family Supports		208,045
Health-Related Systems		205,710
Integration & Learning		233,859
Measurement, Learning & Evaluation		239,906
Public Policy & Government Affairs		268,289
Strategic Partnerships		288,872
Total FY 2017-18 Administrative Budget	\$	13,017,001
Total FY 2017-18 Operating Budget		21,614,104
Total FY 2017-18 Program Budget		123,259,000
Total FY 2017-18 Budget	\$	144,873,104
Administrative Cost Percentage		8.99%
* Directors and Administrative Assistants Only		

FY 2017-18 Draft Budget

Budget & Finance
Committee Meeting

May 24, 2017

1ST  LA
first 5 la
Giving kids the best start



Objectives

1. Budget Overview

2. Budget Changes

a) Impact to Administrative Cost
Limit

3. Next Steps

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Budget Highlights

- Overall decrease of \$2.1 million or 1.4%
- Increase of \$5.2 million (6.0%) to support the 2015-2020 Strategic Plan
- Decrease of \$7.7 million (19.4%) in Legacy Resources
- Net decrease of \$2.5 million (2.0%) in total programs budget
- Increase of \$378,946 (1.8%) in support of Operating resources

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FY 2017-18 Budget Summary

BUDGET CATEGORY	Draft Proposed FY 2017-18 Budget (May 2017)	Final Proposed FY 2017-18 Budget (June 2017)	Variance
Program			
<i>2015-2020 Strategic Plan: Focusing for the Future</i>			
a. Strategic Plan Priority Outcome Areas	\$ 74,683,000	\$ 74,617,000	\$ (66,000) -0.1%
b. Strategic Plan Related Investment Areas & Support Costs	10,366,000	10,441,000	75,000 0.7%
c. Integration & Learning	6,153,000	6,377,000	224,000 3.6%
<i>Total 2015-2020 Strategic Plan</i>	\$ 91,202,000	\$ 91,435,000	\$ 233,000 0.3%
<i>Legacy Investments</i>	31,809,000	31,824,000	15,000 ⁴⁵ 0.05%
Total Program	\$ 123,011,000	\$ 123,259,000	\$ 248,000 0.2%
Operating	21,282,675	21,614,104	331,429 1.6%
TOTAL BUDGET	\$ 144,293,675	\$ 144,873,104	\$ 579,428 0.4%

Budget Changes

Reasons for budget changes fall under two categories:

1. New data available to inform budget development (\$510,428 increase)
2. Delay in current year activity (\$69,000 increase)

