

AGENDA

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

Budget & Finance Committee Chair: Robert Byrd

**Thursday, September 27, 2018
1:00 PM**

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



ASPOSE

Your File Format APIs

1. **ACTION**
Call to Order / Roll Call
- **Karla Pleitez Howell, Committee Vice Chair**

2. **INFORMATION** **4**
Review Program & Planning Committee Meeting Transcript – June 28, 2018
- **Karla Pleitez Howell, Committee Vice Chair**

3. **ACTION** **90**
Birth Disparities Outcomes Update:
- **Lindsey Angelats, Senior Strategic Advisor**
 - A. Approval of Board Resolution 2018-04 to Accept Receipt of Funds in the Amount of \$150,000
From the University of Utah (Pritzker Children’s Initiative) and Authorize the Executive Director
to Complete Execution of Agreement Upon Approval from the Board for a Period Beginning
Retroactively September 4, 2018 and Ending August 14, 2020
 - B. Approval of Recommended Agreement with Growth Mindset Communication, Inc. for an Amount

COMMISSIONERS

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

EX OFFICIO MEMBERS

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

EXECUTIVE DIRECTOR

Karla Pleitez Howell

EXECUTIVE VICE PRESIDENT

John A. Wagner

A PUBLIC ENTITY

	Not to Exceed \$310,000 for a Period Beginning Retroactively September 4, 2018 and Ending August 31, 2020 Growth Mindset Communications to Address Birth Outcome Disparities (Pritzker Children’s Initiative) and Authorize the Executive Director to Complete Execution of Agreement Upon Approval from the Board for a Period Beginning Retroactively September 4, 2018 and Ending August 14, 2020	
4.	INFORMATION Telling the First 5 LA Impact Story - Armando Jimenez, Director, Measurement, Learning & Evaluation - Steven LaFrance, Founder and CEO, Learning for Action	104
5.	INFORMATION Review Proposed Strategic Plan Refinement Process for 2019 - Christina Altmayer, VP of Programs	121
6.	Break	
7.	INFORMATION Review Draft of the Comprehensive Annual Financial Report (CAFR), Including the Independent Auditor’s Report for the Fiscal Year Ending June 30, 2018 - Raoul Ortega, Finance Director - Sharareh Motamed, Staff Accountant - Roger Alfaro, Partner, Vavrinek, Trine, Day & Co. (VTD)	152
8.	INFORMATION Information, Resource and Referral Inquiry Update and Waive Governance Guidelines #7 and #9 to Request to Extend Strategic Partnership with Information and Referral Federation of Los Angeles dba 211 Los Angeles County and Authorize First 5 LA Staff to Complete the Contract Amendment - Tara Ficek, Director, Health Systems	231
9.	INFORMATION Health Outcome: Early Identification and Intervention-Help Me Grow Strategy Development - Cristina Peña, Senior Program Officer, Health Systems - Krystal Green, Program Officer, Health Systems - Alexandra Parma, Program Officer, Health Systems	256
10.	INFORMATION 2017-2018 Annual Report to First 5 California (State Commission) - Armando Jimenez, Director, Measurement, Learning & Evaluation	280

11. **INFORMATION**

Public Comment (For items not on the agenda)

12. **ACTION**

Adjournment



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MEETING OF FIRST 5 LOS ANGELES PROGRAM AND PLANNING

Thursday, June 28, 2018

750 North Alameda Street, First Floor

Los Angeles, California 90012

REPORTED BY:
HEATHERLYNN GONZALEZ
CSR #13646

1 Thursday, June 28, 2018; Los Angeles, California

2 1:32 p.m.

3 -oOo-

4 COMMISSIONER ABDO: Well, I think we're ready to
5 start. I know it's unsettling to be in a different chair,
6 but everyone who is, and just let's acknowledge there's
7 this -- this change. It's temporary because I'm -- I'm
8 acting as committee chair. That's what it says here. So
9 going to make me be closer.

10 Okay. So I call us to order and can we have a
11 roll call.

12 MS. BELSHE: I think we just go around the table
13 and introduce.

14 COMMISSIONER ABDO: We'll go around. And this
15 includes not only people who are around this table, but
16 everybody in the room say who you are and what your
17 affiliation is.

18 I'm Judy Abdo. I'm the acting committee chair
19 today.

20 COMMISSIONER TAYLOR: Romalis Taylor,
21 commissioner.

22 COMMISSIONER MARTINEZ: Yvette Martinez,
23 commissioner.

24 COMMISSIONER ARAGON: Linda Aragon, alternate
25 commissioner for the Department of Public Health.

1 MS. ALTMAYER: Hi. Good afternoon, Christina
2 Altmayer with First 5 LA.

3 MS. TRAN: Christine Tran with First 5 LA.

4 MS. RAMIREZ: Jocelyn Ramirez with First 5 LA.

5 MS. SANCHEZ: Leticia Sanchez with First 5 LA.

6 MR. GAYDEN: Carl Gayden with First 5 LA.

7 MR. STEELE: Craig Steele, legal counsel.

8 MR. WAGNER: John Wagner, First 5 LA.

9 MS. PATTILLO-BROWNSON: Kim Pattillo-Brownson,
10 First 5 LA.

11 MS. PINEDA: Daniela Pineda, First 5 LA.

12 COMMISSIONER THOMPSON: Chris Thompson with DMH.

13 MS. BELSHE: Kim Belshe, First 5 LA.

14 SPEAKER: Brittany Smith with O'Hare and
15 Associates.

16 SPEAKER: (Inaudible), First 5 LA.

17 SPEAKER: (Inaudible), First 5 LA.

18 SPEAKER: (Inaudible), First 5 LA.

19 SPEAKER: Lee Worbell, First 5 LA.

20 SPEAKER: (Inaudible), First 5 LA.

21 SPEAKER: (Inaudible), First 5 LA.

22 SPEAKER: (Inaudible), First 5 LA.

23 SPEAKER: (Inaudible), First 5 LA.

24 SPEAKER: Reena Johns, First 5 LA.

25 SPEAKER: (Inaudible), First 5 LA.

1 SPEAKER: (Inaudible), First 5 LA.

2 SPEAKER: (Inaudible) Gonzalez, First 5 LA.

3 SPEAKER: (Inaudible), First 5 LA.

4 SPEAKER: (Inaudible), First 5 LA.

5 SPEAKER: (Inaudible), First 5 LA.

6 SPEAKER: (Inaudible), First 5 LA.

7 SPEAKER: Nancy (inaudible). I'm here
8 representing the Pomona School District.

9 SPEAKER: (Inaudible), YMCA.

10 SPEAKER: (Inaudible), for Early Childhood
11 Investment.

12 SPEAKER: (Inaudible).

13 SPEAKER: (Inaudible).

14 SPEAKER: (Inaudible), First 5 LA.

15 SPEAKER: (Inaudible), Child Care Resource
16 Centers.

17 SPEAKER. (Inaudible).

18 SECRETARY: Linda Vo, First 5 LA.

19 SPEAKER: Karen Valencia, First 5 LA.

20 THE REPORTER: Heatherlynn Gonzalez,
21 stenographer.

22 COMMISSIONER ABDO: Okay. Now we know who's
23 here. And we will go to Item Number 2, which is review
24 program and planning committee meeting transcript.

25 Does anybody have any concerns, questions about

1 the transcript? If not, let's have a motion to accept it.

2 COMMISSIONER TAYLOR: I move that we accept it.

3 COMMISSIONER ABDO: Is there a second?

4 COMMISSIONER MARTINEZ: Second.

5 COMMISSIONER ABDO: Okay. Anyone not agree with
6 that? Okay. We'll go to Item 3, families outcomes. Who
7 is in charge of us here?

8 MS. SANCHEZ: Good afternoon, board of
9 commissioners, executive team, staff, and audience.

10 My name is Leticia Sanchez, senior program
11 officer in the family supports department, joined by
12 program officers Christine Tran and Jocelyn Ramirez.

13 We're here to provide you an update on our family
14 engagement strategy work. So today we are providing you
15 with an overview of the family strategy 2 portfolio. And
16 our objectives today include a review of how First 5 LA
17 engages with families through our current investments. We
18 want to demonstrate effective approaches for engaging
19 families through a success story and overview of Abriendo
20 Puertas, provide with you a Project DULCE update and
21 recommendation to amend strategic partnerships, and also
22 next steps to request board approval of today's
23 recommendation at the July commission meeting.

24 I will be providing you an overview of the family
25 strategy two portfolio. The component of family

1 engagement is not new and very well an integral part of
2 all of our work as a grant-making organization. Family
3 supports is made up of two strategies. Strategy one is
4 comprised of the home visiting, which you are familiar
5 with. Strategy two concentrates on the intended outcome
6 to improve the capacity of ECE health-related providers to
7 engage parents and caregivers in supporting their child's
8 development. It is the intent to partner with trusted
9 partners through existing platforms to pilot and promote
10 the scale of evidence-based caregiver engagement which
11 aims to increase the protective factors in ECE and
12 health-related settings. Our partners are the highly
13 trusted by community members and families.

14 As you can see through this slide, today we will
15 focus on two strands of work, Abriendo Puertas and Project
16 DULCE, but I do want to highlight that we also have the
17 engaging fathers investment. We're part of the family
18 enragement learning community with the LA Partnership for
19 Early Childhood Investment. Additionally, we carry legacy
20 investments like Little By Little and partnership with
21 Women, Infants and Children, also known as WIC, and
22 Parent-Child Interaction Therapy in partnership with the
23 Department of Mental Health and UC Davis. Collectively,
24 these investments will inform the agency and help to shape
25 our family engagement approaches in grant making.

1 The next slide aims to highlight family
2 engagement as a continuing stream of opportunities.
3 Developed by the Center For the Study of Social Policy,
4 the ripples of transformation toolkit aided strategy two
5 to -- aided the strategy two team of families to be more
6 intentional about family engagement and seek out
7 opportunities. We acknowledge that parents are their
8 child's best advocate and first teacher. In this slide,
9 the circle represents the family engagement approaches
10 that influence parental engagement with their children.
11 And as parents navigate opportunities to learn about their
12 child's development, we also see that there is a space for
13 parents to contribute to programs and services to
14 continuous quality improvement. Additionally, as program
15 refinement moves on, there is also the opportunity for
16 families to develop additional skills which may also spark
17 their interest in leading and advocating in the system.

18 How do we make that happen? At its core this
19 illustrates the significant areas of family engagement.
20 As a whole, family engagement can be recognized across
21 First 5 LA's four outcome strategies within the programs
22 division and beyond. We have provided examples of these
23 as illustrative. However, how can we do this as an
24 organization to learn more from the field.

25 Here you'll see that the families supports

1 department does their own work in terms of home visiting
2 and client-centered approaches. You can also see that it
3 happens in ECE systems through the work that we have done
4 with KRA and other opportunities that they have taken.
5 I'm not going to spend too much time on this slide because
6 you can really take that from reading, and I want to enjoy
7 the time we're spending also with the work that we're
8 going to be presenting from Abriendo Puertas and Project
9 DULCE.

10 So how does First 5 LA connect to broader family
11 engagement efforts? As you can see listed, we wanted to
12 ensure that we conducted an analysis of the philanthropic
13 field, federal field, and state/national field. At the
14 philanthropic level, First 5 LA is a member of the ECE
15 link or also Early Childhood Learning and Innovation
16 Network for communities which is developed by and for
17 communities with the intent to support families and
18 improve results for young children in communities across
19 the country with the focus on accelerating the development
20 of effective integrative local early childhood systems.

21 Additionally, we formed part of the LA
22 Partnership for Early Childhood Investment in the Family
23 Engagement Learning Community. The purpose of the
24 community is to create intentional time and space for
25 action-oriented learning and field building among

1 public-private funders with the ultimate goal of
2 strengthening family engagement approaches, practices,
3 policies, and systems in early childhood settings
4 throughout LA county.

5 We also looked at making federal level
6 connections to ensure we aligned with federal trends where
7 we learned about the joint family engagement policy
8 statement from the U.S. Department of Health and Human
9 Services and U.S. Department of Education.

10 At the state and national level, First 5 Alameda
11 and CSSP, or the Center for the Study of Social Policy,
12 developed the ripples of transformation. And while this
13 framework is geared toward direct service organizations,
14 we quickly learned to date there is little, if any,
15 literature or guidance on responsive family grant --
16 family engagement grant making.

17 At this time, I will be turning this over to
18 Christine Tran, program officer, who will provide with you
19 more context.

20 MS. TRAN: Thank you. In light of our current
21 investments as outlined, our team is actively reimagining
22 systems and policy change in grant making because a
23 solution isn't about changing families, but it's about
24 improving systems to support them better. Through our
25 efforts, an existing effective practices in the field, we

1 have identified three areas that enhance family engagement
2 programs: First, incorporating family voice where
3 families are not just seen, but also heard. Second,
4 family-centered approaches where families are not just
5 clients, but stakeholders in shaping and informing
6 programs. And last, diverse settings where families
7 gravitate towards providers they trust. Understanding
8 this relationship in particular is key to supporting both
9 providers and the families to better be engaged with one
10 another. And as you can see in the slide, here's a visual
11 that highlights this effective engagement in this little
12 box diagram right here.

13 So when organizations and providers mitigate
14 subtractive spaces served with authentic care, incorporate
15 intergenerational approaches, provide a leadership
16 continuum, families will have their needs met, access to
17 applied leadership opportunities, as well as be able to
18 inform and improve programs, and ultimately have better
19 outcomes.

20 With that said, I wanted to take some time to
21 concentrate on the four concepts at the organization
22 provider level. These concepts, as you see in the
23 graphic, are best practices found in family engagement
24 research. To unpack this a little, subtractive spaces are
25 areas within our systems that make families feel

1 uncomfortable or sometimes feel less than. These spaces
2 can be mitigated though by authentic care, a relational
3 term that describes the respect that parents and
4 caregivers receive when they are acknowledged as leaders
5 in their homes and communities. And intergenerational is
6 an important concept as well because it's important for
7 providers to diversify this concept of caregivers and
8 families, like being inclusive of custodial and
9 noncustodial grandparents.

10 Lastly, a leadership continuum because family
11 engagement shouldn't end when the program ends. Families
12 have should the opportunity to apply their leadership and
13 advocacy skills in everyday life.

14 Our team's approach to responsive grant making
15 and management is informed by on-the-ground best practices
16 as illustrated across the slide. And together it creates
17 a bidirectional approach to grant making and systems
18 change. But the slide isn't just theory. We've seen this
19 practices in action through our strategic partnership with
20 Abriendo Puertas, which examines provider capacity and
21 family engagement efforts. Through this work we are
22 documenting ways in which families and caregivers are
23 informing systems of care and advocating for what they
24 need.

25 To further illustrate this, I'm going to talk a

1 little bit about a success story that we have from YMCA,
2 one of our partners in our work with Abriendo Puertas. As
3 part of our investment, the Y has implemented the Abriendo
4 Puertas curriculum at four sites in east LA, south LA,
5 Maywood, and Crenshaw to caregivers of Latino,
6 African-American, Asian and Pacific Islander, and Dutch
7 Caribbean decent. The Abriendo Puertas curriculum is
8 offered through a ten two-hour session program to promote
9 school readiness, family well-being, advocacy, and it
10 covers the protective factors in an accessible and
11 engaging manner.

12 Through Abriendo Puertas, the Y has generated
13 ideas in partnership with their communities to identify
14 community needs. So one particular example is actually
15 session 7 of the ten-session curriculum. Session 7 is
16 focused on mental health. And in this particular session
17 parents and caregivers explore ways to take care of
18 themselves in -- with a focus on mental health, but also
19 emotional well-being, as well as that of their child. So
20 during this particular session at the Y sites, parents and
21 caregivers expression interest in actually having mental
22 health services onsite. And in response to this, the Y
23 partnered with violence intervention program, a mental
24 health service provider, and is currently as we speak
25 offering onsite services to their east LA branch. This

1 partnership draws from DMH's funds under the community
2 outreach services efforts.

3 In addition, the Y has been responsive to other
4 needs of families and caregivers, including kindergarten
5 readiness and connecting the communities to applied
6 leadership opportunities like Best Start. All of this
7 came from the curriculum in itself because Abriendo
8 Puertas has provided a safe space to have this dialogue.

9 In looking ahead, there are promising connection
10 efforts like Help Me Grow.

11 Now that we've done a deep dive into the success
12 story, I'm going to zoom out to talk about our strategic
13 partnership with Abriendo Puertas. So overall the
14 strategic partnership is aimed towards strengthening
15 families through provider capacity building across diverse
16 settings by learning family engagement implementation
17 barriers and best practices. This fiscal year actually
18 wraps up the initial phase of our strategic partnership.
19 And during this time, Abriendo Puertas has trained and
20 provided technical assistance to 80 facilitators across 14
21 diverse partners, partnering organizations. And some of
22 these partners include the YMCA, Home Boy Industries,
23 LAUSD's Healthy Start, Youth Policy Institute, (inaudible)
24 and (inaudible) Promise.

25 Facilitators implemented program across 48 sites

1 across LA county. And through that, they were able to
2 serve 871 parents and caregivers.

3 The sites on -- to the right are mapped in three
4 categories. One is school sites. Second is nonschool
5 sites, like the Y. And the third category came up because
6 these were school and community partnerships, which are
7 programs implemented by nonschool entities at school
8 sites. This particular category highlights potential
9 pathways for schools to collaborate with nonschool
10 entities to conduct family engagement efforts in a more
11 inclusive way.

12 And as we move to our next phase in our strategic
13 partnership with Abriendo Puertas, we continue to identify
14 capacity issues as it relates to family engagement
15 efforts. For some partner, they are embarking on family
16 engagement for the first time. For some, they are
17 embarking on family engagement specific with a child
18 development lens. And then for other partners, they're
19 realizing that their family engagement efforts have been
20 more compliance based than relational. All in all, this
21 investment has created opportunities for partners to think
22 creatively about collaborations and resources,
23 specifically around also informing the local control
24 funding formula as family engagement is one of its eight
25 priority areas.

1 These efforts across -- crosses many departments
2 at First 5 LA, such as communities, health systems, and
3 ECE departments. And moving forward, the strategic
4 partnership will learn more from program facilitators and
5 organizations they represent as well as the families they
6 serve.

7 Already, we've been able to identify nuanced
8 needs of LA county families and caregivers, specifically
9 understanding the needs of indigenous non-Spanish speaking
10 Latinos, African-Americans, Asian Pacific Islander
11 communities.

12 Lastly, there has been very little research in
13 family engagement program implementation. Our strategic
14 partnership aims to develop an evidence-base to inform
15 educational and other organizational leaders to be more
16 intentional about family engagement efforts.

17 And that concludes my section of Abriendo
18 Puertas. I'll be moving the presentation along. my
19 colleague Jocelyn Ramirez will be presenting on Project
20 DULCE.

21 MS. RAMIREZ: Thank you, Christine. Good
22 afternoon, commissioners.

23 In keeping with our strategy to pilot and promote
24 the scaling of evidence-based parent/caregiver engagement
25 models that increase family protective factors in ECE and

1 health related settings, First 5 LA has partnered with the
2 Center For the Study of Social Policy, CSSP, to test and
3 replicate Project DULCE in seven sites across the U.S.,
4 three of which are here in LA county.

5 For many families the birth of a child is a very
6 joyous occasion, but it can also bring about many stresses
7 due in part to physical, social, emotional, economic
8 factors. If left unmitigated, these factors can be
9 barriers to a family's ability to thrive. DULCE aims to
10 support families through this transition by transforming
11 the way in which families experience the delivery of
12 supports and services from the moment their child is born
13 through collaborative efforts of pediatric, legal, and
14 early childhood system builders in the infant's primary
15 care medical home. These clinics bolster family strength
16 through structured coaching for parents, on infant
17 developmental milestones, proactively detecting and
18 addressing social determinants of health to mitigate toxic
19 stress, and with continuous quality improvement, CQI,
20 through the interdisciplinary team and family engagement
21 strategies.

22 On the slide you can see how these
23 interdisciplinary teams are structured. The DULCE
24 intervention brings together this interdisciplinary team
25 to meet families in a place free of stigma, the

1 pediatric's clinic on weekly case reviews and monthly
2 continuous quality improvement meetings just to name a
3 few. The DULCE team adds a family specialist with
4 specific developmental and parenting training, training
5 and concrete supports, screening, and resource provisions
6 and meeting families at all routine health care well-child
7 visits, supporting families based on parents' needs and
8 priorities with the option of providing home visits and --
9 at the parents' choice.

10 It also incorporates a medical-legal partnership.
11 So this legal partner provides training, direct
12 consultation, and assistance to the family specialist and
13 screening for concrete supports of basic needs and
14 identifying actionable legal issues.

15 The primary care provider also provides the
16 medical perspective and guidance as well as spreading any
17 systemic improvement across the clinic and clinic system.

18 The mental health leads provide reflective
19 supervision to the family specialist as well as support on
20 weekly case reviews. The clinic lead who assures that the
21 DULCE team members are well integrated into the medical
22 care home, also have everything they need to be
23 successful. And, finally, the early childhood lead who is
24 us, First 5 LA, is a deliberate partner in bridging to
25 community programs in LA county and supporting families in

1 diverse areas.

2 Lasting from birth to six, months Project DULCE
3 practically identifies and addresses families' unique
4 needs, including those of habitability and shelter or
5 other issues that may arise through collaborative problem
6 solving. This builds on family strengths and sets the
7 families up for success.

8 Since parents are the primary agents of change
9 within their families, their engagement and participation
10 in an aligned community approach to toxic stress is
11 critical. A true partnership with clients shifts from an
12 emphasis in improved meeting services for families to
13 improving services with families. And they are family
14 partners in shaping the design and implementation of the
15 intervention. In the continuum for engaging families and
16 service delivery through CQI, the goal is to include
17 families as integrated members of program improvement
18 processes. It is not an easy transition, but we are
19 already seeing the benefits of engaging families through
20 this leadership role. For example, in one of our Project
21 DULCE clinics, parents suggested that their positive
22 maternal depression screenings be linked to their own
23 medical record along with their infants. And the clinic
24 is now exploring ways for -- for the feasibility of making
25 this recommendation a reality because it is allows a

1 bridge to the parent's provider and also her infant's
2 pediatrician to support her and her family.

3 Chapin Hall at the University of Chicago is
4 currently evaluating Project DULCE as part of their
5 evaluating community approaches to preventing or
6 mitigating toxic stress study. And although the
7 evaluation is still underway, there are early learnings
8 from Project DULCE that we'd like to highlight. Project
9 DULCE is accepted by families with virtually no one
10 declining participation. We have improved patient
11 retention with attrition usually due to moving. There's
12 also a decrease in no-show rates, which is supporting --
13 the clinics reporting an increase in reimbursements. And
14 also an improvement in staff morale while reducing
15 burnout. The inclusion of a medical-legal partner has
16 also been significantly instrumental in supporting medical
17 coverage and retention and prevention of legal issues such
18 as eviction.

19 We are also learning that there may be different
20 levels of readiness to implement and sustain Project
21 DULCE. Saint Johns, one of our clinic partners, while
22 very much in support of the DULCE model, at this time they
23 do not have the institutional or provider capacity to
24 continue to contribute to this project. Our other two
25 clinics, Northeast Valley Health Corporation and the

1 Children's Clinic, are ready and willing to expand the
2 DULCE learnings to additional clinic sites within their
3 clinic entity to test and spread the systemic learnings
4 with the support and technical assistance of the Center
5 for the Study of Social Policy.

6 As such, we will be seeking approval at the July
7 commission meeting requesting to amend our current
8 strategic partnerships with the Children's Clinic and
9 Northeast Valley Health Corporation to fund the expansion
10 of two additional clinics to further learning and test of
11 the Project DULCE model through June 30th of 2020. As we
12 continue testing and pilot the Project DULCE model, First
13 5 LA in partnership with First 5 Alameda and the
14 Children's and Families Commission of Orange County are
15 working collectively to explore funding streams and policy
16 opportunities in California as well as mechanisms to
17 partner with other funders, managed care plans, and
18 community clinic associations.

19 Project DULCE can be viewed as a quality
20 improvement and systems change intervention and supports
21 goals for patient-centered care and supports
22 self-navigation which can be further explored as we
23 transition from piloting and replication of Project DULCE
24 to seeding the scaling and sustainability of Project DULCE
25 potentially in communities of higher need.

1 As we take your questions and comments on our
2 presentations, we'd like to introduce you to -- the first
3 picture has my two loves, my son Caleb who's one and Mia
4 who is four, and my nieces Sophie and Tegan.

5 MS. SANCHEZ: And Alva Sanchez.

6 COMMISSIONER ABDO: Okay. Let's see if there are
7 any -- let's see if there are any specific questions, and
8 then we have member of the public who would like to speak
9 and then we can have a conversation.

10 Are there any questions? Okay.

11 COMMISSIONER ARAGON: Real quick. You said you
12 were going to add two new clinics.

13 MS. SANCHEZ: That's correct.

14 COMMISSIONER ARAGON: How many families would
15 that serve?

16 MS. RAMIREZ: The clinics approximately will
17 serve 200 patients per clinic.

18 COMMISSIONER ARAGON: Patients, not families?

19 MS. RAMIREZ: Families. They see the whole
20 family, but the patient is the infant.

21 COMMISSIONER ARAGON: Go it. Thank you.

22 COMMISSIONER ABDO: All right. Casey Patterson.
23 We try to make it easy for you.

24 SPEAKER: Good afternoon, everyone. I want to
25 just say hello, commissioners, staff, partners and guests.

1 Speaking of family engagement, I feel like I'm at a family
2 reunion. I'll just speak up if I need to.

3 You know, seeing so many familiar faces, I feel
4 like I've got cousins and aunties and all the like in
5 here. And, you know, you see cousins and aunties that
6 you've never met before. So it's good to be here this
7 afternoon.

8 I'm really just here on behalf of the LA
9 Partnership to just, one, reiterate what your staff has
10 shared in terms of our work together around family
11 engagement over the past few years and also just to say
12 thank you and to continue to encourage your leadership in
13 this respect. You know, one of the roles of the LA
14 Partnership is to really -- we're a public-private
15 partnership, so we really look at ways that we can
16 catalyze sort of system supports. And we know that one of
17 the ways -- one of the primary ways as you see described
18 here that we can help lift families out of poverty and
19 really put them on a path to self-sustainability and
20 economic stability is to really begin to start to
21 decolonize information and decolonize access to resources
22 and supports in a way that really puts them at the center
23 of the decision making, really honors their dignity,
24 really honors their capacity for self-determination in our
25 society. So the work that you all are doing here I think

1 is just exemplary of that in that it requires an
2 integrated set of approaches in order to do that well.
3 You know, so often systems are not incentivized actually
4 to work together, but really are incentivized to be in
5 silo. So the inertia of that often creates bifurcation
6 and really families suffer as a result. And just wanted
7 to thank you for pushing the envelope and really making
8 sure that the work that you're doing here is really
9 fostering a sense of not just really pushing the envelope
10 and helping systems to become more purposeful and
11 intentional about the ways in which they support families,
12 but also modeling that as an organization. So really
13 important.

14 Just a couple of things I wanted to just share
15 specifically. I think that Leticia mentioned that we have
16 been convening the family engagement learning community,
17 which is for a set of funders. So we're really excited
18 that First 5 LA has been a partner in that respect. And
19 also helping to really build a field of practice to sort
20 of have some common norms around how we evaluate family
21 engagement at a systems level. We're also excited to
22 explore -- we've been a collaborative partner. We've been
23 co-funding the home visiting consortium for the past
24 couple of years and so we know that that work is going
25 well. and we'll continue to be a beacon in not only

1 Los Angeles but, hopefully, the state and ultimately the
2 nation.

3 COMMISSIONER ABDO: Sorry. Your two minutes are
4 up. Do you want to just kind of draw it to a close?

5 SPEAKER: I'm sorry. I will drive it home and
6 bring it in for a landing right now.

7 Finally, I just wanted to share that in 2019,
8 we're exploring the possibility of actually co-funding and
9 co-hosting a family engagement learning summit in
10 partnership with First 5 LA. So more to come on that.

11 Thank you for your leadership, your thought
12 partnership, and for just continuing to be good old family
13 friends.

14 COMMISSIONER ABDO: Thank you very much.

15 All right. Commissioners, comments?

16 Okay. I have one I guess comment slash question.
17 Could someone talk about how Help Me Grow will connect
18 with the programs that we've heard about today?

19 MS. SANCHEZ: I'll go ahead and take that. So
20 thank you very much for your question because, as part of
21 the work that we have been doing internally and analyzing,
22 we've been very deliberative about ensuring that we are
23 making connections to our internal work.

24 So the family engagement work really does come
25 through the work of Help Me Grow because there is

1 exploration of developing a parent advisory council around
2 it. So families are going to be contributing to potential
3 -- not decision, but programmatic elements in terms of
4 what they're going to be doing moving forward.

5 Now, the other work that's happening right now
6 with home visiting, obviously, the patient-centered
7 approach is one of the items that comes through all the
8 time because parents really are leading the way that they
9 are receiving services. And particularly of interest, the
10 Help Me Grow information that cuts through Abriendo
11 Puertas when families understand that there is a
12 collective effort to provide supports to families,
13 Abriendo Puertas is one way that families can get
14 connected to those services. And in addition -- and I'm
15 going to throw in a legacy investment for example from the
16 Department of Mental Health with parent-child interaction
17 therapy. They're also creating connections to Help Me
18 Grow. So as the system is being built, we are being very
19 intentional about ensuring that all of those connections
20 are made through all of our investments.

21 I hope that that answers your question.

22 COMMISSIONER ABDO: Yes, it does. Thank you very
23 much.

24 Other comments or questions? Romalis.

25 COMMISSIONER TAYLOR: I'm intrigued by your

1 design diagram on Page 133, which the Project DULCE
2 interdisciplinary team approach that you finally --
3 somebody's tying together health, mental health,
4 education, and all these things around the family, that
5 this issue of families and these services being provided
6 in silos should be over, the idea of how do we integrate
7 them because that's where it's really going. And I -- I
8 really appreciate you guys leading this effort, this
9 interconnection. And your outcomes are outstanding
10 because those are the keys to sustaining this and getting
11 the state and the feds and everybody and schools and
12 everyone else to understand how we need to team together
13 for the best benefit of families. So this -- this is
14 really good. Thank you.

15 COMMISSIONER ABDO: Okay. Any last words?

16 All right. Then we will move on. To Item Number
17 4, capitol improvement plan. I just want to say that the
18 exec met for a more in depth discussion of this, And this
19 is coming to this group and then it's coming again to the
20 board. So there are many opportunities here for input.
21 And I -- I would say one of the major things that the exec
22 brought up was environmental issues.

23 Yvette, do you want to say what we kind of said?

24 COMMISSIONER MARTINEZ: We just had not really
25 questions but comments on environmental sustainability,

1 things like changing the current toilets for more energy
2 efficient water purposes. We saw something -- there were
3 solar automated lights turning on and off, things like
4 that that I -- that we felt like that would improve the
5 overall system and reduce our climate and footprint,
6 basically. So we covered a lot of them.

7 COMMISSIONER ABDO: Okay. So then I will turn
8 this over to John.

9 MR. WAGNER: Great. Thank you. Good afternoon,
10 commissioners.

11 What I will do is give you an overview of the
12 capitol improvement project. And this is Item 4 in the
13 board book. Just for context, First 5 LA is the owner of
14 this building, and we moved in this building in about
15 2005. So we're almost 14 years old. And we've never
16 really put aside resources to upgrade this facility. So
17 we are bringing forward some latest thinking on what is
18 needed to improve the facility and also fund the long-term
19 care of this asset that we have here at First 5 LA.

20 You'll recall that back as part of the budget
21 process in June of 2017, the board did put aside something
22 called a capitol improvement fund, and it was roughly \$6.9
23 million in a fund that was identified through two years of
24 underspending in our operating budget. And this \$6.9
25 million was not only set aside by the board, but in the

1 resolution that -- setting those funds aside, you also
2 directed us to come back with a capital improvement plan.

3 So that's what we're doing here today. We're
4 bringing forward for your consideration, your questions
5 our best thinking on the capital improvement plan. And
6 we'll spend the next few minutes talking a little bit more
7 about the plan. Carl will walk us through the process
8 that we went through in order to inform this plan, I will
9 go through some cost categories, and then we'll talk about
10 next steps which, as Commissioner Abdo mentioned, will be
11 a touch point with the board, and then we'll open it up
12 for some questions.

13 Before I turn it over to Carl, I just do want to
14 acknowledge that this has been a very significant
15 administration division led project for the organization.
16 Carl has been the project manager, and really want to call
17 out his leadership. He's put together an amazing team
18 with resources out of contracts, out of finance, our
19 operational excellence manager, as well as a team of
20 consultants who are here to answer any specific questions
21 that you may have about this. So I really want to thank
22 Carl and the team for all the work they've done on this.

23 So with that, I'll turn it over to you, Carl.

24 MR. GAYDEN: Thank you, John. And good morning
25 -- good afternoon, commissioners.

1 As John mentioned, I'm going to provide a very
2 brief overview of the capital improvement plan. As our
3 interim chair mentioned, that we did go into a lot of
4 detail at lunch with the executive committee. So I want
5 to kind of cut back on my remarks.

6 With every capital project, there's a specific
7 process that occurs and a systematic and successful way to
8 move the capital project from the initial concept through
9 construction, completion, and then to move in. There's
10 definitely more detail in the capital improvement plan
11 itself as shared with the commissioners in the board
12 materials, but we generally categorize this project into
13 three broad categories: The planning and design phase,
14 the preconstruction phase, and the bidding and construction
15 phase. I will discuss a little bit more about those three
16 current phases we are undertaking.

17 The planning and design phase began in spring of
18 2017 with a series of planning sessions. First 5
19 contracted with the planning and design firm, Klawiter and
20 Associates, sitting over here to help create a work space
21 layout for the renovation project. Throughout the
22 planning and design phase, our design consultant worked
23 with First 5 to better understand its primary mission and
24 our core values. Our senior executive leadership team has
25 always been very clear from the beginning with the overall

1 vision of this capital improvement initiative. The goal
2 has been to align to the organization's new structure,
3 facilitate collaboration across the organization, and
4 reflect updated space planning, best practices, and our
5 longer-term needs.

6 With this ultimate goal in mind, Klawiter
7 moderated a series of meetings with each department within
8 all divisions to receive feedback which resulted in a
9 summary that was reviewed by the executive team. The
10 feedback informed the process and led to nine guiding
11 principles that shape our recommendations going forward.
12 The nine guiding principles were used to assist in our
13 decision making, space need evaluation, and our building
14 assessment efforts.

15 I will briefly walk you through some of these
16 principles. The first principle is how we control our
17 cost as a public entity. The second principle is how we
18 enhance collaboration given that collaboration is our
19 organizational-wide value and it's critical to how we do
20 our work. Managing -- maximizing consistency, given we
21 want to ensure we have the same look and feel throughout
22 our new building layout. How we accommodate our necessary
23 adjacencies and capture the adjacencies in critical needs
24 to work together that enhance productivity. Ensuring we
25 incorporate flexibility and how we adapt to our changing

1 needs. How we maximize the efficient use of the space to
2 get our work done. How our work space reflects our values
3 and contributes to our results. And how we incorporate
4 connectivity or audio and visual and technology
5 improvements that will bring us current and improve our
6 ability to utilize modern technology into how we get this
7 work done. This can include improvements like modern
8 videoconferencing, wire screen sharing, web host hosting,
9 live note taking. You can see I get really excited about
10 the technology potential. And, lastly, how we incorporate
11 the components of the design that will help us enhance and
12 support the communities we serve.

13 During the second phase of the preconstruction
14 process, First 5 procured and hired MARRS Services and
15 Construction -- they're also sitting over here -- to
16 assist us in managing this project from the beginning all
17 the way through construction and develop this proposed
18 capital improvement plan that's before you.

19 In addition, MARRS was asked to assist us with
20 construction assessments needed for our renovation
21 project. In early April 2018 MARRS performed a series of
22 inspections and assessments of our building and equipment
23 to inform our capital improvement plan. And these
24 assessments were inventoried and documented. And we also
25 looked at capital expenditures like evaluating the

1 conditions of our roof, HVAC systems, elevators, plumbing
2 and electrical systems, and our building envelope.

3 Based on their assessment and findings overall,
4 our building envelope is in good shape. However, there
5 are some items and conditions to our building and system
6 that have been identified beyond their useful life or need
7 updating. I'm going to walk you through just a couple of
8 examples of those. One it was brought to our attention
9 that our air handlers or our HVAC units, the units that
10 provide the building heat and air conditioning need to be
11 upgraded and replaced. Our current units are
12 approximately 14 years old and are outdated. And newer
13 systems include great things such as energy-reducing
14 features, filtration features, and us able to really
15 control the interior and exterior zones of our building.
16 And some of you might be aware of our internal
17 microclimates in different locations across the building
18 where it can sometimes be a little chilly like Iceland or
19 feel like you're on a tropical vacation in Jamaica.

20 Another issue that was identified in the
21 assessment was our building's electrical system and how
22 our facility does have a backup type or an emergency type
23 of system beyond basic code and our building systems lack
24 enough power to accommodate the basic power needed to
25 service our building and the new equipment. All this will

1 be addressed in the -- in the proposed capital improvement
2 plan.

3 It was also mentioned that -- in our assessment
4 that the information technology and AV systems throughout
5 the building needed to be upgraded with current
6 state-of-the-art cabling and other things to help our new
7 work stations.

8 MARRS then created category designations to
9 document and describe the CIP that John will walk you
10 through very shortly and provide cost estimates relative
11 to what we're seeking approval for.

12 The last phase in our CIP cycle which we haven't
13 entered yet but we will after this capital improvement
14 plan is approved, is the bidding and construction phase.
15 Since our project classifies as a public works project,
16 we'll have to go out to bid for all of our needs. Once
17 these initial steps are completed, we'll start the
18 construction and we'll definitely keep you informed of our
19 progress in the proposed plan as it gets approved.

20 I'm going to pass it back to John to walk you
21 through those category designations in the cost estimates.

22 MR. WAGNER: Thank you, Carl.

23 So what you see on the screen -- and these will
24 be enhanced screens after our renovation project.

25 COMMISSIONER ABDO: So you're going to make them

1 smaller?

2 MR. WAGNER: No. Larger.

3 So just to walk through the categories that Carl
4 mentioned, this was an attempt to try to pull together
5 some of the cost estimates for various aspects of the
6 renovation project. So the first row of costs is in
7 category A. And you'll see it described as the
8 renovation. And this is the bulk of the cost of
9 renovating the internal structure of our building. This
10 is mainly focused on the second and third floors, which
11 I'll talk about in a minute, but also includes
12 improvements to the first floor, including this room we're
13 in, the multipurpose room.

14 So as Carl mentioned, one of the design
15 principles was to come up with a common environment, a
16 common look feel for all staff working together across the
17 organization to reinforce we are an integrated entity,
18 we're an integrated organization. And for those of you
19 who might not have been upstairs on the third or second
20 floor, there's a very different look and feel between
21 those two floors. And part of that is due to the fact
22 that the second floor had been leased out for many years
23 to an outside -- another entity.

24 So a lot of the effort, a lot of the costs in the
25 renovation are to really reconfigure the second and third

1 floor office space, doing some of the enhancements that
2 Commissioner Martinez talked about as far as enhancing
3 energy efficiency for electrical work for the lighting,
4 bringing down a -- getting rid of a lot of the walls and
5 creating a lot more open and transparent space in both of
6 the floors.

7 As far as the first floor, some of the costs are
8 actually to reconfigure how we can use the space here in
9 the multipurpose room. And you'll see the furniture at
10 other end of the room is very fixed. And it's -- our
11 board meets there, obviously. You all are familiar with
12 that. But we can't move it to accommodate larger meetings
13 or conferences or things we might want to host in this
14 room. And part of the costs in category A would include
15 movable furniture so that we can be more accommodating to
16 those larger meeting needs as well as external partners
17 who would have an opportunity to better utilize this space
18 as well as our own internal needs.

19 The second category is category B. And this is,
20 as Carl walked us through it, a very high level
21 assessments. He did call out the fact we're at end of
22 life on a couple of our major systems, including the roof.
23 So this is really an example where over the years we have
24 not proactively maintained, we've reacted to crises,
25 including leaks and emergent repairs that were needed to

1 the roof. But we're very much at the end of the life of
2 the roof. So this would include the replacement of the
3 roof as well as a replacement of the HVAC air handling
4 system that is located on the roof.

5 Category C is a result of some work and
6 assessments done to look at that security of the building.
7 We here at First 5 LA are on a campus, a very public area
8 here at Union Station, and there's been a number of
9 security issues that have occurred over the last couple of
10 years involving staff as well as public in our -- on our
11 property. And so the site improvement cost would include
12 more secure fencing around aspects -- parts of our
13 property, including the parking lot. For example, right
14 now there's a partial fence. This would complete the
15 fencing. It would include improved lighting, things like
16 that that would increase and enhance security.

17 And then the final row is category D, which is a
18 solar photovoltaic system that would be located on the
19 roof in order to not only make our energy more green and
20 efficient, but would also look at how we can best utilize
21 storage for emergency purposes. One of the parts of the
22 assessment is we don't have any kind of emergency backup
23 when it comes to our energy or power supply. So as part
24 of this cost, we would undertake an energy audit that
25 would inform long-term how we could offset some of our

1 utility cost with the adoption and insulation of a solar
2 system as well as what options we might have in order to
3 do backup of solar energy in the event of a power outage
4 at campus at Union Station.