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Budget Changes from Draft

INITIATIVE	PROGRAM	DRAFT FY 2017-18 BUDGET (MAY)	CHANGE	FINAL FY 2017-18 BUDGET (JUNE)	% CHANGE	REASON FOR CHANGE	EXPLANATION OF CHANGE
Families Strategy 1 - Home Visiting	Welcome Baby Hospitals	\$ 9,706,000	\$ 15,000	\$ 9,721,000	0.2%	ND	Additional resources are required to host events and tours highlighting Welcome Baby Hospitals, with key partners and policymakers. The cost for each event varies depending on size and scope, with some events hosting 100+ participants. This amount would support roughly 3 to 4 events. Funds for these activities were housed within the Policy Agenda/Advocacy - Strategic Plan Advocacy Strategies program in FY 2016-17.
Families Strategy 1 - Home Visiting	Stronger Families Database	855,000	(75,000)	780,000	-9%	ND	Adjustment is based on updated actual activity and anticipated need to support and continue the build-out of the Stronger Families Database in FY 2017-18.
Communities Strategy 1 - Community Leadership & Collaboration	Community Partnerships	10,721,000	(206,000)	10,515,000	-2%	ND	The adjustment is the net result of an increase in communications support, an increase in logistical support for 13 of the 14 Best Start Communities, and a decrease in the average BSF grant amount.
Communities - Cross-Strategy Investments	Capacity Building & Learning	3,154,000	147,000	3,301,000	5%	ND	The revised estimate accounts for a full year of note-taking support (an increase from 8 months proposed in the original budget). The additional resources also account for additional time for CSPP management to participate in planning meetings with First 5 LA to prepare the partnerships for the transition to the new structure. These adjustments result in an overall increase in the Center for the Study of Social Policy (CSSP) contract.
ECE Strategy 1 - Policy/Advocacy	Kindergarten Readiness Assessment	714,000	53,000	767,000	7%	ND	An increase is required to appropriately support the piloting of a KRA tool in up to three communities in LA county and also support communities that are already implementing KRA.
Policy & Strategy - Emerging Opportunities	Emerging Opportunities - Policy & Strategy	-	75,000	75,000	100%	ND	Based on Commissioner feedback, resources are being included to respond to emerging needs or unanticipated opportunities when identified to align with the organizational direction and strategic plan. Funds will address issues that fall under the purview of the Policy & Strategy Division, such as immigration.
Integration & Learning - Emerging Opportunities	Emerging Opportunities - Integration & Learning	-	50,000	50,000	100%	ND	Based on Commissioner feedback, resources are being included to respond to emerging needs or unanticipated opportunities when identified to align with the organizational direction and strategic plan. Funds will address issues that fall under the purview of the Integration & Learning Division, such as work to connect county data sources.
Baby Friendly Hospitals	Baby Friendly Hospitals Project - Cycle 3	5,000	15,000	20,000	300%	D	Resources from FY 2016-17 are being carried-over into FY 2017-18 in order for the grantee to complete the activities identified in the scope of work. No new/additional resources are being requested.
Program Evaluation	Professional Development Program Evaluation	-	54,000	54,000	100%	D	Resources from FY 2016-17 are being carried-over into FY 2017-18 to complete activities originally scheduled for FY 2016-17, resulting in a need to extend the contract period. No new/additional resources are being requested.
Program Evaluation	Welcome Baby Impact Study	1,446,000	120,000	1,566,000	8%	ND	In FY 2017-18, the Family Strengthening Learning Agenda will be fully ramped up and will require ongoing guidance to address key decision points throughout the process. In addition, the countywide efforts to enhance and expand home visiting will highlight additional learning questions, pilots and protocol tests that will require continuous quality improvement and other forms of study.
INTERNAL OPERATIONS							
Finance	Consultant Fees	75,000	15,000	90,000	20%	ND	Additional project implementation funds are needed to ensure the completion of the Chart of Accounts Financial Reengineering which is anticipated to continue through July 31, 2017.
Family Support	Personnel Services	1,329,424	175,697	1,505,121	13%	ND	Identified need and request for additional Temporary Program Supports staff to help advance the activities and work within the Families outcome area
Family Support	Consultant Fees	-	120,000	120,000	100%	ND	Resources will support two consultants: one who will focus on programmatic guidance of evaluation activities and another who will contribute to the development of a data dashboard in support of the home visiting investment.
Communities	Personnel Services	2,537,541	20,731	2,558,272	1%	ND	The salaries for three vacant PO positions were adjusted slightly upward
Total			\$ 579,428				

Impact to Administrative Cost Limit

\$13.0 million or 8.99% of the total proposed FY 2017-18 budget

- ACL decreased from 9.01% to 8.99% of the FY 2017-18 Budget
- First 5 LA continues to have among the lowest percentage, with rates across all County Commissions ranging from 7.67-25% of spending

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GASB 54 (Fund Balance)

- As part of the annual budget process, staff presents projected fund balance categories to the Commission for review.
- This provides the Commission a regular opportunity to review and approve existing commitment levels.

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Fund Balance Categories

As defined by the Fund Balance Policy:

Nonspendable: 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.