5 Those are examples of how those costs have been
6 categorized and estimated. And those total roughly 6.4
7 million.

8 Now, you'll -- you'll see the next line on this
9 slide is the 6.9 million, which is the amount of funding
10 that the board did put aside in the capital improvement
11 fund, the fund I had mentioned earlier that was done last
12 year. And we're also building in and heard commissioner
13 input on this, the need for a contingency. We've worked
14 with our consultants who inform us that industry standards
15 are roughly five to 15 percent of a project cost. We're
16 putting aside eight percent of a contingency fund, which
17 is the \$429,000, bringing a total estimated project cost
18 of just over 6.8 million.

19 One comment that I'd like to make before -- well,
20 first, I want to remind the board of what Carl mentioned
21 where the next phase of this is actually to build it out
22 -- bid it out. So these are actual estimates. These
23 aren't the actual costs. We will not know those until the
24 bid -- we get the bids in.

25 The second point I would like to make is the

1 footnote on this, which is, when the board put aside the
2 \$6.9 million, not only were we required to come back with
3 the capital improvement fund, we were also required to
4 come back with some thinking on how to take care of the
5 long-term needs of this asset. And so we -- in working
6 with our consultants, you know, an industry best practice
7 would be to budget that annually. And, roughly, it's two
8 to \$5 dollars per square foot of a commercial building
9 like hours. We do not have that all figured out or
10 estimated. Our recommendation and part of this plan
11 proposal would be that we do that as a proactive, ongoing
12 basis to part of the annual budget cycle. So you would
13 see like a subline item for preventive maintenance for the
14 facility come back to you as part of operating budget that
15 we would bring back to the board every year and you would
16 be able to consider it through that process.

17 Just maybe moving on to the final slide and
18 calling out the next tax steps. As Commissioner Abdo
19 mentioned, this is going back to the board. Our intent is
20 to bring this back to the board in July on consent. There
21 is a resolution that is drafted and the resolution, if
22 approved, would basically do the following five things:
23 First of all, it would approve the capital improvement
24 plan which is in the budget materials here. It would
25 recommit the 6.9 million you already set aside in the

1 capital improvement fund. It would further authorize us
2 to draw or expend the dollars from that fund. And it
3 would waive our First 5 LA procurement policy that would
4 allow us to piggy back or -- to join other public entities
5 that have done public solicitations; and in so doing,
6 would allow to us leverage our better buying power,
7 economies of sale if we're doing purchases like things
8 like AV equipment or furniture, and other public entities
9 have an open solicitation for that. And so this is
10 something that gives us that flexibility.

11 Furthermore, you would authorize staff to execute
12 these agreements. And as Carl mentioned, in working with
13 legal counsel, Craig's office and his team, we're being
14 guided by the fact this is a public works project, part of
15 the public contracts code. So some of these -- some of
16 these contracts are required by law to come back to the
17 governing entity or the board. So we would -- this -- the
18 language would allow us to execute those agreements where
19 we have the authority to do so, but come back to the board
20 as required by state law where those contracts would have
21 that requirement.

22 And the final action and resolution would really
23 be to direct us to build in this preventive --
24 preventative maintenance program as part of our operating
25 budget so we take better care of the asset that we have

1 here in this building here at First 5 LA.

2 So before we open it up, I do just want to draw
3 your attention to the big reveal, which is the three
4 boards that -- that our consultants have --

5 MS. BELSHE: Vanna White. I'm almost as old as
6 she is.

7 MR. WAGNER: So these are drawings of some of the
8 public areas of our space. And maybe I would ask Brittany
9 to just kind of -- as one of the designers working with
10 Klawiter to just kind of give the board and others a very
11 high view of what are some of the concepts that you've
12 incorporated into these drawings for our space.

13 SPEAKER: Yes, thanks, John.

14 As he said, my name is Brittany. I'm with
15 Klawiter and Associates. I'm an interior designer. So
16 what we're denoting here is schematic views of three
17 different areas that we're proposing on the second floor,
18 and we would have a similar aesthetic on the third floor.
19 And just to tie in with some of the guiding principles
20 that Carl mentioned earlier, a huge item was flexibility
21 in the workplace.

22 Currently, we were having issues where
23 departments would be broken up because they didn't fit all
24 together on one floor. So we really tried to minimize
25 that in our new plan. We did things such as create a

1 modular workstation to be in the open areas that would
2 mean that one manager workstation would be equivalent to
3 two staff workstations side by side, and they could be
4 easily reconfigured as staffing changed or department
5 counts changed.

6 And we've also configured the offices to be the
7 same size as our conference rooms. So a VP office is
8 equivalent to a large conference room and a director
9 office is equivalent to a smaller conference room, so that
10 those can also be manipulated depending on staffing
11 changes and -- and utilized as most efficient as possible.
12 And then --

13 MS. BELSHE: Brittany, do you want to swap the
14 mics?

15 SPEAKER: Can you hear me now?

16 And then another big ticket item on our guiding
17 principles was instilling a sense of community and having
18 consistency. So those two principles together led to us
19 form this concept of having a round circulation path
20 around the core of the building. So when you get off of
21 the elevator lobby, this is typically the sight that you
22 would see on either side of the floor where you see a
23 waiting area, the large conference room, and then this
24 concrete path around the building. So that would be the
25 place that, when staff get up to use the restrooms, go get

1 some coffee, they bump into each other, enhancing that
2 collaboration and community within the workplace.

3 And then on either end of the floor, on both
4 second and third floors, we'll have our larger break room
5 with some seating on one end. And at the other end, we
6 would have phone rooms and a coffee area so that you can
7 go to either side of the floor plan to get some coffee and
8 mingle and bump into other -- other staff members that you
9 may not typically be working with.

10 MS. BELSHE: Phone rooms?

11 SPEAKER: Phone rooms, yes. Thank you.

12 We have created phone rooms on both floors
13 because we have created a more open plan than what First 5
14 LA currently has. We are very office heavy currently and
15 we're moving more people out of offices into the open
16 area, but that also means that there's a greater need for
17 privacy and for spaces to take phone calls or do video
18 conferencing. So in addition to the nine new conferences
19 we'll have on the second and third floors total, we will
20 also have I believe it's four phone rooms that could
21 either be a place for two or three people to have a quick
22 meeting or for an individual to take a phone call.

23 Are there any questions?

24 MR. WAGNER: Thank you. Thanks, Brittany.

25 So with that, that's an overview of the capital

1 improvement plan as well as the next steps, again, going
2 back to the board at the July board meeting. And we open
3 it up for any questions you might have.

4 COMMISSIONER ABDO: Okay. Now is the time to say
5 what you love to say, but briefly. Anyone?

6 COMMISSIONER TAYLOR: I'll go and then -- in any
7 case, mine is about technology because I'm kind of excited
8 about that too because the technology now is the four K
9 and eventually there be a ten K and the resolution will be
10 so awesome and unbelievable, and then you'll have a
11 conference call where everybody's sitting around the table
12 and you can see the people, but they may not be there. So
13 are we going to wire in this place to have that level of
14 technology when we get there because that -- that's going
15 to require certain kinds of wiring and like -- what do
16 they call it? The new telephone wires where you can have
17 high speed, high resolution capabilities.

18 Can you answer that?

19 MR. WAGNER: I'll ask our consultants to jump in.
20 We're definitely building in that capacity. It includes
21 recabling for the IT. It includes enhancements to the
22 electrical. As Carl mentioned, we're pretty much at
23 capacity. And all of that would be -- would be upgraded.
24 As far as the technical update to technology --

25 MR. GAYDEN: I can just mentioned a little.

1 We're also in the process of doing an IT assessment. One
2 of the things is to get us further in the cloud. And one
3 of the things that we're doing around the phone is getting
4 our phone system into the cloud. It's VoIP technology.
5 So that is something that we also are doing that will
6 allow more functionality of what we do with the phones and
7 allowing a lot of that technology. But I'll let you guys
8 kind of talk through at least a little bit of the computer
9 and AV and electrical work.

10 SPEAKER: I'll start off to address the
11 commissioner's concerns. I think you were mentioning
12 fiber optic cabling, but I think past that we're actually
13 looking to go as wireless as possible to eliminate all of
14 these cables that we have in our conference rooms and in
15 our multipurpose room. If you just look at the table now,
16 we have wires connecting every microphone. And we're
17 looking at technology saying, how can we eliminate as much
18 cabling as possible or integrate into our movable
19 furniture because that's another thing. If -- we have
20 these cables because this room is always changing. Our
21 conference rooms are always changing because there's so
22 many different needs that are being met by these four
23 divisions within the company. So I think, if we are able
24 to instill more bluetooth and wireless technology, there
25 are programs out there where you can screen share to the

1 monitor on the wall. So we're actually looking at having
2 monitors instead of projectors in the conference room so
3 we can do things such as that and they can have cameras
4 instilled already for the video conferencing.

5 COMMISSIONER TAYLOR: Because I go to meetings,
6 and sometimes there's people -- a lot of the people that
7 we need sometimes can't be there, so there's a phone
8 conferencing capability and they can call in, you can see
9 them, they can see you, and you can continue the meeting
10 even though they're not onsite. So I'm looking at that.
11 And the issue about speed is about so that it looks like
12 it's almost natural rather than having the person kind of
13 fade over to the -- so the idea is the technology needs to
14 be able to adapt to the capabilities of technology and
15 when they improve it. That's the question I'm really
16 looking at.

17 MR. WAGNER: I recall our own Peter Barth, before
18 he joined us on the big screen when we had him here over
19 Skype and we attempted to do some of that. But this would
20 be much better than that technology that we attempted
21 employ back then.

22 COMMISSIONER ABDO: Without wires.

23 COMMISSIONER TAYLOR: That's fine. I'm good.

24 COMMISSIONER ABDO: Anyone else?

25 MR. GAYDEN: Can you provide feedback?

1 COMMISSIONER ABDO: Deanne.

2 COMMISSIONER TILTON. This is very exciting.
3 We're looking at the second and third floor, and I just
4 assume that the staff are involved in planning and that
5 this is something that they think would be really much
6 more utilitarian and facilitate. I like the idea of the
7 staff having ways to run into each other so that they
8 learn to know each other, work together. But we don't
9 have a picture of this floor. I'm curious what is the
10 plan for our stationary seating versus -- is this all
11 going to be movable?

12 MR. WAGNER: You want to --

13 SPEAKER: Great question. Yes, that is the goal
14 for all movable systems, especially in this room because,
15 as we mentioned earlier, we lose the -- the ability to
16 have larger events in this room because half of this is
17 taken up with fixed seating that's only used once or twice
18 a month. So the idea that we're looking at right now is
19 to get training tables similar to what you see here, but
20 modern -- modern technology with furniture has come a long
21 way, and there's -- there are training tables that are
22 very easy to maneuver and roll out and reconfigure with
23 just one person one handed even and easy to put away
24 because right now these tables that are in front of you
25 are very heavy and can take two to three hours to

1 reconfigure the room sometimes. So we're looking at
2 lightweight, easy to store away furniture.

3 On this side of the room for commissioners
4 meetings, we are looking at tables that can integrate
5 power so that we can use laptops and iPads that may need
6 to be plugged in. But as I mentioned earlier, we're
7 looking to go as wireless as possible. The idea would be
8 that those tables would be set up similar to how we're
9 doing right now. Technology would be provided that
10 wouldn't require hard wired cabling into the floor. And
11 -- and then when not in use, those could be pushed to the
12 side of the room or put in a storage space.

13 And we would have similar conference tables,
14 training tables in all of the conference rooms. So we're
15 looking at a uniformed size to those tables so that they
16 can be used anywhere in the building.

17 COMMISSIONER ABDO: Thank you.

18 COMMISSIONER TILTON: Is there a timeline?

19 MR. WAGNER: So we have a general timeline. We
20 estimate, in working with our consultants, that the
21 project itself would take about 12 to 13 months, but we --
22 that's -- that's -- there's a lot of things that can
23 impact that, including the fact, as I mentioned, we have
24 to go out to bid. So we need a solicitation. That
25 process takes a period of time beyond the 12 to 13 months.

1 So that's just kind of an estimate.

2 COMMISSIONER TILTON: Thank you. Do we have like
3 a reward or penalty?

4 MR. WAGNER: For going over?

5 COMMISSIONER TILTON: Yeah.

6 MR. GAYDEN: We'll definitely be building those
7 into the contracts and there's escalation rates and a lot
8 of things that we've considered. So we're in that -- we
9 will be contracting and dealing with that in our
10 contracts.

11 COMMISSIONER ABDO: Thank you very much. Okay.
12 So this is going to come to us at the board meeting as
13 well. But it will be consent; right?

14 MR. WAGNER: That's right.

15 COMMISSIONER ABDO: All right. So right now is
16 the time we'll take a break, a ten-minute break. So we'll
17 come back at ten minutes until 3:00.

18 (A brief break taken from 2:38 PM to 2:52 PM.)

19 COMMISSIONER ABDO: Okay. We've got some people
20 back in their seats. Thank you. So much to talk about.

21 Okay. We're going to Item 6, which is strategic
22 partnership with Pomona Unified. So who is starting?

23 MR. BARTH: I will tee it up, but I'm going to be
24 handing most of it over to Ofelia.

25 Actually, I'm glad that John mentioned the Skype

1 experience First 5 was a perfect segue because that was I
2 think about five years ago, and it was before I joined
3 First 5 LA as a staff member. I was a consultant and I
4 was working as -- for that specific story I was in Boston
5 and I couldn't fly to LA and back. And someone -- the
6 program officer that I was working with at the time
7 actually took a picture of the setup. And it was a laptop
8 with a microphone in front of it. But the way that it had
9 to be set up, the laptop couldn't face the commission. So
10 I couldn't see anything or anyone that I was talking to
11 and I had to rely on someone to just, alert Peter, they're
12 going to ask you a question. So we looked very much
13 forward to some more contemporary technology to help us
14 with our work.

15 But I was a consultant at the time because First
16 5 LA was emerging on its journey and thinking about, how
17 can we have greater impact and outcomes. And at the time,
18 we were looking at some of our major investments. And in
19 my job in the consultant space was really around, how do
20 we get large public systems to pay more attention to
21 prevention. How do we get organizations and entities to
22 pay for the types of services that have the greatest
23 impact and the greatest opportunity for impact, but are
24 hard sometimes within the way public budgets are developed
25 to make that case.

1 And one of the conversations we were having was
2 preschool and how do we think about school districts and
3 the incentives they either have or do not have to pay for
4 more preschool services for children. And the basic
5 reality right now is, most schools see preschool as a nice
6 to have, but not a need to have, an expensive extra that
7 they can provide in times of good budgets, but when push
8 comes to shove, it's not part of core K to 12 mission.

9 So I'm teeing up this context because five years
10 ago was the first time that I met some of the consultants
11 who had been working with Pomona for the last five years
12 on thinking through what might it look like for a district
13 like Pomona, one of the largest in the LA, one of the
14 largest in the state serving a very diverse population
15 where have you leadership who wants to provide greater
16 early learning opportunities, but faces those constraints.
17 And so a lot of great work has happened over the last five
18 years. First 5 LA kind of walked away from the project
19 when it was early on because we weren't sure if there was
20 anything there. And we've been really pleased to see the
21 progress they've made in really come really compelling
22 work.

23 The reason why the policy department is so
24 interested in this is because we already have a lot of
25 learnings from the work that Pomona's been doing to inform

1 how other districts, not just in LA county, but across the
2 state and even across the country can start to justify and
3 think about why early learning is an important investment
4 for them to make.

5 So now I'll hand it over to Ofelia, our senior
6 program officer in the early care and education team,
7 who's been championing this work to tell you more about
8 the project.

9 MS. MEDINA: Hi. Good afternoon, commissioners.

10 So I think we're going to start first by
11 providing a little bit of context for today's goals. So
12 we're going to provide an overview of Pomona Unified
13 School District as a whole, describe some of the Reinvest
14 in Success, main points, and their pilot program at PUSD.
15 And then we're going to make a very small recommendation
16 for the board to consider for July's meeting.

17 A little bit of background first on Pomona. It
18 is the largest -- or the third largest school district
19 within LA county, followed by LAUSD and Long Beach. It
20 has a total of 41 schools with approximately 25,000
21 students. So it is a fairly large district. Looking at
22 some of the students demographics, we see that Pomona
23 looks similar to a lot of our high-needs districts within
24 the county. So it has 85 percent of the students are
25 Latino. 82 percent of the students qualify for free or

1 reduced lunch meals. 37 are ELL, they're English language
2 learners. Then for the purpose of this presentation, 42
3 percent of Pomona Unified children are currently not
4 attending any public preschool program. And of the
5 incoming kindergartners, only about 50 percent have a
6 preschool background.

7 Reinvest in Success, or RIS, is Pomona Unified's
8 five-year pilot project really aimed at addressing the
9 lack of preschool services within this district and to
10 address the district's overall vision to provide -- to
11 improve educational outcomes for all the students. Its
12 overall goal is to implement a funding model that will
13 provide stable funding for early care and education
14 programs.

15 RIS pilot will both expand ECE access and will
16 also provide both academic and funding -- and financial
17 evidence that will allow the district to continue
18 prioritizing in ECE well past the five-year pilot.

19 In short, this is how it will work -- and I'll
20 guide you through each one of those arrows, I promise. So
21 to begin, philanthropic support from agencies such as
22 First 5, along with matching funds from the district as
23 well will contribute to Pomona being able to provide free
24 full-day preschool. This is innovation one or the apple
25 in the book that you see in the graph. This increase in

1 access will be coupled with a randomized control child, or
2 RTC, that will track and verify both the academic and the
3 financial outcomes of the preschool expansion within the
4 district. Together this equals the, RIS or innovation
5 number 2. And together they will produce reinvestment
6 capital which will come in the form of increase in average
7 daily attendance.

8 So in other words, currently, the district have
9 very few full-day slots and no full-year slots. The
10 expansion of a full-day, full-year program will result in
11 increased attendance and increased ADA which will mean a
12 higher reimbursement to the district from the State. This
13 will be the reinvestment capital which will sustain the
14 increased preschool programming beyond the five year
15 pilot.

16 But this wasn't something that the district
17 thought of overnight. The RIS has been in planning mode
18 since 2014 with the district officially committing to it
19 in 2018. From 2016 to 2017, Pomona Unified conducted a
20 feasibility phase where funders such as the Care
21 Foundation and the LA Partnership, which they're not here
22 anymore, contributed. I'll go into the findings of the
23 feasibility phase, but it is worth mentioning that during
24 this phase Pomona also initiated conversation with other
25 stakeholders about the possibility of the RIS, began

1 working on the overall project evaluation and scoping and
2 design, and also made a significant internal change.

3 Before embarking in this project, the child
4 development department used to be under the purview of the
5 assistant superintendent for business services. However,
6 it is now part of the district instructional services.
7 This was a major change within the district because it
8 does reinforce for Pomona that early education is now part
9 of the education continuum and not just a transactional
10 service for the district.

11 So the feasibility phase. Overall the
12 feasibility phase looked at six different components of
13 the preschool and child development system within the
14 district. I won't go into detail about six of them, but,
15 for example, it included internal operations analysis of
16 existing preschool services within the district, a gap
17 analysis aimed at identifying unserved and underserved
18 population within PUSD, and a financial analysis of the
19 different funding sources and expenses that could form the
20 basis of the RIS.

21 The feasibility phase revealed a few things for
22 the district. One, students who received district
23 preschool services experienced better K-through-12
24 outcomes than children who did not receive district
25 preschool. Second, the district only offered full-day

1 preschool to families that qualified for Head Start, thus
2 it left a very large population of children from working
3 families without any type of full-day options. Third, the
4 district was placed in a unique opportunity to better
5 coordinate its preschool services delivery through the
6 district, including Test Start, TK, and California state
7 preschool program. And, finally, the specific outcomes
8 linked to a clear, cashable savings through attendance and
9 can meaningfully support the full-day preschool expansion.

10 This really lead to the design in school project.
11 It decided that the district would expand full-day state
12 preschool. This would be done by the district with
13 support from philanthropic organizations and California
14 state preschool program expansion funds. The RIS would
15 also include a rigorous evaluation component that would
16 not only look at the long-term effects of the academic
17 outcome, but also the financial pilot implementation
18 outcomes. And the evaluation would pay very special close
19 attention to, again, the financial outcomes of the RIS and
20 evaluate whether this was sustainable for the district
21 independent beyond the five-year pilot.

22 And I turned it off.

23 The overall project goals and milestones are,
24 again, to open expansion preschool classrooms throughout
25 the district, increase preschool access and enrollment for

1 vulnerable children throughout the district, implement
2 effective assessment measurements throughout the five-year
3 pilot, perform a vigorous evaluation of preschool
4 expansion data, increase positive outcomes for students in
5 preschool, increase positive outcomes for K through -- K
6 through third grade students, and share Reinvest in
7 Success -- or research.

8 I would also note that Pomona Unified is actually
9 currently one of our partners in our KRA or EDI work. So
10 they've been collecting data -- or they collected data in
11 EDI last March. So it's exciting to see how the EDI data
12 in the future can also essentially support expansion and
13 what that would mean in terms of overall academic outcomes
14 for students.

15 Overall, this presents an exciting opportunity
16 for Pomona to -- not only for Pomona, but also for the
17 entire county as a whole. Our vision is that the RIS for
18 generate a funding model that would allow districts across
19 LA county to prioritize preschool by internalizing a
20 funding model that would help pay for it. We often hear
21 that many districts understand and are aware of the
22 importance of preschool and ECE; they just don't know how
23 to fund it. This could be an opportunity where districts
24 can really look at the model, modify it, and then
25 replicate it within their own district.

1 As Peter mentioned, the evaluation of the RTC and
2 the copilot supports the policy and the district at the
3 county, state, and national levels to provide a deeper
4 understand of the benefits of preschool services. This
5 would also provide a great opportunity for the district
6 leaders themselves in particular to strengthen their
7 capacity as advocates for ECE and to be able to advocate
8 for not only the local revenues but even state revenues as
9 well.

10 From the lens of the ECE strategy -- advocacy
11 strategy, we're thinking -- and thinking of how to elevate
12 models that would work, Pomona Unified financial model is
13 something that gives us the other side of our current
14 investment as well. Last February we here at First 5
15 entered into a strategic partnership with Educare to
16 elevate a best practice from the program model to improve
17 the educational outcomes of children. Educare also has a
18 strong evaluation component. Now, the Pomona Unified's
19 RIS pilot gives us an opportunity to not only elevate and
20 model that looks at programs of preschool, but a financial
21 model that can do the same to elevate preschool services
22 throughout the county. So as the senior program officer
23 covering both models, both the program, best practice
24 model and the financial model, that's pretty exciting.

25 So the recommendation action which you will hear

1 about in our July meeting is that we establish a strategic
2 partnership with Pomona through June 30 of 2020 for an
3 amount not to exceed 930,557. Fund for fiscal year
4 2018-2019 are included in the fiscal year 2018-2019 First
5 5 LA programmatic budget under the ECE strategy one,
6 policy advocacy initiative emerging opportunities, which
7 was approved by the board of the commission in the June
8 meeting.

9 Beyond fiscal year 18-19 funds will be pulled
10 from the fund balance. For fiscal year 18-19, First 5 LA
11 funds will support three items: Nonslot personnel costs.
12 You don't have the numbers on the slide, but they are in
13 the memo and I can provide them to you as well. It would
14 also provide -- would also cover nonslot operating costs.
15 These are costs for preschool programs such as teacher
16 supplies and assessment instruments that otherwise they
17 wouldn't have because they're expanding the program this
18 time. And the last one would be parent fees.

19 PUSD plans to offer full-day preschool in the
20 same context as -- let me repeat that again.

21 Pomona plans to offer full-day preschool in the
22 same context as would be in the case that the pilot would
23 be sustained by the district. So they're expecting
24 parents not to pay for the program. So Pomona's hope is
25 that the returning investment in ADA will help support the

1 full-day preschool but also be able to offset any parent
2 fees in the future, which is why some of our funds will
3 also cover parent fees. Whether this happens will be --
4 will be seen in the evaluation piece of Pomona Unified.
5 The hope is that further investigating will reveal that
6 the district can cover those funds as well.

7 Any questions?

8 COMMISSIONER ABDO: All right. Questions?
9 Comments? Romalis.

10 COMMISSIONER TAYLOR: My question is to you or
11 Peter. You know, you've gone and this agency advocated
12 along with a lot of others partners out there to change
13 the -- the amount of money a family can acquire that's
14 still well below the poverty level so that they can
15 actually meet the requirements to get full day for their
16 children. Where are we with that? Because I know that a
17 part of this movement here is to address that. But since
18 we've, hopefully, got some success from the state, maybe
19 this will make the project even more effective.

20 MR. BARTH: Yes. So there are a couple of pieces
21 to that. So one is, as some commissioners may recall,
22 last year we were able to get continuous 12-month
23 eligibility that would allow families to have fluctuations
24 in income so they could be eligible for subsidized
25 programs. Even families who are eligible for subsidized

1 programs sometimes have the expectation of a parent
2 contribution fee. So the vision here is that Pomona is
3 trying to test out this idea that we don't require family
4 to pay a fee, but we get greater participation from
5 families in the early learning programs, and will the
6 success of the programs justify the district covering that
7 cost in the future.

8 So the real innovation here with what Pomona's
9 trying to do is to take the existing subsidized programs.
10 So a portion of the funding model for this pilot project
11 is take CSPP, take Head Start dollars, take transitional
12 kindergarten dollars, which don't really cover the cost of
13 providing a quality program to the child, augment the
14 quality of those programs with their own dollars and, if
15 successful, be able to say, you know what, the benefits of
16 those quality programs are actually a cost benefit to the
17 district. So, hopefully, it addresses -- there's sort of
18 two tracks here. There's an advocacy track, which is, we
19 want this type of thing to be easier for districts to do
20 and we want our -- we want our state subsidized programs
21 to actually cover the cost of quality care, and we want
22 families who have slightly above or even still in poverty
23 income levels not to have to make these difficult choices,
24 but we also know that there may be other ways that we can
25 prioritize this as well, and this is what this pilot is

1 trying to accomplish.

2 Does that make sense?

3 COMMISSIONER TAYLOR: Yes.

4 MR. BARTH: Great.

5 COMMISSIONER THOMPSON: What outcomes were you
6 looking at when you say positive outcomes?

7 MS. MEDINA: So that can be both from the
8 academic piece and then also the financial. So from the
9 academic one is being able to provide additional or expand
10 the preschool services throughout the district will have
11 more children ready to succeed in kindergarten and in
12 life, like our mission states. So through service -- or
13 through data like the EDI that they're collecting as well,
14 we'll be able to just see the academic outcomes of being
15 more prepared to graduate from high school, the reading
16 scores should be included -- increased as well. And then
17 from the funding perspective, just being able to sustain,
18 like Peter mentioned, being able to sustain the pilot of
19 expanding preschool services beyond the five-year pilot.

20 COMMISSIONER TILTON: Do you ever look at
21 disciplinary outcomes, things like that?

22 MR. BARTH: So the project is looking at two
23 sorts of outcomes. As Ofelia can't was mentioning, they
24 are paying attention to student achievement, student
25 performance. As she mentioned, we're really excited about

1 that EDI connection point and that we can see how these
2 two pieces come together.

3 The real thrust of this project in particular is,
4 what is an outcome that's going to be achieved by the
5 district within 12 months basically to justify spending
6 within that 12-month period on this program. And so
7 they're honing in on. And what their feasibility with the
8 last couple of years has started to demonstrate is there a
9 high correlation between students who are participating in
10 full-day preschool programs in the district who are
11 actually attending kindergarten with greater frequency.

12 So for the district, what they're interested in
13 is and what this more rigorous research is going to help
14 them uncover is actual proof that it, if a student is
15 showing up to a preschool program, they're going to be,
16 once they enter kindergarten, showing up to kindergarten
17 and drawing down greater average daily attendance rates
18 from the state because there's also a lot of evidence that
19 students who aren't participating in the programs are the
20 ones that have the hardest time actually showing up to
21 school with regularity and frequency.

22 To my knowledge, I'm not sure -- and actually,
23 Annette is in the audience -- so one of the consultants on
24 the project. The disciplinary piece, I'm not sure is
25 being tracked as a specific outcome. Annette, can you --

1 SPEAKER: It is not. They're not looking at any
2 type of specially education right now or intervention as
3 one of the outcomes.

4 COMMISSIONER ABDO: All right.

5 COMMISSIONER TAYLOR: Mine is -- is a piece
6 that's just as important as the child, is the parent, the
7 engagement quality of engaging the parents and support the
8 child. So, hopefully, that's a part of this dynamic and
9 that we're tracking that, the parent engagement. That
10 will lead to more of the child going to school because
11 they understand the importance of it and how that helps
12 their child move forward as well. So we should be
13 tracking that data as well. Is that what's going to
14 happen?

15 MS. MEDINA: Part of the funds of the specific
16 funds for the nonslot cost personnel, it does include
17 funds for family support specialist to specifically do
18 that, so not only increase the parents' awareness of the
19 preschool services that the district is now offering, but
20 then also to share about the importance of access to
21 preschool and what quality looks like as well.

22 COMMISSIONER TAYLOR: Good.

23 COMMISSIONER ABDO: I have kind of a technical
24 question. Is the State working with Pomona to try to help
25 them make this work without a whole lot of complicated

1 changes in rules? And how does it relate to federal Head
2 Start programs and all of their regulations?

3 MR. BARTH: The blending and braiding of funding
4 is definitely happening at the local level. It's not
5 necessarily the State or the federal government going out
6 of their way to offer any exceptions. But we do know that
7 the State Department of Education is aware of this
8 project, is very eager to learn from it. And so that's
9 why a big piece of our support for this project is
10 capturing learnings that not only we can share with other
11 districts but also with the State. If there are common
12 sense policy changes that we can make that are barriers to
13 Pomona being able to do this effectively or where Pomona's
14 had to go out of their way to address them, we can use
15 that -- we can use this experience to help inform that.
16 So we do know that Sarah (inaudible) Morgan in particular
17 at the State Department of Education is very interested in
18 this project.

19 MS. ALTMAYER: The only piece that I'd add is
20 that the expansion of the state preschool funding is in
21 part making this possible for Pomona to do when that
22 funding created more opportunities.

23 COMMISSIONER ABDO: That makes sense. I'm just
24 trying think ahead. When the ADA increase or the State
25 funding increase doesn't cover or Head Start increases --

1 let's hope that continues -- then what will happen? Will
2 Pomona then look at it and say, hey, this didn't work,
3 we're going to backtrack it and go back. And I'm hoping
4 that doesn't happen, but it's a lot of money to try to
5 make up.

6 MR. BARTH: The idea here is that the ADA doesn't
7 have to cover the full cost of the program because they
8 are trying to blend multiple sources of funding. And the
9 ADA is supposed to be able to justify the increased cost
10 of a quality program. So maybe just CSPP on its own or
11 transitional kindergarten putting on its own isn't going
12 to cover the cost of the family support specialist they
13 think is critical to the success of the program, but by
14 blending that with the funds for the program, you could
15 say, you know what, this actually justifies us having a
16 family support specialist on staff to actually support
17 this program. So there's that component which gives us a
18 little coverage.

19 The second is that -- this is what makes me most
20 excited I think just from the context of the Reinvest in
21 Success frame, is that the district has committed to this
22 and is basically trying to use the ADA as one piece of
23 justification, that's financial. But the other pieces
24 that are nonfinancial, like they're fully expecting that
25 you're going to start to see in kindergarten students who

1 are more prepared to show up, that there's an academic
2 component to this. That's why that -- that call out that
3 Ofelia made of moving the management of this program out
4 of the business unit and into the instructional unit is so
5 important. That's sort of a complimentary suite of
6 outcomes that are going to justify. It's not just about,
7 oh, sorry, this program is going to cost \$10 more than we
8 thought it was, or a hundred dollars more than we thought
9 it was. It's about the complimentary outcomes together.

10 COMMISSIONER ABDO: Thank you. That's
11 encouraging, I think. And it certainly looks like this
12 could be replicated by other school districts if the
13 evaluation shows that it works.

14 Okay. Anyone else? All right. Thank you very
15 much.

16 We'll move on to Item 7, communities outcome Best
17 Start learning agenda. Starting with Antoinette.

18 MS. ANDREWS BUSH: Yes. Good afternoon,
19 commissioners.

20 I am honored to sit alongside my colleague
21 Kimberly Hall from our monitoring, learning, and
22 evaluation department to give you an update on the Best
23 Start learning agenda. Kim and I recognize that we are
24 the last presentation of the day, so we seek to be
25 efficient yet thorough.

1 So as I mentioned, we are providing an update on
2 the Best Start learning agenda. And I want to just stop
3 here for just a moment. I actually spent the day with our
4 partners from the Center for the Study of Social Policy.
5 They're mentioned quite a bit in the first presentation of
6 the day. They've been working with Best Start since 2010.
7 And it was a moment to come together to show appreciation
8 and gratitude for the work that we've been doing together.
9 And so I wanted to also offer appreciation and gratitude
10 to the board because we talked about how we've hung in
11 there; that even when the going gets tough, staff from
12 First 5 LA and CSSP just kept going because we know how
13 important this is. But the board also kept going even
14 when you had questions, when you weren't necessarily
15 clear.

16 We're going to talk about the learning questions
17 today. We didn't have those at one point, and yet you
18 stuck with it as well. So I just want to offer
19 appreciation to our board.

20 As you can see, we've done a lot and we've hit
21 two major milestones over the last year: One in April of
22 2018 and -- when the board approved a new way of working
23 with community. And then in May 2018 -- I said that
24 incorrectly. April 2017 is when the board approved. So
25 there's a typo on the slide. 2017. And a year later the

1 board approved grantees to move forward with this new
2 structure.

3 There is a saying that you have to say things
4 seven times before there's is mental penetration. I think
5 we've exceeded that at this point. So this part of the
6 presentation will go very, very quickly. Ultimately, our
7 hope is to activate the ecosystem within communities in
8 order to advance a shared vision for kids around policy
9 and systems change. And that's what this new structure --
10 that's the hope of this new structure.

11 Just as a reminder, there are 14 communities and
12 five regions. And there are functions that are regional
13 and a local level. All of these things we talked about in
14 prior presentations. And, you know, when we developed
15 this new structure, we did so based on a lot of
16 conversations as well as review of the literature and best
17 practices from -- from nationally as well as
18 internationally about place-based work. This particular
19 structure that we're implementing doesn't exist anywhere.
20 So we're testing this. And so we have a few assumptions
21 about what this -- what this new structure will do, And
22 that is that it's going to build on existing assets and
23 deepen collaboration within communities, that it's going
24 to expand and sustain community-level resources,
25 relationships, and momentum around a shared vision for

1 kids, and that it's going to advance community-initiated
2 policy and systems change because we want to make things
3 work better for kids, and we share that in common with
4 communities, but we need to understand, if the structure
5 is actually going to do these things. So that's why we
6 have embarked upon this journey to develop a Best Start
7 learning agenda.

8 And with that, I want to turn it over to Kim.

9 MS. HALL: Thank you, Antoinette. Good
10 afternoon, commissioners.

11 So before we get into the specifics of the Best
12 Start learning agenda, I just wanted to say a few things
13 about learning agendas more generally. So learning agenda
14 is a tool that provides a frame for learning over time.
15 And this frame is really created by the learning
16 questions. Those learning questions identify what it is
17 that we want to learn. And implementing a learning agenda
18 really requires the discipline to maintain focus on those
19 questions. So as a tool, learning agenda promotes shared
20 understanding of learning goals. These are common goals
21 among stakeholders. It's designed to yield actionable
22 information. So information that we can use to make
23 change and improve outcomes.

24 And it has stakeholder input and collaboration at
25 its core, all the way from the development of the agenda

1 to its implementation.

2 Lastly, it facilitates learning and improvement.
3 So in this context, the Best Start learning agenda is
4 really intended to serve as a tool for First 5 LA's
5 learning and our accountability as a funder. So as we
6 learn about what's working and not working, we'll be
7 better positioned to fulfill our role and also to support
8 ongoing improvements and course corrections.

9 So this slide here outlines key milestones in the
10 development of a learning agenda. So the process begins
11 with the identification of focal areas or learning areas.
12 This is followed by a process of generating questions. So
13 we consider questions that, if answered, could really help
14 us to determine the effectiveness of our approach and
15 ultimately how to be more successful.

16 The next step in the process is to determine
17 which of the questions are the highest priority. There
18 often are many more questions than can be answered. Once
19 we specify the questions, then we kind of look at where
20 and how we're going to get the information needed to
21 answer the questions. And once we've determined how we're
22 going to answer the questions, then it's time to start
23 thinking about implementation; what is the work, what are
24 the activities going to look like while we're implementing
25 the agenda. And so three things that we pay close

1 attention to or kind of think about as we're developing
2 the agenda is, how are we going to make sense of this data
3 as it's coming in. We don't want to wait until the data
4 is available to start to think about that. We want to
5 think about who do we engage in the process of looking at
6 data and making sense and not only understanding what does
7 it mean, but what do we want to do about it.

8 We also think about who we want to communicate
9 with through the process, who do we want to share updates
10 with so that key audiences are aware of what's going on
11 and how the progress that we're making.

12 We also want to have dissemination plans to think
13 about how can we share what we're learning and what we're
14 doing with what we're learning both with our stakeholders
15 as well as the broader field.

16 And then the final step is to finalize the
17 agenda. And that is essentially a document -- a learning
18 agenda document that will capture all of the content just
19 references previously, and then it will serve as a
20 blueprint for implementing the agenda.

21 So as you can see noted on the slide, we're
22 currently on step four, and that is the step in which we
23 are considering different methods and data sources for
24 answering the learning questions. Since our last
25 presentation to the board, we completed step three, which

1 is prioritizing the learning questions. So on the next
2 two slides, I'm going to walk you through the questions
3 that were prioritized for the Best Start learning agenda.

4 So this slide is packed with information. I'm
5 not going to read all of it to you, but I do want to take
6 a few minutes to briefly orient you to the content. So on
7 the table on the first column of the table specifies the
8 learning area. And these are the areas that we're going
9 to focus on as it relates to the Best Start investment.

10 The second column contains the learning
11 questions. And these questions are essentially how we're
12 going to test the working hypotheses that Antoinette
13 outlined earlier. Just keep in mind that answering these
14 questions, the intent here is really to generate data and
15 information that the board, staff, as well as our
16 contractors and community members can really use to think
17 about -- to understand what's working well, where
18 improvements are needed, and then to make those
19 improvements.

20 The third column of the table contains the
21 methods or the approaches that we'll use to answer the
22 questions. So as you can see, we really anticipate using
23 a combination of program monitoring and evaluation across
24 each question. And while that seems repetitive, I wanted
25 to point out that the thinking here is that we want to

1 maximize program monitoring data, and that includes things
2 like grantee reports, information that's going to be
3 generated through the course of implementing Best Start.
4 We want to leverage that information. And then we'll
5 supplement it with evaluation data, data that's really
6 going to compliment what we can learn through the
7 monitoring data.

8 I also want to mention that in this context
9 evaluation is considered as a tool to support learning.
10 It's not about accountability. We really want to look at
11 and understand what -- what's working well so that we can
12 make changes as needed.

13 So I'm going to walk through an example in just a
14 moment of how we're going to use program monitoring and
15 evaluation data to answer one of the questions. So this
16 is just to kind of give you a sense of the different types
17 of data that we're using.

18 So rather than read you the questions, one of the
19 things I just wanted to point out is the connection
20 between these questions and the hypotheses that an
21 Antoinette mentioned earlier. So questions 1 and 3, one
22 is focused on the new structure, one is focused on
23 partnership capacity, but both of these questions are
24 really allowing us -- or will allow us to test this
25 hypothesis around the ability of the new structure to

1 advance community-initiated efforts. So question 1 is
2 looking at what is this new structure doing, and number 3
3 is looking at whether or not it's actually contributing to
4 partnership capacity.

5 Question 2 is really looking at two of hypotheses
6 that Antoinette highlighted. One that looks at how we're
7 going to build upon existing assets and deepen
8 collaboration. And the other, which is about bringing
9 those resources to bear to which achieve a shared vision
10 for kids.

11 Question 4 also relates to looking at the ability
12 of new structure to really support and advance
13 community-initiated efforts. But what I really wanted to
14 talk about on this slide is question 5. This question is
15 unique relative to the other questions because the focus
16 is actually on First 5 LA rather than the new structure or
17 the partnerships. So with this question we're really
18 intending to hold a mirror up to ourselves to see how are
19 we adapting and being supportive of communities and their
20 efforts. It's going to require for us to look at what
21 we're doing, how are we changing, how are we not -- you
22 know, what are changes that we could be making. And we're
23 also going to get opinions from others. We're going to
24 solicit input from grantees, from communities to see how
25 we are really working with partnership with them.

1 Doing this -- asking this question of ourselves
2 will really position us not to only to tell the story
3 about how we are transforming through our work with
4 communities but also could position us to tell our story
5 to other funders or other organizations about how they can
6 and should change as they work in partnership with
7 communities.

8 This slide is intended to kind of provide an
9 example or to be a little bit more concrete about how we
10 might use program monitoring and evaluation data to answer
11 the questions. So this is question number 1, and this is
12 the question that really look as what the new structure is
13 doing, how is it going about building the capacity of the
14 partnerships to engage in policy and system change work.

15 We intend to answer this question using a
16 combination of program monitoring and evaluation data.
17 And while we haven't yet decided on specifically what the
18 data sources are at this point in the process, we do
19 provide some examples of the kind of information that we
20 might use.

21 So in terms of program monitoring data, we could
22 leverage information coming from program monitoring
23 sources like quarterly reports. So, for example, grantees
24 will be including in their quarterly reports information
25 about the capacity-building opportunities that they're

1 providing within communities. They'll talk about what
2 kinds of skills those capacity-building opportunities are
3 intended to build and how those skills relate to
4 communities change agenda for that partnership.