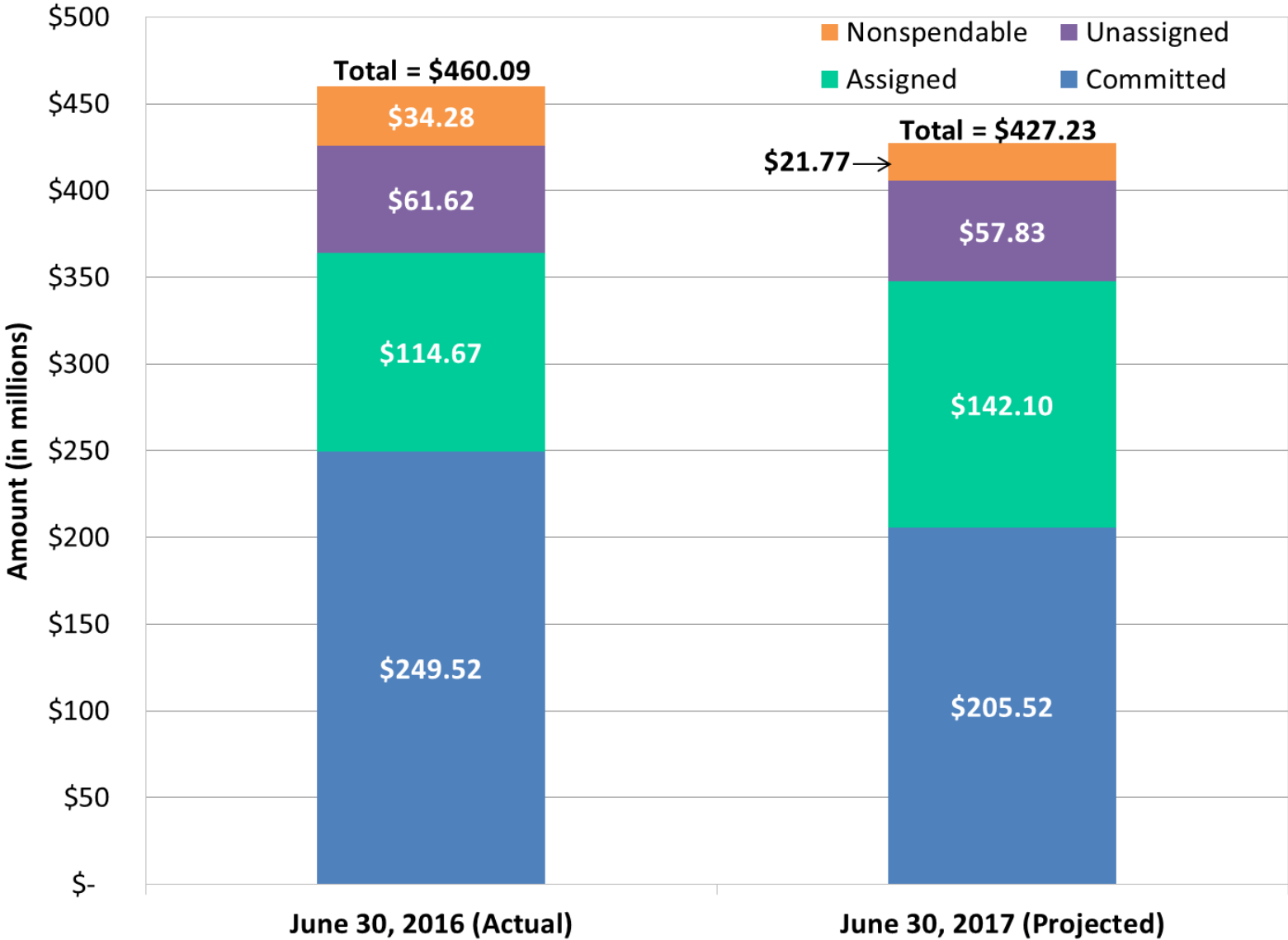
Committed: Funds allocated for a specified purpose and directed by the Commission via Resolution. The Commission must adopt another Resolution to reappropriate these funds for other purposes.

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Assigned: Funds are reserved for Commission use consistent with the 2015-2020 Strategic Plan.

Unassigned: Funds designated for the Operating Budget and Reserve.

Fund Balance Projections



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Request for Approval – Resolution

For approval by the Commission in June 2017:

1. Total FY 2017-18 Budget of \$144.9 million
 - Attachment A – FY 2017-18 Budget Summary
2. Reaffirmation of GASB 54 Commitments
 - Attachment E – GASB 54 Fund Balance Presentation
3. Redirection to Assigned Fund Balance
 - \$1.5 million projected remaining balances related to ended/ending initiatives
4. Fund Balance Reserve
 - 25% of the total FY 2017-18 Budget (\$36,218,276)
5. Administrative Limit for FY 2017-18
 - Attachment A – Administrative Limit Calculation (\$13.0 million, or 8.99%)
6. Establish Capital Project Fund
 - Resolution - approximately \$7 million (resources garnered from unspent operating budget funds - \$3.7 million from FY 15-16 and \$3.3 million from FY 16-17)

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Board Engagement/ Next Steps

- **April 26, 2017– Budget & Finance Committee**
 - Overview and discussion of Draft FY 2017-18 Budget
- **May 3, 2017– Executive Committee**
 - Discussion of FY 2017-18 proposed operating costs
- **May 11, 2017– Commission Meeting**
 - Informational Item: Overview and discussion of the Draft FY 2017-18 Budget
- **May 24, 2017– Budget & Finance Committee**
 - Review changes to the FY 2017-18 Budget based on:
 - a. Commission Feedback
 - b. Updated information/direction
- **May 25, 2017– Program & Planning Committee**
 - Discussion of FY 2017-18 proposed programmatic costs
- **June 8, 2017 – Commission Meeting**
 - Action Item: Final FY 2017-18 Budget presented for Board Approval

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QUESTIONS?