5 So that kind of information will help to us get a
6 sense of what opportunities are being provided. And then
7 we can supplement that with evaluation data where we not
8 only hear from the grantees about what they're doing and
9 what opportunities they're making available, but we can
10 get information from partnership members and others about
11 what's working and what's not working relative to those
12 opportunities.

13 One additional point that I'd like to make is
14 that, through this combination of monitoring data and
15 evaluation data, we'll have the ability to be agile in the
16 sense of responding to unanticipated outcomes or to the
17 ripple effects things that we maybe don't anticipate. But
18 if we are looking at grantee reports and hearing about
19 successes and challenges, we can then position ourselves
20 to go out and collect data, do additional data collection
21 to learn more about some of those successes and
22 challenges. So from -- looking at both types of data
23 allows to us flexible in that way.

24 So what have we learned so far. We learned a
25 couple of things along the way in the time that we've been

1 working on developing the agenda. And I wanted to share a
2 few. One of them to my great pleasure is that
3 stakeholders have common priorities. I mentioned in a
4 slide where I talked about the process that one of the
5 steps was generating possible questions. We generated
6 over 60 possible questions that could have been on this
7 learning agenda. At that point in the process, I was
8 somewhat alarmed. I thought that would be a lot of
9 questions to answer. But I'm pleased to say that, through
10 engagement with multiple stakeholders, including this
11 commission, community partnership members, staff,
12 executive team, we were able to narrow to five questions.
13 And those questions not only reflect shared priorities --
14 so these were questions that all of those groups
15 identified as priorities, but there's also this common
16 theme of policy and systems change. And that wasn't
17 something that we could force. It was something that
18 emerged as each group identified their priorities.

19 Another example of something that we learned --
20 so we really set out knowing that if we wanted to engage
21 stakeholders in the process, that it meant we would have
22 to meet them where we are. But we now have a heightened
23 sense of what that means, where some stakeholders are and
24 how we had to be flexible and responsive as a result of
25 that. So one example is, you know, we're in this time of

1 transition. Antoinette has talked about how we're, you
2 know, moving into this new structure. That -- being in
3 that position creates tension. There's tension around
4 that because change is happening. There's an imbalance in
5 terms of information about what the new structure is going
6 to look like, who's going to do what, how is that going to
7 effect the partnership. And we've encountered questions,
8 concerns, frustrations as we attempted to engage people
9 around that learning agenda that stemmed from this tension
10 related to the transition. So we've had to step back and
11 say, okay, what information do we need to bring people up
12 to speed so that they can really think about the kinds of
13 questions that we want to ask and what makes sense to ask
14 at this time.

15 We've also had to look at our timeline and think
16 about, okay, how can we adjust it because things can't
17 move at the pace that we thought they could.

18 Another example of how we really need to meet
19 people where they are is, we've engaged with members of
20 the community partnerships. We've started that process
21 and we intend to continue it as we develop the agenda.
22 But one of the things that we found out very early on is
23 that each partnership has their own unique expectations
24 and protocols for how they engage with First 5 LA. So
25 just going to them and saying, we'd like to get our input,

1 there were a number of questions and things that we had to
2 take into consideration because concern were -- there were
3 questions about, well, okay, how are we going to do this;
4 how are we operating; are we operating as individuals, as
5 representatives of the partnerships; do we need to vote at
6 a partnership meeting before we give you advice. So we
7 have essentially 14 different ways of working with
8 partnerships. And so we really have to be sophisticated.
9 And just to be transparent is that something we're
10 learning to do. It's a muscle that we need to build.

11 So I'm going to conclude this presentation just
12 by highlighting a few next steps. One is around
13 procurement for formal learning agenda projects. So as I
14 mentioned, we're at the stage now where we're looking at
15 how we're going to answer learning questions. And as a
16 part of that, we will identify specific data collection
17 activities that we're going to engage in. Some of them
18 may be done internally and some cases we will need to
19 bring on third-party support or independent contracts to
20 support those data collection efforts. In those
21 instances, those contracts will be brought to the board
22 for approval.

23 We're also going to continue to engage
24 stakeholders throughout the process of implementing the
25 learning agenda. So staff are exploring now how best to

1 do that.

2 We're also going to continue to seek input on --
3 time limited input I would say on developing the learning
4 agenda. So we intend to connect, as I mentioned earlier,
5 with community partnership members, but also with new
6 regional network grantees. We want to make sure that all
7 the parties who are -- who have a stake in the learning
8 agenda and the learning that will emerge from it are aware
9 of it and have an opportunity to contribute to what we're
10 going to be doing.

11 So that's the update on the learning agenda.
12 We'd now like to open it up for questions.

13 COMMISSIONER ABDO: Yeah. Questions?

14 COMMISSIONER TAYLOR: I'm not going to say
15 anything right now.

16 COMMISSIONER ABDO: Okay. We have one member of
17 the public who would like to speak.

18 Kathy Shriner.

19 SPEAKER: Thank you very much.

20 So as most of you know, I'm with Best Start
21 Panorama City and Neighbors, member of the executive
22 committee for the last seven years, just reelected on
23 Tuesday. So when I read this -- these materials, I
24 thought, this is confusing to me because it's using
25 language that the community partnership would have a hard

1 time understanding. And so this policy and systems change
2 is your language and -- about things that happen at a high
3 level. And you put various places here, community change
4 agenda, which I think is probably far more accurate. And
5 then scope for each partnership in terms of what they can
6 change is so different. We're in the city of Los Angeles.
7 We have to deal with city parks department to get anything
8 done. You know, that's very different from the size of
9 something El Monte or something like that. We have to
10 deal with LA Unified, not with one of the smaller school
11 districts.

12 So the kinds of systems change that we can
13 accomplish has a much longer timeline than this probably
14 anticipates, but we can try to do something like we've
15 been trying to do with the North Hills Community Park
16 where they did not staff that park and the gangs took it
17 over, and we're trying to take it back now. So if we got
18 LA -- I mean, the parks department just to add enough
19 money to their budget to have a staff person for that
20 park, that would be community change, you know, from our
21 scope.

22 So I'm just a little concerned about the
23 expectations at the board level because you say that we
24 all have the same common thing, but I don't think in terms
25 of the language that we do.

1 Judy's been a really good advocate all the way
2 along about talking about things, you know, the community
3 people can understand, not just social service speak. So
4 I think that that's the part I really want to highlight.

5 And also to me there's just too much emphasis on
6 the structure and not enough on some of the wonderful
7 things that are going to happen at the community level in
8 all the diversity of our communities. And I hope you're
9 interested in that too and finding out how we do things
10 differently and how we can learn from each other. So,
11 yes, the new structure is important and you're
12 communicating with other grant funders might be important,
13 but what actually happens on the ground is important too.

14 COMMISSIONER ABDO: Thank you, Kathy.

15 Okay. Those comments, did they raise any
16 questions or additional comments?

17 I think Kathy said some wise things, not only
18 just about me, but she's on the ground and she knows what
19 it's like to be trying to do this kind of work. And it's
20 very different when you're on the ground trying to do
21 whatever changes are needed in your community.

22 Okay. Romalis, are you going to say something?

23 COMMISSIONER TAYLOR: Well, okay. My turn.

24 I just want to say that, as much as you thank us,
25 we thank you for not giving up and not being -- giving

1 into despair because this is tough work. It's a lot of
2 tough work and you have different groups wanting different
3 things at different times and you're dealing with
4 different levels within that. So kudos to you guys for
5 sticking in there with us and doing that.

6 But I want to point out that the strength of the
7 community is about what they're going to do. And one of
8 the things you guys have done good for a long time is
9 share knowledge between communities so they recognize that
10 they're at different levels and that they are doing
11 anything and they can share and support one another across
12 that, help divine ways to come up to a solution that the
13 other maybe community had already figured out and the
14 other one hadn't realized it. But that level of knowledge
15 base within the community's heart is strong.

16 I went to Metro's third annual event this
17 weekend. It was very interesting. And once they knew I
18 was there -- I kind of hid out, you know, kind of went
19 down low key. And once they saw I was there, the idea
20 that we make such a difference for this community is
21 powerful because they wanted me to come to every table and
22 take a picture with everyone. I got my hands printed on
23 one of the things. And what was unique about that
24 community, the way they organized it, they had
25 subcommunities right down to the block. And they were so

1 diverse it was unbelievable. And they were all doing
2 that. Then they had a common theme around what they
3 wanted to do. And each group from the five or six
4 subcommunities came and coalesced around certain issues.

5 So there's a lot to be said about that. They
6 were glad to see us there. I was the face of you guys, so
7 thank you for letting me be that. But the idea was they
8 were excited about it and they really enjoyed what was
9 going on. Great representation by our program officer
10 there and some of the other staff that was there as well.
11 So it's important that we keep bringing back that issue.

12 I'm with her. You know, we've got to make sure
13 that we put it in words that the community can understand.
14 I know we need to understand it from this level so we can
15 understand the structure. But when you communicate to
16 them if you really want to move them, you've got to put it
17 in language that they can understand and get behind. Very
18 powerful.

19 One thing that happened in Compton, they went in
20 and built a park and then everybody walked away from it.
21 And that's came out in last commission meeting. And so
22 we've got to make sure that whoever is responsible for
23 that park, that the community knows who it is so they can
24 engage them more effectively; otherwise, they're running
25 around trying to figure that out, and that's not easy for

1 community people just trying to figure out how to survive.
2 Just a thought.

3 COMMISSIONER ABDO: Thank you. Trying to picture
4 what you're like when you're low key.

5 Any last comments?

6 Okay. I think we have reached public comment,
7 and I don't have any additional public comments requests.

8 SECRETARY: No additional public comments.

9 COMMISSIONER ABDO: Then I believe we will be
10 adjourned.

11 (At 3:43 PM, the meeting was adjourned.)

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C E R T I F I C A T E

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

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

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

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

Attested to on this 9th day of July, 2018.

DocuSigned by:
Heatherlynn Gonzalez

AE10E8980664405...
CERTIFIED SHORTHAND REPORTER
FOR THE STATE OF CALIFORNIA

FIRST 5 LA

SUBJECT:

African-American Birth Disparities Update

RECOMMENDATIONS:

First 5 LA staff recommends that at the September 27, 2018 Special Meeting of the Board of Commissioners/Program & Planning Committee, the Board approve the following items listed below:

1. Approve Board Resolution 2018-04 to accept receipt of funds in the amount of \$150,000 from the University of Utah, fiscal agent on behalf of the Pritzker Children's Initiative, and authorize the Executive Director to complete execution of agreement upon approval from the Board for a period beginning retroactively September 4, 2018 and ending August 14, 2020.
2. Authorize First 5 LA Staff to Execute an Agreement with Growth Mindset Communication Incorporated for an amount not to exceed \$310,000 for a period beginning retroactively September 4, 2018 to August 31, 2020. (Fund Balance Category).

BACKGROUND:

On April 3, 2018, the Board of Commissioners reviewed First 5 LA's evolving strategy, in partnership with the Department of Public Health, to address and reduce birth disparities. The Los Angeles County Health Agency's Center for Health Equity's focus on eliminating African-American infant mortality disparity has created a critical opportunity to align First 5 LA family strengthening, communities and health systems outcome work with the efforts of the Health Agency. First 5 LA has participated in the African-American Infant Mortality convenings, contributed to the development of a Health Equity Action plan, and has identified areas where First 5 LA is well positioned to contribute to this effort. The Center's Health Equity Action Plan formally identifies the reduction of African American Infant Mortality (AAIM) as a critical priority. The plan outlines a set of strategic priorities, goals, strategies and objectives to focus the work, and is a public commitment to achieving a set of defined equity goals. One of the key named strategies to improve birth and infant outcomes is to expand access to home visiting and other supports to ensure all women receive effective pre and postnatal support.

The memo below provides: 1) an update on First 5 LA's research-oriented approach to better understand African American women's experience with health and social services and supports; and 2) First 5 LA's successful fund leveraging work resulting in an award of a competitive National award, the Pritzker Fellowship, to advance the planning and implementation of the County's African-American Infant Mortality (AAIM) reduction plan. Staff will return to the September Program and Planning Committee (PCC) meeting with a request to consider two supporting actions: 1) to accept \$150,000 in matching grant funds from the University of Utah, the fiscal agent for the Pritzker Children's Initiative; and, 2) to contract with Melissa Franklin of Growth Mindset Communications to serve as the designated Fellow supported by the grant award.

PROJECT DESCRIPTION:

In partnership with the Department of Public Health (DPH), First 5 LA advanced two research projects to assess African-American women's use of and experience with health and social services during and following pregnancy.

1) Focus Groups: First 5 LA funded and supported focus groups with African American mothers, grandmothers and women of childbearing-age. The intent was to better understand African-American women's perspectives on

- pregnancy and birth;
- prenatal services;
- the role of race and racism in birth outcomes; and
- social, economic and structural factors associated with birth outcomes.

Central findings include an opportunity to increase health sector trust and engagement, as well as African American women's knowledge of their increased risk of preterm birth. These findings support a call to explore the development of a public communications campaign, to transform the health care delivery system to meet the needs of African American women, and to route women to more effective clinical care. The final report will be released this Fall.

2) Utilization Analysis: First 5 LA collaborated with the State Department of Health Care Services (DHCS) on a pioneering effort to profile the health care utilization of Medi-Cal enrollees of childbearing age, by race. It is anticipated that this data will be available in early 2019 and will inform the work of public health leaders seeking to identify key patterns in disparities.

This project will analyze and profile the health services utilization of pregnant African-American Medi-Cal enrollees in Los Angeles County. This utilization analysis will seek to answer the following questions:

- Health Sector Engagement: Are African-American enrollees engaged in primary care or health services prior to pregnancy?
- Service Maximization: Are African-American enrollees able to access all services-including Comprehensive Perinatal Services- to which they are entitled?
- Regional Variation: Are there key differences in primary care and prenatal utilization-clinical, nutrition, psychosocial- by health care provider or area within Los Angeles County?

3) Pritzker Children's Initiative, Fellow

In addition, First 5 LA sought and was awarded the maximum potential funding from the National Pritzker Children's Initiative to further critical stakeholder communications work with the African American community, in support of the County's AAIM reduction plan. The Sorenson Center at The University of Utah is acting as a fiscal agent on behalf of the Pritzker Children's Initiative. The \$150,000 in funding will be matched by First 5 LA, supporting the work of a proposed Pritzker Fellow with expertise in this domain. Pritzker Fellows are established leaders who work in twelve communities across the country over two years to advance a project that will improve outcomes for children prenatal to three. It is proposed that the Pritzker Fellow will advance a birth disparities strategy, in concert with the Department of Public Health.

Anticipated Outcomes

These investments align with First 5 LA's policy and systems change orientation by informing efforts to monitor and bolster African-American women's utilization of primary, prenatal, and post-natal services. The work to improve birth outcomes and reduce birth disparities is consistent with First LA's outcomes of strengthening through connecting families to supports, as

well as improving health systems to meet the needs of children prenatal to age 5 and their families. The receipt of actionable qualitative and quantitative data will inform key County and State birth disparity reduction initiatives, including the California Department of Public Health's Community Birth Plan, the Los Angeles Health Agency's Center for Health Equity's African-American Infant Mortality Plan, and the Board of Supervisors Home Visitation motion. The pursuit and receipt of funds to support stakeholder communications and facilitation leadership through the Pritzker Fellowship will contribute to the successful local implementation of AAIM projects. The ultimate goal is to ensure all women across Los Angeles County are fully engaged in timely, clinically-effective, equitable, and patient-centered perinatal care and supportive services. First 5 LA staff will return to the Board to share key focus group findings, as well as patterns gleaned from the utilization analysis. These themes will guide the Department of Public Health's signature African American Infant Mortality reduction initiative and First 5 LA's efforts to engage African-American women in home visitation.

NEXT STEPS:

First 5 LA staff is recommending the following actions for your consideration at the Program and Planning Committee on September 27, 2018:

- Accept \$150,000 in funds over two years from University of Utah, the fiscal agent for the Pritzker Fellowship.
- Contract with Ms. Melissa Franklin of Growth Mindset Communications for a period beginning retroactively September 4th, 2018 and ending August 14, 2018 to further a birth disparities reduction strategy, in concert with the Department of Public Health.

In concert, these actions will advance the critical communications and stakeholder activities required to support the implementation of the African American Infant Mortality reduction plan.

Targeted Birth Disparity Reduction

Lindsey Angelats, M.S., PMP, FACHE
Senior Strategic Advisor

Special Commission/Program &
Planning Committee meeting
September 27, 2018

1ST  LA
first 5 la
Giving kids the best start

Presentation Objectives

- Provide an brief update on First 5 LA's partnering work with Department of Public Health to reduce the significant disparities in birth outcomes and understand African-American women's experience with health and social services and supports
- Announce First 5 LA's receipt of an competitive award, the Pritzker Fellowship, to advance the planning and implementation of the County's African-American Infant Mortality reduction plan

94

Request approval from PPC:

- Accept \$150,000 over two years, from the University of Utah, the fiscal agent for the National Pritzker Children's Initiative, as a 1:1 match
- Approve two-year contract with Melissa Franklin of Growth Mindset Communications, a candidate preapproved by the Funder as LA's Fellow

Background



Birth Disparities in LA County

- African-American infants die at more than **3 times the rate** observed for White and Asian infants
- Mothers of other races demonstrate better birth outcomes than African American mothers, **despite experiencing similar or greater disparities** related to poverty, educational attainment,⁹⁶ and access to health care
- **Exposure to racism and racialized stress** throughout the lifespan can negatively impact birth outcomes
- Clinical and social services **may not be responsive to the needs** of African-American women

Connection to 2015-2020 Strategic Plan

Birth Disparities reduction aligns with Family and Health System outcomes:

- Increasing family protective factors, by supporting family resiliency and helping families access targeted supports in times of need
- Improving capacity of health, mental health, and substance abuse services systems to meet the needs of children prenatal to age 5 and their families

97

First 5 LA's Support

- Aligning work in improving birth outcomes with supporting Department of Public Health's Five Year Health Equity Action Plan
- Developing research to inform this work
 - Qualitative research, via focus groups
 - Health services utilization analysis
- Leveraging resources and partnerships
 - Successfully pursued and awarded a grant through the national Pritzker Children's Initiative

98



Pritzker Fellowship

Pritzker Fellowship

- First 5 LA applied for a competitive national award, the Pritzker Fellowship, and was awarded maximum funding (\$150,000 over two years, as a 1:1 match)
- A Pritzker Fellow is an established leader embedded in one of twelve areas nationwide to provide community capacity to enhance local supports for infants, toddlers and their families
- First 5 LA's Fellow was named in the application and in partnership with DPH, will lead stakeholder engagement process¹⁰⁰
 - First 5 LA is seeking to contract with Melissa Franklin of Growth Mindset Communications as the Fellow
 - Scope of Work will include developing a communication plan, supporting a local and/or countywide AAIM awareness campaign, as well as advancing implementation of the objectives in the Health Equity Plan, in partnership with DPH leaders

Next Steps

- Focus Groups: Final Report Released September 2018
- Quantitative Analysis: Will return to share findings with Board this Fall
- Action items at Program and Planning Committee
 - Accept \$150,000 over two years, from the University of Utah, the fiscal agent for the National Pritzker Children's Initiative, as a 1:1 match
 - Approve contract with Melissa Franklin of Growth Mindset Communications, a candidate preapproved by the Funder as LA's Fellow

101

Questions?



RESOLUTION NO. 2018-04

**A RESOLUTION OF THE LOS ANGELES COUNTY CHILDREN
AND FAMILIES FIRST PROPOSITION 10 COMMISSION:
APPROVAL OF RECEIPT OF PRITZKER COMMUNITY FELLOW GRANT FUNDS**

The Board of Commissioners of Los Angeles County Children and Families First Proposition 10 Commission (“the Commission”) hereby finds and resolves as follows:

Whereas, pursuant to the Fund Balance Policy approved on October 13, 2016, the Commission is required to approve via Resolution the receipt of restricted funds, thus formally acknowledging and reflecting externally imposed constraints placed on the use of these resources; and

Whereas, the University of Utah (“University”) awarded First 5 LA a grant to be used to select, hire and host an individual (known as the “Pritzker Community Fellow”) to be fully dedicated to support the community’s local Prenatal to Three (PN-3) initiative.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Up-front funding received from the University in the amount of up to \$75,000 per year, for a maximum of two consecutive years and up to a maximum aggregate amount of \$150,000, will be considered restricted for fund balance purposes; and
2. The executed copy of this Resolution shall be retained on file as evidence of the Commission’s actions herein.

PASSED, APPROVED AND ADOPTED THIS 27H DAY OF SEPTEMBER 2018, BY THE FOLLOWING VOTE:

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

Judy Abdo
Vice Chair, First 5 LA

Kim Belshé
Executive Director

FIRST 5 LA

SUBJECT:

Telling First 5 LA's Impact Story

BACKGROUND:

First 5 LA works across Los Angeles County to ensure that all children enter kindergarten ready to succeed in school and in life. The 2015-2020 Strategic Plan places families at the center of this work and focuses on supporting parents and caregivers. This is done by strengthening parents'/caregivers' skills, fostering community capacity to support families, and working to change the systems and policies that give parents and caregivers access to resources and supports needed to help their children to be healthy and ready to learn. Importantly, the plan embraced a strategic shift in First 5 LA's approach from funding principally direct services to supporting systems and policy change work with the goal of maximizing First 5 LA's impact for all children in LA County.

On July 1, 2015, First 5 LA began the implementation of its current Strategic Plan. The current strategic plan represents a significant pivot away from provision of direct services and towards advocacy for systems and policy change. As such, First 5 LA has changed the way it works, partners and defines success. At times, we can be a collaborator, convener, capacity-builder, catalyst, grant maker, and/or advocate. The Impact Framework effort reflects a new approach to measurement and learning that reflects First 5 LA's shift to policy and systems change work and shift in our role.

PROGRESS ON IMPACT FRAMEWORK PROCESS:

The process underlying the Impact Framework involved the collection of data for all strategies outlined within each outcome area of the strategic plan. Staff documented detailed pathways establishing relationships between their work and systems outcomes and ultimately highlighting the Population child and family outcomes that would be impacted. The Impact Framework process has yielded multiple population outcomes for each of the outcome areas (Early Care and Education, Family Supports, Health Systems, and Communities). Population Outcomes generated from the Impact Framework analysis require additional filtering using a set of criteria that will allow First 5 LA to focus on a combination of outcomes that capture the integrated nature of our work and contribution to our North Star.

Measurement Considerations

In the measurement context, this change represents a paradigm shift in how First 5 LA defines progress. Whereas progress in direct services can be understood as delivering concrete services with tangible outputs¹, success in systems work looks different. As we have learned from other funders who are doing systems change work and from our own experiences implementing the current strategic plan, early markers of systems change progress may be represented by increased visibility of an issue among field actors, improved quality of a partnership, increased data availability and use, increased political will or public engagement, or improved communications.

¹ *Outputs* here are defined as the most immediate sets of accomplishments necessary, but not sufficient, to produce outcomes and impacts.

These types of process measures represent early progress in collaborative system change efforts². However, to fully account for First 5 LA's impact, these process measures must be supplemented with a set of outcome measures that track changes in the environment, in systems, and at the population level. Success for First 5 LA is defined by its contribution to shifting systems alongside other organizations working toward similar goals. As such, First 5 LA's Impact Framework is a robust effort to capture changes by prioritizing measurement at three distinct levels:

- 1) *Population Outcomes* – Child- and family-level changes that reflect progress towards our North Star
- 2) *Systems Outcomes* – Improvements in systems so that they work better for families and children
- 3) *Monitoring Measures* – A set of measures to track trends that impact children, families and our work

Taken together, these levels of measurement will help First 5 LA to tell its impact story.

At the July 12, 2018, Board Meeting Retreat, Commissioners had the opportunity to experience up close the impact work that is resulting from the Impact Framework process. Commissioners participated in gallery walks that highlighted pathways between our work and the desired short- and long-term systems outcomes, as well as the connection to County-wide child- or family-level outcomes. Commissioners then engaged in dialogue with staff, asking questions and providing valuable input.

At the September 13, 2018, Board meeting, staff provided reflections and highlighted themes that resulted from the gallery walk discussions. The high-level themes discussed included integrating work when it makes sense, communicating First 5 LA's story, measurement, and questions about strategy. In addition, staff provided an overview of the Strategic Plan refinement process and described the relationships between this process and the Impact Framework. Finally, staff outlined a series of Board discussions that will lead to the approval of a set of Population Outcomes and Monitoring Measures in November 2018.

DISCUSSION:

The purpose of the discussion at the Program and Planning Committee meeting is to share how staff is approaching development of a prioritized set of Population Outcomes. Staff has identified a set of criteria that will help guide our selection of Population Outcomes. The criteria include:

- 1) Field Research and Evidence – The degree to which field research and evidence identify outcomes most relevant to achieving our North Star, that by 2028, all children in L.A. County will enter kindergarten ready to succeed in school and life.
- 2) Potential Impact – The degree to which First 5 LA is uniquely positioned to fill a gap in the field.
- 3) Alignment with First 5 LA's Experience and Strengths – The degree to which the outcome is aligned with First 5 LA's body of knowledge, experience, strengths and commitment to integration.
- 4) Alignment with County/State Outcomes – The degree to which the outcomes align with those being adopted or used by Los Angeles County or the State.

² For examples of outputs and outcomes and population-level changes in systems work see *When Collective Impact Has an Impact: A Cross Site Study of 25 Collective Impact Initiatives* retrievable at: http://orsimpact.com/DirectoryAttachments/542018_95838_731_CI_Study_Report_May_2018.pdf

In addition, staff will discuss how we intend to frame the types of Monitoring Measures that will best serve the Impact Framework. Monitoring Measures are critical in helping First 5 LA understand the context in which children and families live and thrive in Los Angeles County.

NEXT STEPS:

After the conversation at the Special Meeting of the Board of Commissioners/Program and Planning Committee, staff will utilize the input received to continue building out this body of work. At the October 2018, Board of Commissioners meeting, staff will introduce a prioritized set of Population Outcomes and Monitoring Measures for review and discussion. At the October 2018, Special Meeting of the Board of Commissioners/Program and Planning Committee, Commissioners will have the opportunity to have more in-depth conversation about the proposed Population Outcomes and Monitoring Measures that will then be presented for their approval at the November 2018, Board of Commissioners meeting.



TELLING FIRST 5 LA'S IMPACT STORY

Armando Jimenez
Director, Measurement, Learning & Evaluation

Steven LaFrance
Founder and CEO, Learning for Action



- Provide update on Impact Framework process to date
- Discuss and receive input on proposed criteria for selecting Population Outcomes
- Review proposed next steps regarding Board engagement

Phase 1

Define Population Outcomes, Monitoring Measures, systems outcomes



Phase 2

Develop Measurement Plan

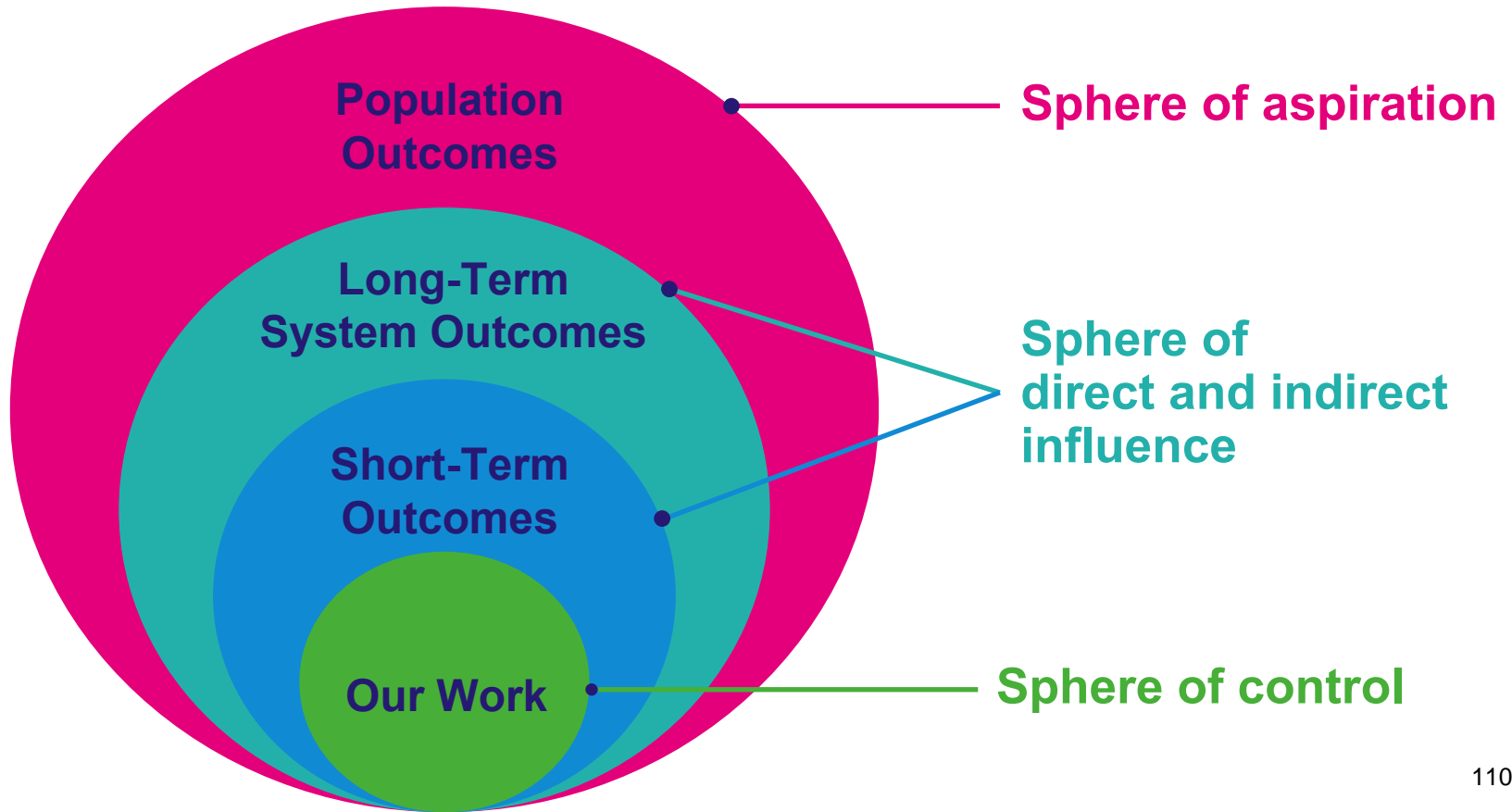
Develop Reporting Plan

Phase 3

Measurement



Reporting



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

1. Population Outcomes

- Child- and family-level changes that reflect progress towards our North Star

Example: Families have the resources, opportunities, & relationships to nurture their child's optimal development

2. Systems Outcomes

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

3. Monitoring Measures

- A set of measures to track trends that impact children, families, and our work

Descriptive measures of child/family characteristics: Income, homelessness
Contextual measures: Access to transportation, housing cost burden

- 1. Field Research and Evidence:** The degree to which field research and evidence identify outcomes most relevant to achieving our North Star.
- 2. Potential Impact:** The degree to which First 5 LA is uniquely positioned to fill a gap in the field.
- 3. Alignment with First 5 LA's Experience and Strengths:** The degree to which the outcome is aligned with First 5 LA's body of knowledge, experience, strengths and commitment to integration.
- 4. Alignment with County/State Outcomes:** The degree to which the outcomes align with those being adopted or used by L.A. County or the State.

- 1. Children are Ready for School:** Children have the physical well-being and motor development, social/emotional and language development, and cognitive and general knowledge to enter Kindergarten ready to learn.
- 2. Schools are Ready for Children:** Schools outreach to families of pre-K children, communicate expectations and standards, support family engagement, coordinate curriculum with pre-K providers, and have the capacity to connect children and families with the services they need.
- 3. Families and Communities Prepare Children for School:** Communities have a stake in the healthy development of young children and an obligation to support families. High-quality early care and education is available and accessible, and information and services for children and families are accessible and culturally appropriate.

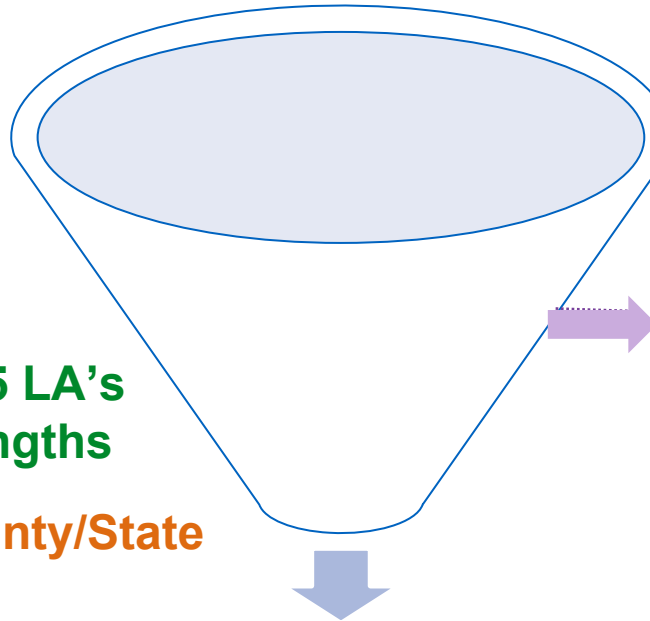
*Source: National Education Goals Panel

**Field Research and
Evidence: School
Readiness Dimensions**

Potential Impact

**Alignment with First 5 LA's
Experience and Strengths**

**Alignment with County/State
Outcomes**



- ✓ **Children are Ready for School**
- ✓ **Schools are Ready for Children**
- ✓ **Families and Communities Prepare Children for School**

**Population Outcomes to
Track Progress on
F5LA's North Star**

- We seek a focused set of Population Outcomes that meaningfully define progress towards the North Star and compel staff and partners to engage in our important work.
- Selected Population Outcomes must meet all proposed criteria (most importantly, reflecting core dimensions of school readiness).
- Population Outcomes must reflect First 5 LA's work holistically.
 - Population Outcomes go beyond measures of success for a single strategy or initiative.

- Define what we are holding ourselves accountable to
- Focus and guide Commission decisions about strategy
- Focus and guide how staff channel their time and resources
- Focus and guide who we partner with and how we engage in partnerships
- Clarify our communications to optimize coordination, integration, and impact

- Do the dimensions of school readiness resonate?
- Are the proposed criteria the “right” ones for selecting Population Outcomes?

Fall 2018 – October

- ❑ October BOC: Introduce proposed list of Population Outcomes and Monitoring Measures
- ❑ October PPC: In-depth discussion on Population Outcomes and Monitoring Measures

Fall 2018 – November

- ❑ November BOC: Seek Board approval of Population Outcomes and Monitoring Measures

Spring – Summer 2019

- ❑ Develop measurement & reporting plans

A woman with long dark hair and sunglasses is lying on her stomach on a grassy field, laughing joyfully. She has her arms around two young boys. One boy, wearing a blue and orange plaid shirt, is sitting up and smiling. The other boy, wearing an orange and white striped shirt, is lying on his stomach and laughing. The background is a soft-focus green field under bright sunlight.

Thank You!

The logo for 'first 5 la' is located in a white circle. It features the text '1st' in a blue circle, a hand icon, and 'LA' in a green circle, all above the text 'first 5 la' in a bold blue font. Below this is the tagline 'Giving kids the best start' in a smaller blue font.

1st  **LA**
first 5 la
Giving kids the best start

FIRST 5 LA

SUBJECT:

Provide an overview of the proposed Strategic Plan Refinement and solicit feedback from the Policy and Planning on proposed approach.

SUMMARY:

At the September Board meeting, as part of the reporting from the July Board retreat, staff presented a preview of the proposed Strategic Plan refinement process. The intent of this 2019 Strategic Plan refinement process is to build on the Impact Framework by using targeted county-level outcomes and systems outcomes, learning from our experience in policy and systems change work, and assess opportunities to refine our strategies to increase our impact.

The proposed process recognizes that the bold goal established by the 2015-20 Strategic Plan - that all children in LA County enter kindergarten ready to succeed in school and life – and associated outcomes for children, families and communities are long-term in nature. The strategy refinement process is intended to build on the foundational work of the last three years and provide an opportunity for the staff and Board alike to: consider the progress we have made in the first three years of implementation of the Strategic Plan as well as key learning and insights; assess changes in the landscape which influence our work both in terms of new opportunities and threats; and consider the capacity First 5 LA needs across all its Divisions to do this work effectively.

The September Program and Planning Committee (PPC) meeting will provide an opportunity to engage the PPC members in a discussion about the proposed process, assumptions, approach and timeline. Staff will present a preliminary plan and solicit feedback and input from Committee members working towards anticipate Board action to provide directional endorsement at the November meeting of the proposed process and approval of a consultant to support the process execution.

BACKGROUND:

First 5 LA is currently in the third year of implementing the FY 2015-2020 Strategic Plan. The 2015-2020 Strategic Plan represented a pivotal shift for First 5 LA to move from a funder of direct services to a convener and catalyst focused on policy and systems change. A key feature of First 5 LA's strategic approach is a reduced emphasis on funding discrete direct services with impact at the participant level and an increased emphasis on systems change, collaboration, and public policy with impact at the population level. This reflects First 5 LA's strategic imperative to maximize impact for young children through systems and policies that can affect the greatest number of children and thus achieving our North Star. This pivot has had implications for our role, structure, and intended impact. The transition to a policy and systems change orientation is an evolving shift and implementation is at various stages across First 5 LA's four outcome areas. Our portfolio of projects includes long-standing "signature investments", such as Welcome Baby and Best Start, as well as work that was launched with the 2015 plan, such as health systems improvement work.

As First LA reviews the first three years of implementation, we recognize that there are a number of learnings that are reflective in our current work and inform our work moving forward, including the following:

- Meaningful and material changes in policies and systems to achieve our North Star, that all children in Los Angeles County enter kindergarten ready to succeed in school and life, and progress on population-level change takes time and are long-term propositions.
- Partnership is critical to long-term sustained system change and ongoing and intentional efforts are needed to build and sustain partnerships

- The environment for policy and systems change work is constantly changing and we need to be evolving and responsive to these changes, while maintaining commitment to our core outcomes.

The Strategic Plan refinement process will be grounded in the learnings highlighted above and the recognition that the fundamental elements of the FY 2015-2020 Strategic Plan continue to drive and prioritize our work. Core elements of the Plan include:

- Our North Star that “All children in Los Angeles County will enter kindergarten ready to succeed in school and life”.
- A policy and systems change orientation as articulated in the FY 2015-2020 Strategic Plan investment guidelines.
- Continued commitment to our four priority outcome areas: Family Supports, Communities, Health Systems and Early Care and Education.

DISCUSSION:

The proposed Strategic Plan refinement process is anticipated to encompass three major phases as outlined below.

- **Phase I: Review** how our strategies have been and are being implemented to achieve our targeted outcomes and the resulting learnings. Key questions to be answered during this phase of the process include:
 - What progress have we made in the first three years and what have we learned from the first three years of implementation about **how** we do our work and the outcomes (**what**) we are working to achieve?
 - What has changed in the landscape in the last three years that impacts how we achieve our targeted outcomes?
 - What have we learned about First 5 LA’s capacity across our divisions to do this work?
- **Phase II: Reflect** on how changes in the landscape and our own implementation experience can inform our approach to achieving our targeted outcomes. Examples of questions to be answered during the reflect phase include:
 - How do learnings from our progress inform how we approach our future work?
 - How do changes in the landscape create new and/or unanticipated opportunities to advance our targeted outcomes?
 - How do the County-Level and systems impacts, as defined in the Impact Framework, inform our strategies and how we approach our work?
- **Phase III: Refine** our strategies to incorporate learnings from our own experience in policy and systems change work and our assessment of strategic opportunities to achieve our targeted outcomes. Examples of questions to be answered during the refine phase include:
 - How should we refine and prioritize our strategies based on our review and reflections?
 - How do we need to approach our work differently based on this review and reflection?
 - How can we best communicate our refined Strategic Plan to inform our partners and stakeholders?
 - What capacity does First 5 LA need across its divisions to do this work?

NEXT STEPS:

A Request for Proposal for consultant support for the Strategic Plan refinement process has been released and staff is in the process of conducting the review and selection process. The action to approve the selected consultant as well as directional endorsement of the proposed process is scheduled for the November Board meeting.



PROPOSED STRATEGIC PLAN REFINEMENT PROCESS

Christina Altmayer

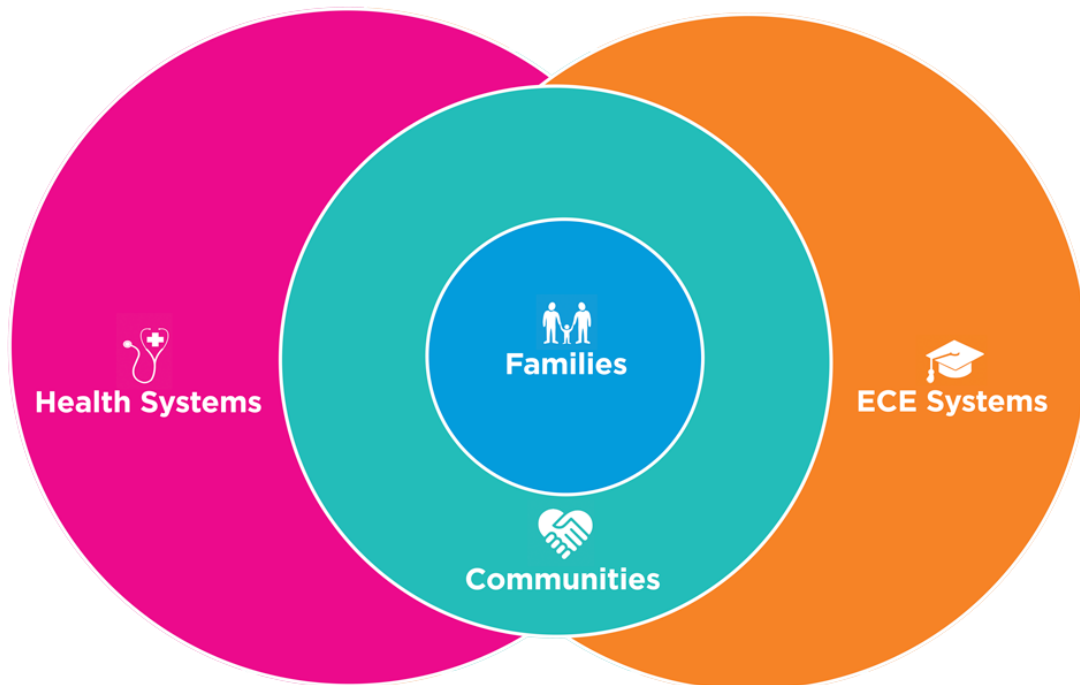


Objectives

- Provide context for Strategic Plan Refinement Process
- Share learnings from Strategic Plan Implementation
- Discuss proposed process and solicit feedback and questions

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

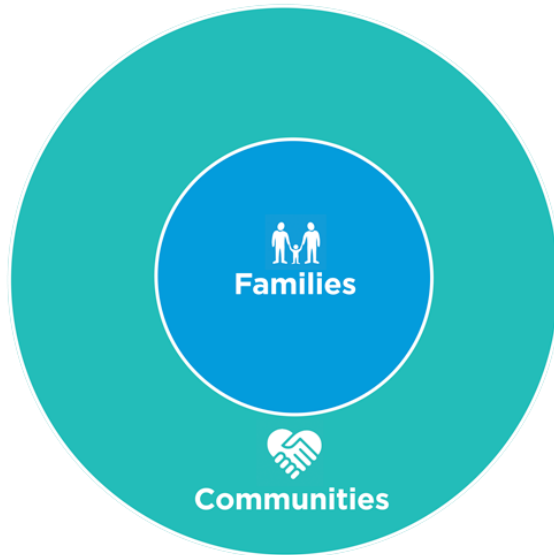
- **The Strategic Plan recognizes that it will take more than five years to make meaningful progress on our targeted outcomes – i.e., First 5 LA’s outcomes are “evergreen”**



Families:
Increase family
protective factors



Families:
Increase family
protective factors



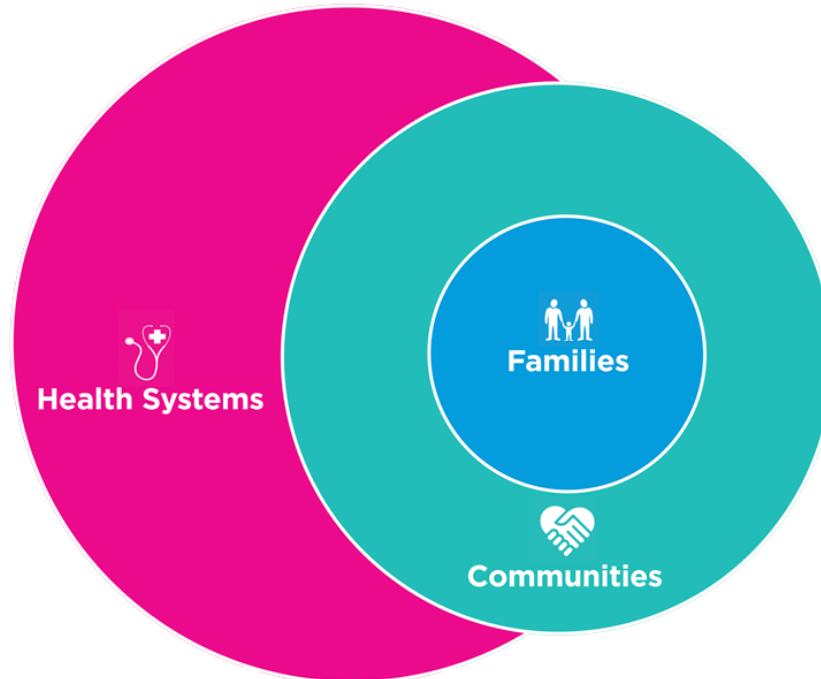
Communities:
Increase community
capacity to support and
promote the safety,
healthy development

Families:

Increase family protective factors

Health Systems:

Improved capacity of health, mental health and substance abuse systems to meet the needs of children prenatal to age 5 and their family



Communities:

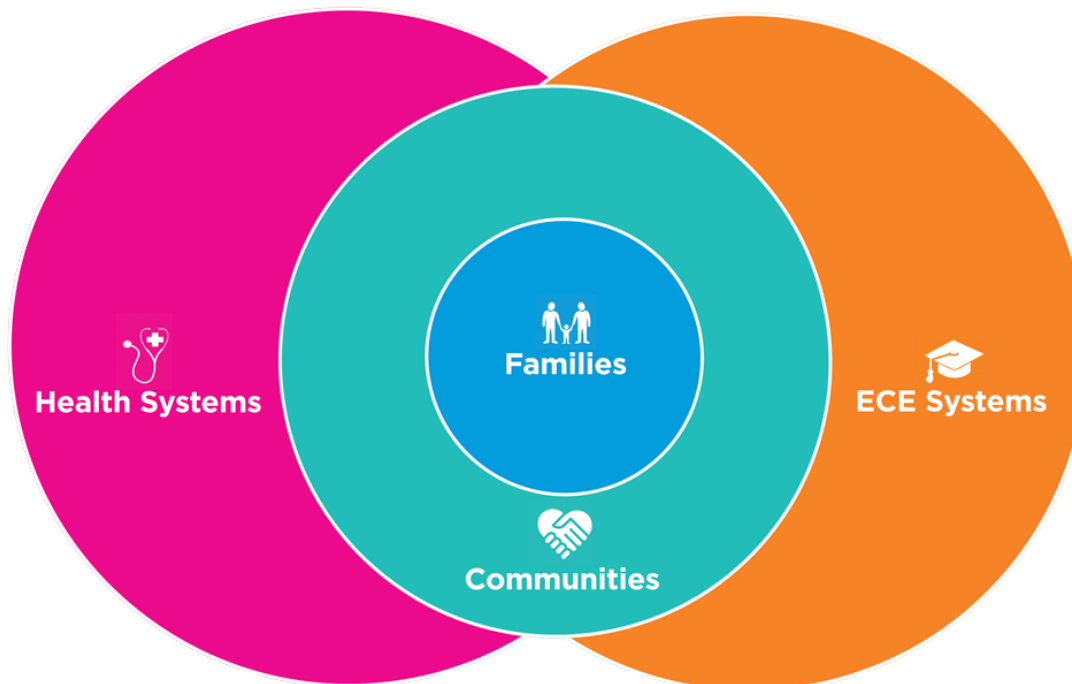
Increase community capacity to support and promote the safety, healthy development

Families:

Increase family protective factors

Health Systems:

Improved capacity of health, mental health and substance abuse systems to meet the needs of children prenatal to age 5 and their family



Communities:

Increase community capacity to support and promote the safety, healthy development

ECE Systems:

Increase access to quality early care and education

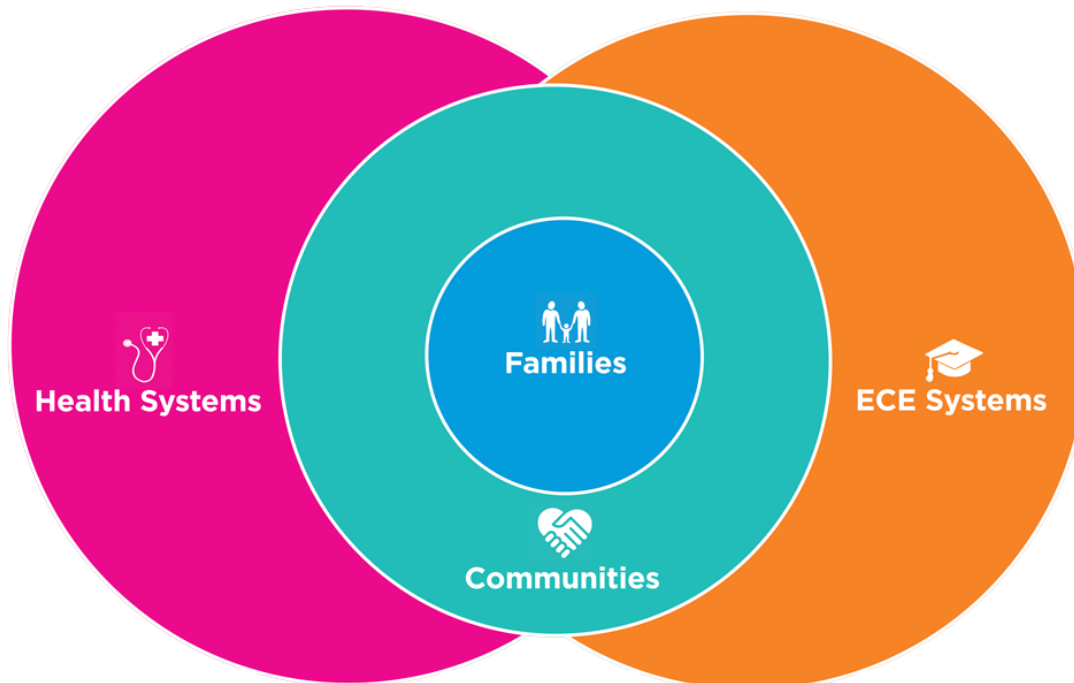
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Communities:

Increase community capacity to support and promote the safety, healthy development

ECE Systems:

Increase access to quality early care and education

Intentional focus of the Plan was to maximize the impact for *all* children in Los Angeles County by (Investment Guidelines), including:

- Focus on **prevention**
- Focus on changing the **systems and policies** that impact families
- Engage **partners early**

- Supporting communities and organizations working together
- Improving how services and supports are delivered to be more responsive to family needs
- Intentionally planning and implementation for how services will be funded for the long-term (sustainability)
- Strengthening our advocacy capacity at the local, state and federal level to expand access and services

Strategic Plan Implementation

- How well have we implemented strategies and activities to date?
- Have we implemented the “right” strategies/activities to achieve optimal progress towards outcomes?

2015-2018

Impact Framework Development

- What County-level impacts & monitoring measures can measure progress towards the North Star?
- What systems-level outcomes could have the greatest potential to contribute to these County-level impacts?
- To what extent are these County-level impacts and systems change outcomes grounded in current work?

2018-2019

Strategic Plan Refinement

- What progress have we made and what have we learned in the first 3 years of implementation?
- What has changed in the landscape in the last 3 years that affects how we achieve our targeted outcomes?
- What capacity does F5LA need across its divisions to do this work?

2019

Strategic Plan Implementation

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Strategic Plan Refinement

- What progress have we made and what have we learned in the first 3 years of implementation?
- What has changed in the landscape in the last 3 years that affects how we achieve our targeted outcomes?
- What capacity does F5LA need across its divisions to do this work?

2019

Initial Learnings



- If we want to make changes for the maximum number of children, we have to change the systems that are intended to support children and families
- Work is complex, takes time
- Early wins are important to demonstrate future possibilities
- Partnership is fundamental to this work
- Context is constantly evolving; assess implications for our progress to date and strategies going forward
- Local program experience is impactful in shaping policy

- Early stages of the pivot to contribute to change at the county-wide population level.
- Our role as a convener, connector, catalyst and capacity-builder is unique and valued
- Integration of both our strategies and functions will be critical for long-term success
- Current plan is complex; our language needs to be simple and accessible
- Better understand and prioritize the competencies we need to be successful

- Integration - How do we better integrate our work so that services and supports for families are more accessible?
- Equity – Does our focus on disparities sufficiently incorporate an equity lens?
- Prioritization - What strategies do we believe are most important for us to be successful at?
- Organizational capacity - What must we have the capacity across our divisions to do successfully as an organization?

Proposed Refinement Process

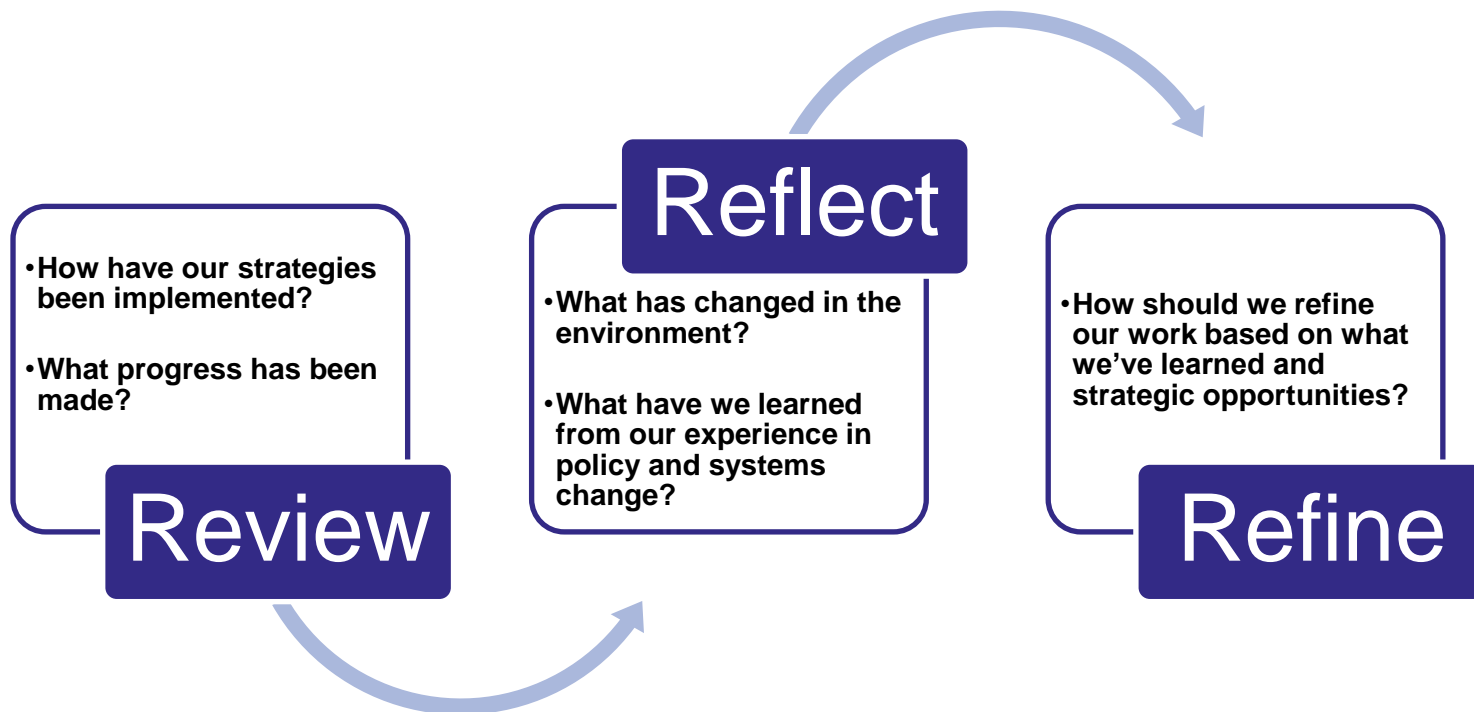


- Review
 - What progress have we made in the first three years and what have we learned from the first three years of implementation about **how** we do our work and the outcomes (**what**) we are working to achieve?
 - What has changed in the landscape in the last three years that impacts how we achieve our targeted outcomes?
 - What have we learned about First 5 LA's capacity across our divisions to do this work?

- Reflect
 - How do learnings from our progress inform how we approach our future work?
 - How do changes in the landscape create new and/or unanticipated opportunities to advance our targeted outcomes?
 - How do the County-Level and systems impacts, as defined in the Impact Framework, inform our strategies and how we approach our work?

- Refine
 - How should we refine and prioritize our strategies based on our review and reflections?
 - How do we need to approach our work differently based on this review and reflection?
 - How can we best communicate our refined Strategic Plan to inform our partners and stakeholders?
 - What capacity or process changes do we need to make to enhance our effectiveness?

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



- Strategic Plan will build from the Impact Framework – population change and system change
- “Hold tight” to our North Star and outcomes; “hold loose” in our strategies
- Consider the capacity First 5 LA needs across all its Divisions to do this work effectively.
- Leverage diverse stakeholder engagement and community outreach strategies conducted over the past three years to inform our planning process:
 - Branding work
 - Grantee perception report (anticipated in 2019)
 - Community input that informed the Best Start Alignment
 - ECE Policy and Advocacy Fund informant process
 - Stakeholder informed processes to develop OCP Prevention Plan, Help Me Grow Implementation Plan, Trauma and Resiliency Informed System Change Report, Home Visiting Board Motion

Response

- RFQ underway to procure technical assistance and consulting support to guide Strategic Plan Refinement Process
- Recommendation on award scheduled for November Board Meeting

Fall 2018 – October

- ❑ September PPC :Introduce the proposed process, key assumptions and timeline
- ❑ Begin process to capture learnings

Fall 2018 – November

- ❑ November BOC: Seek Board endorsement including consulting support
- ❑ Finalize proposed process

Spring – Summer 2019

- ❑ Launch process officially in January 2019
- ❑ Begin review and reflect processes
- ❑ Continue to refine plan with target complete by November 2019

Questions?

1ST  LA
first 5 la
Giving kids the best start



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

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 Los Angeles County, California for the year ended June 30, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards* as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 3, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Commission are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2018. We noted no transactions entered into by the Commission during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimate affecting the Commission's financial statements was:

Management's estimate of the fair value of investments as disclosed in Note 1 to the financial statements is based on information provided by the County of Los Angeles. We evaluated the key factors and assumptions used to develop this estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated October 11, 2018.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Commission's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Commission's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to management's discussion and analysis and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the Schedule of First 5 California Funding, which accompanies the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory section and statistical section, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Restriction on Use

This information is intended solely for the information and use of the Board of Commissioners and management of the Los Angeles County Children and Families First – Proposition 10 and is not intended to be, and should not be, used by anyone other than these specified parties.

Rancho Cucamonga, California

October 11, 2018

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2018



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DRAFT COPY 09/17/18

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 2018

Raoul Ortega

Director of Finance

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**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
FOR THE YEAR ENDED JUNE 30, 2018**

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Table of Contents

INTRODUCTION SECTION:	Page(s)
Letter of Transmittal.....	i
Board of Commissioners	vi
Organizational Chart	vii
GFOA Certificate of Achievement.....	viii
 FINANCIAL SECTION:	
Independent Auditors’ Report	1-2
Management’s Discussion and Analysis (Required Supplementary Information).....	3-13
Basic Financial Statements:	
Statement of Net Position and Governmental Fund Balance Sheet	14
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balance	15
Notes to Basic Financial Statements	16-28
Required Supplementary Information:	
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund	29-30
Note for the Required Supplementary Information	31
Other Supplementary Information:	
Schedule of First 5 California Funding	32
 STATISTICAL SECTION (Unaudited):	
Financial Trends	
Net Position by Component	34
Changes in Net Position	35
Fund Balances – General Fund	36
Changes in Fund Balances – General Fund	37
Revenue Capacity	
First 5 California County Tax Revenue Projections for Fiscal Years 2016/2017 – 2020/2021.....	38
Cigarette Taxes and Other Tobacco Products Surtax Revenue, 1959-60 to 2015-16.....	39-40
Demographic Information	
Demographic Data and Economic Statistics	41
Unemployment Rate	42
Ten Largest Industries.....	43
Operating Information	
Capital Assets Statistics	44
Authorized Positions by Function.....	45
 COMPLIANCE SECTION:	
Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	46-47
Independent Auditors’ Report on State Compliance	48-49

October 11, 2018

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

Dear Commissioners:

The Comprehensive Annual Financial Report (CAFR) of the Los Angeles County Children and Families First – Proposition 10 Commission (First 5 LA) for the year ending June 30, 2018, 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. 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.

Vavrinek, Trine, Day & Co., LLP, Certified Public Accountants, have issued an unmodified (“clean”) opinion on First 5 LA’s financial statements for the year ending June 30, 2018. In addition, as part of the FY 2017-18 audit, the auditors performed procedures over the new Chart of Accounts. The independent auditors’ report is located at the beginning of the financial section of this report. Management also provides a narrative introduction, overview and analysis of the basic financial statements in the form of the Management’s Discussion and Analysis (MD&A).

PROFILE OF THE COMMISSION

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

Over the last twenty years, First 5 LA has made a lasting positive impact in Los Angeles County through its allocation of over \$2.3 billion to support diverse partnership, innovative programs, leading policy and systems change efforts and operations that improve the well-being of young children and families.

ECONOMIC OVERVIEW

Los Angeles County (County) is home to more than 10 million residents and boasts a workforce of more than 5.1 million people. The county remains one of the largest manufacturing centers in the nation, is a global gateway for trade and tourism, serves as the world’s entertainment hub, and draws entrepreneurs from around the world. In 2017, real gross domestic product (GDP) in the

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Judy Abdo		Marlene Zepeda, Ph.D.
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EXECUTIVE DIRECTOR

Kim Belshé

EXECUTIVE VICE PRESIDENT

John A. Wagner

county grew at 3.2 percent, an uptick from the prior year when the economy grew by 2.1 percent. Still, this year's growth rate was below the national rate of growth (2.4 percent). Real GDP growth is expected to be 2.4 percent for 2018 and 2.2 percent for 2019, outpacing the nation in both years (2.3 percent and 2.1 percent, respectively). In addition, the average unemployment rate in Los Angeles County reached 4.6 percent, the lowest unemployment rate since 2000 and more than 63 percent below the post-recession peak rate of 12.5 percent reached in 2010. The positive developments in the job market are expected to continue the downward trend in the unemployment rate.

The county enjoys a diverse industrial base, as private sector employment is well-represented in wholesale and retail trade, health care, manufacturing, and leisure and hospitality. A strong pace of job growth is expected for the health care and social assistance which is the county's largest industry sector by employment. Approximately 32 percent of jobs in this sector are in ambulatory health care, such as doctors' offices and clinics, 18 percent are in hospitals and 37 percent are in social assistance, such as child day care and in home supportive services. Jobs in this sector are expected to expand by 15,100 in 2018 and an additional 9,500 jobs in 2019, annual growth rates of 2.3 percent and 1.4 percent respectively.

ORGANIZATIONAL ALIGNMENT

During fiscal year 2016-17, First 5 LA transitioned to a 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.
- Staff development/support – First 5 LA recognizes the importance of supporting staff to learn and grow in their jobs and strengthen the skills and capabilities they need to succeed. Training priorities have been identified that are grounded in our commitment to effectively execute the Strategic Plan, invest in our employees, and secure First 5 LA's continued success as a high-performing, high-impact organization.
- Infrastructure/systems – Administration Division leadership worked collaboratively to identify specific business systems and processes to support First 5 LA's new Strategic Plan and direction. In an effort to create an organizational culture of more intentional learning by charting and accessing the flow of information, First 5 LA implemented a new Chart of Accounts in FY 2017-18 to help leverage financial data for broader learning and strategic purposed 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. In addition, we have implemented several modules in our accounting system to streamline our internal process including Fixed Asset and Cash Receipt modules. We are also looking at other processes such as procurement and how we monitor our contracts by utilizing Blackbaud Grant Management software.
- Capital improvements – As the owner and operator of its building, we are reaching the point in the life of our facility which will require certain capital expenditures to renovate and maintain this critical asset. In addition, in order to strengthen our ability to effectively execute our 2015-2020 strategic plan, and to improve the layout of the building to enhance internal collaboration and work, there will be a certain amount of ongoing investment to maintain our building. Per the FY 2017-18 Budget process, the Board established a Capital Improvement Fund (CIF),

funded by unspent prior year operating budgets. Relatedly, staff prepared a Capital Improvement Plan (CIP) to draw upon those funds. The plan 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. Staff presented the CIP to the Board in June 2018 and received approval in July 2018.

A SHIFT IN APPROACH

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

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

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

Families: Increased family protective factors

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

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

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

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

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

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

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

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

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

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

LOOKING AHEAD

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

As legacy investments come to the end of their contracts, First 5 LA's resources will be more fully dedicated to the outcomes and strategies detailed in the Strategic Plan. The FY 2018-19 budget continues to reflect costs for ongoing legacy initiatives that will soon be either ending or ramping down, but represents a 63% decrease in anticipated spending from FY 2017-18, while simultaneously accounting for commitments made by the Commission. The Commission will continue to prioritize investments in the current Strategic Plan – such as Welcome Baby and Select Home Visiting, the Best Start Communities, policy and strategic communications efforts and resources for more developmental activity, to advance the 2015-2020 Strategic Plan.

It is important to note that the First 5 LA's work within four outcome areas is at very different stages of development. While the organization's Welcome Baby and Select Home Visiting and the community capacity building work, within the Families and Communities outcome areas, respectively, represent ongoing work already in progress, much of the proposed work in the Early Care and Education Systems (ECE) outcome area has just begun and the Health Related Systems outcome area is still in the developmental stage, nearing implementation. ECE and Health Related Systems outcome areas are expected to develop and expand which will increase the expenditures for both in FY 2018-19 compared to prior year.

In addition, at the time of adopting the 2015-20 Plan, there was recognition that it will take far more than a five-year timeframe for meaningful process on our targeted outcomes – i.e., First 5 LA's outcomes. Guided by the Impact Framework under development, First 5 LA's staff and management in FY 2018-19 will use targeted population outcomes and system outcomes defined in the Impact Framework to both anchor First 5 LA's current work and refine our strategies going forward.

OTHER FINANCIAL INFORMATION

Internal Controls

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

Budgetary and Accounting System

The Commission is not required to adopt a budget for the following year before the end of each fiscal year. However, the Commission has historically adopted a budget to ensure controlled spending. Any increase to previously adopted appropriations during the fiscal year requires Commission approval. The Executive Director has the authority to make adjustments to the

operating budget in an amount not to exceed \$25,000, and any adjustments to the adopted fiscal year budget for programs must be approved by the Commission. Monthly financial updates are also provided to the Board of Commissioners. The Commission has not adopted or revised any financial policies that may have a significant impact on the current period's financial statements.

Long Term Financial Projection

Each year, First 5 LA updates its Long Term Financial Projection (LTFP), a five-year forecast that includes revenue, fund balance, program commitments, expenditure projections and operating expenses. The goal of the LTFP is to aid in the Commission's financial stewardship role by showing the long-term implications of funding decisions. Changes to the LTFP may be driven by updates to actual financial data or action taken by the Commission. The most recent LTFP approved by the Commission in February 2018 demonstrates that while resources are adequate to cover existing obligations in the short-term, the current rate of spending is unsustainable in the long-term.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to First 5 LA for its comprehensive annual financial report for the fiscal year ended June 30, 2017. This was the tenth consecutive year that First 5 LA has achieved this prestigious award. In order to be awarded a Certificate of Achievement, First 5 LA must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

ACKNOWLEDGEMENTS

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

Sincerely,



Kim Belshé
Executive Director

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Senior Director of Administration

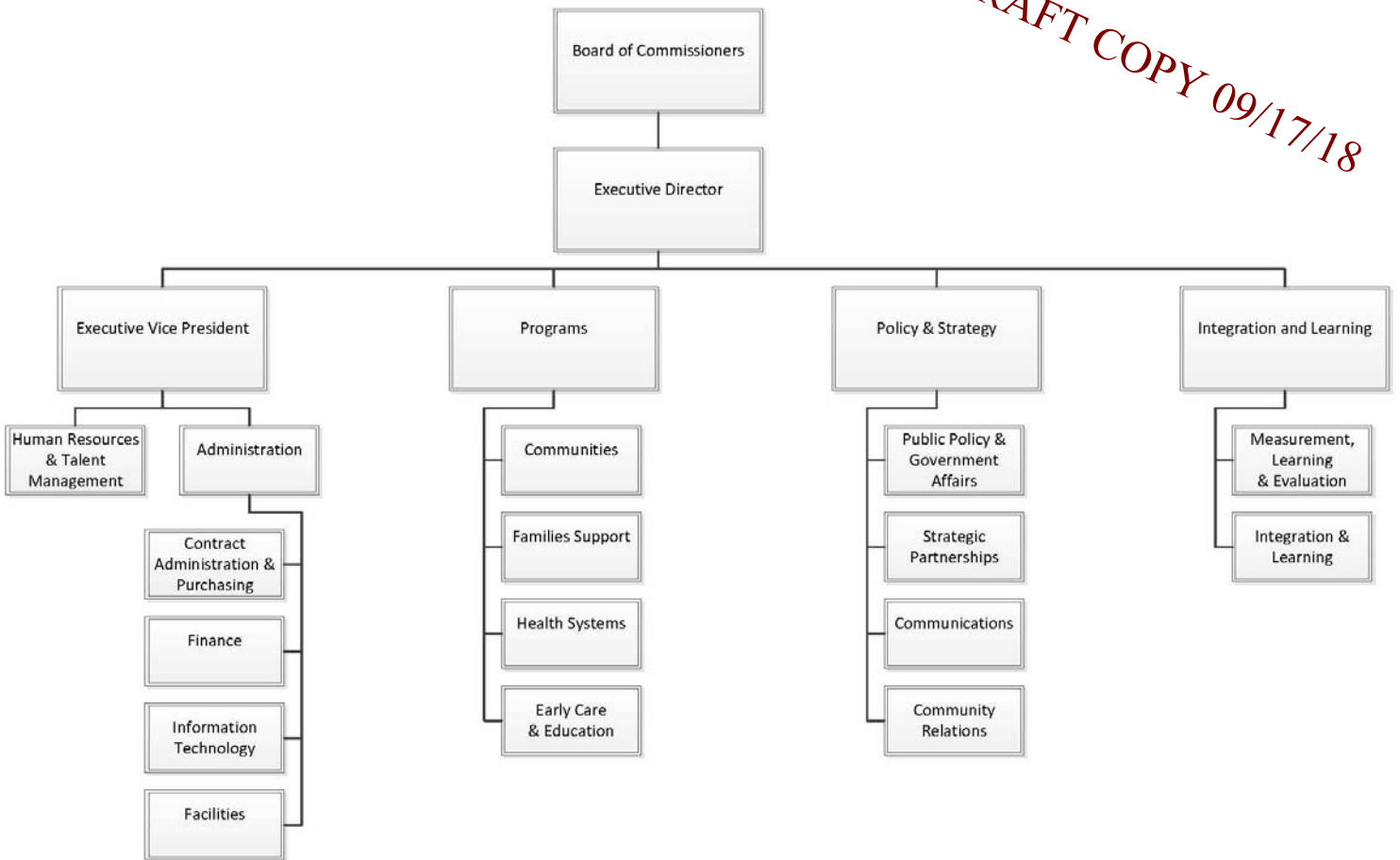
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Bill Baer, Interim Director, Information Technology
Peter Barth, Public Policy & Government Affairs
Gala Collins, Human Resources & Talent Management
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For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the general fund of the Los Angeles County Children and Families First – Proposition 10 Commission (Commission), a component unit of the County of Los Angeles, California, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the general fund of the Commission, as of June 30, 2018, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis and budgetary comparison information on pages 3 through 13 and 29 through 31 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2018, 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.

**Management's Discussion and Analysis
(Unaudited)**

This section of the Los Angeles County Children and Families First – Proposition 10 Commission (the “Commission”) comprehensive annual financial report presents management’s discussion and analysis of the Commission’s financial performance during the year ending June 30, 2018. This discussion and analysis is intended to be read in conjunction with the Commission’s basic financial statements and accompanying notes.

Financial Highlights

- The Commission recognized a total of \$73.2 million in revenues from First 5 California (the State), reflecting a 12.96% decrease of \$10.9 million from \$84.1 million in FY 2016-17. Total program revenues for FY 2017-18 in the amount of \$74.7 million include tobacco taxes, IMPACT Hubs funds, Department of Education for Child Care and Development fund and pass-through fund for Medi-Cal Administrative Activities.
- Commission expenses totaled \$122.2 million in FY 2017-18, representing a 5.90% decrease of \$7.7 million from \$129.9 million in FY 2016-17.
- The Commission’s liabilities increased from \$19.7 million in FY 2016-17 to \$20.7 million in FY 2017-18, reflecting a total increase of approximately \$1 million, or 4.74%.
- The Commission’s total net position decreased from \$433.3 million in FY 2016-17 to \$390.1 million in FY 2017-18, a decline of approximately \$43.2 million, or 9.98%.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

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

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

Government-wide Financial Statements Analysis

The following is a summary of the Commission’s assets; liabilities and net position comparing FY 2017-18 with FY 2016-17:

	FY 2017-18	FY 2016-17	Percent change	Increase (Decrease)
Assets:				
Current and other assets	\$399,700,657	\$441,761,263	-9.52%	(\$42,060,606)
Capital assets	11,046,294	11,310,273	-2.33%	(263,979)
Total assets	\$410,746,951	\$453,071,536	-9.34%	(\$42,324,585)
Liabilities:				
Long-term liabilities	\$699,536	\$608,795	14.91%	\$90,741
Other liabilities	19,982,283	19,137,224	4.42%	845,059
Total liabilities	20,681,819	19,746,019	4.74%	935,800
Net Position:				
Unrestricted	\$379,018,838	\$422,015,244	-10.19%	(\$42,996,406)
Net investment in capital assets	11,046,294	11,310,273	-2.33%	(263,979)
Total net position	390,065,132	433,325,517	-9.98%	(43,260,385)
Total liabilities and net position	\$410,746,951	\$453,071,536	-9.34%	(\$42,324,585)

The Commission's total assets of \$410.7 million represent a decrease of \$42.3 million or a 9.34% decline, compared with the prior year. Of this total, the decrease in current and other assets is approximately \$42.06 million. The key factor contributing to this reduction in total assets is that total expenses, including program expenses (such as provider grants and contractors), were higher than the total revenue by \$43.3 million.

The \$263,979 decrease in capital assets resulted from continued depreciation of the Commission's capital assets. The depreciation expense for FY 2017-18 was \$312,988. Additional information on capital assets can be found in Note 3 of this report.

Other liabilities in FY 2017-18 increased by 4.42% over the prior year due to greater activities related to accounts payable in the current year compared to the prior year in the amount of \$845,059.

The following is a summary of the Commission's revenues; expenses and change in net position comparing FY 2017-18 with FY 2016-17:

	FY 2017-18	FY 2016-17	Percent change	Increase (Decrease)
Revenues:				
Program revenues				
Tobacco taxes	\$ 72,330,836	\$ 83,567,141	-13.45%	\$(11,236,305)
State Commission program funds	896,040	556,665	60.97%	339,375
Medi-cal administrative activities	181,859	137,599	32.17%	44,260
Partnership for families funds	-	4,334,967	-100.00%	(4,334,967)
California department of education	298,700	-	100.00%	298,700
Other program revenue	1,016,683	401,956	152.93%	614,727
Total program revenues	\$ 74,724,118	\$ 88,998,328	-16.04%	\$(14,274,210)
General revenues				
Investment income	6,830,856	4,003,489	70.62%	2,827,367
Net increase (decrease) in fair value of investments	(2,742,856)	(3,026,254)	-9.36%	283,398
Other general income	148,135	122,208	21.22%	25,927
Total general revenues	4,236,135	1,099,443	285.30%	3,136,692
Total revenues	78,960,253	90,097,771	-12.36%	(11,137,518)
Expenses:				
Provider grants and other allocations	101,364,209	106,777,128	-5.07%	(5,412,919)
Pass-through grants	136,877	4,150,975	-96.70%	(4,014,098)
Salaries and benefits	17,382,747	15,763,620	10.27%	1,619,127
Operating services	1,232,687	1,172,319	5.15%	60,368
Consultant services	850,154	999,806	-14.97%	(149,652)
Professional services	500,050	346,529	44.30%	153,521
Professional development	166,975	-	100.00%	166,975
Other expenses	273,951	358,346	-23.55%	(84,395)
Depreciation	312,988	309,327	1.18%	3,661
Total expenses	122,220,638	129,878,050	-5.90%	(7,657,412)
Change in net position:	(43,260,385)	(39,780,279)	8.75%	(3,480,106)
Net position – beginning	433,325,517	473,105,796	-8.41%	(39,780,279)
Net position – ending	\$390,065,132	\$433,325,517	-9.98%	\$(43,260,385)

Revenues

The Commission received a total of roughly \$79 million in revenues for FY 2017-18, reflecting a decrease of \$11.1 million, or 12.36% compared with the prior year's total revenues of \$90.1 million. The overall changes in revenue are due to the following.

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Tobacco Tax

Tobacco tax revenue decreased from \$83.6 million in FY 2016-17 to \$72.3 million in FY 2017-18, a reduction of \$11.2 million, or 13.45%. The decrease in revenue were due to declining sales of tobacco products, the decline in births in Los Angeles County and as highlighted in the prior year Management Discussion and Analysis section of the FY 2016-17 Comprehensive Annual Financial Report, passage of SBx27 and Prop 56.

Per Proposition 56, backfill (or "hold harmless") amounts are calculated in arrears, which take into account the prior year actual revenue loss attributable to Proposition 56. After the one-time decline in revenue, which looks to have begun in FY 2016-17 and continued through FY 2017-18, the average decline is expected to be approximately 2.9 percent which has been the average standard rate of decline. As the backfill amount increases revenue in FY 2018-19, the ongoing available funds for transfer will stabilize the rate of revenue decline. With the hold harmless backfill clause in place, the overall projections only reflect a short term adjustment to tobacco tax revenue for both FY 2016-17 and the FY 2017-18. The long-term projections will reflect the Commission "being made whole" by FY 2018-19.

Other State Commission Program Funds

Other State Commission program funds increased from \$556,665 in FY 2016-17 to \$896,040 in FY 2017-18, an increase of \$339,375, or 60.97%. In FY 2017-18, the Commission recorded \$851,340 in IMPACT Hubs funds and \$44,700 in First 5 State Advocacy alignment program. The increase compared to prior year is primarily related to higher IMPACT Hubs funds reimbursement.

Medi-Cal Administrative Activities

The Medi-Cal Administrative Activities (MAA) program increased from \$137,599 in FY 2016-17 to \$181,859 in FY 2017-18. The program, contracted through the County of Los Angeles, assists in the administration of the Medi-Cal program by improving the availability and accessibility of Medi-Cal services to eligible participants. This increase is a result of more activity reported. It is important to note that MAA reimbursements are based on activities that are reimbursed from 18 months prior to billing.

Partnership for Families Fund (PFF)

The Commission recorded no revenue for the FY 2017-18 compared to prior year due to the PFF funding ending in December 2016.

California Department of Education

The Commission recorded \$298,700 in revenue under the contract agreement with the Department of Education for Child Care and Development fund. Funds are used to support First 5 LA Early Care and Education Strategy 2, Quality Rating Improvement System (QRIS). Under the agreement funds must be used to build regional and local capacity to implement the CA-QRIS Rating Matrix and the continuous Improvement Pathway.

Other Program Revenue

Other Program revenue increased from \$401,956 in FY 2016-17 to \$1.02 million in FY 2017-18, an increase of \$614,727, or 152.93%. In FY 2017-18 the Commission recorded \$791,250 in revenue from California Community Foundation for the Bridge Fund closeout, \$105,433 from First 5 California Surplus Money Investment Fund (SMIF) and \$115,000 from The Center for the Study of Social Policy for project DULCE. This increase compared to prior year is primarily related to closeout of Bridge Fund.

Investment Income

The Commission earned \$6.8 million of investment income in FY 2017-18, which was an increase of roughly \$2.8 million, or approximately 70.6%, compared with the \$4.0 million earned in the prior year. Though the overall rate of return increased from the prior year with an average earning of 1.58%, the increase is also related to the interest income from LA Care and bridge fund closeout in which First 5 LA received \$444,554 and \$5,776 in interest respectively.

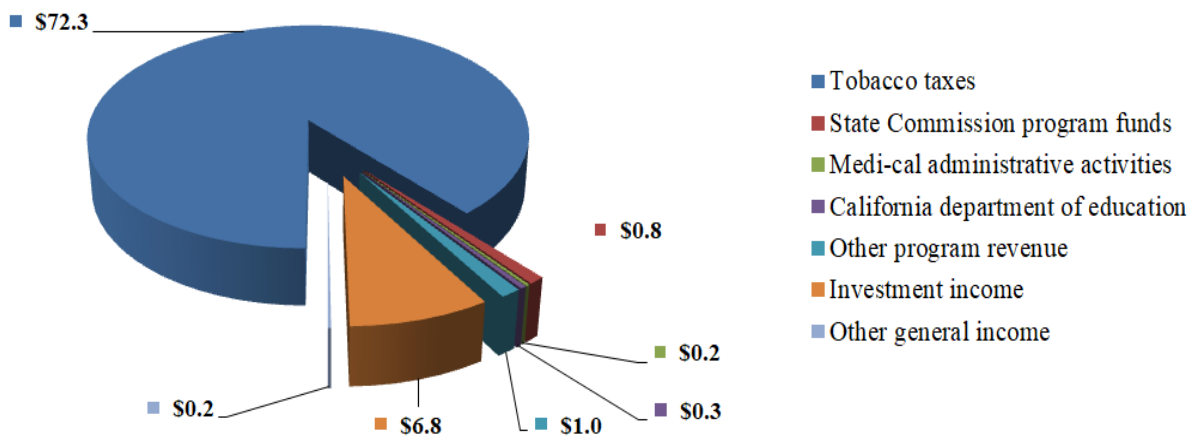
Fair Value Adjustment

First 5 LA separates the fair value adjustment under investment income from the Statement of Activities to more accurately reflect true interest earned. In FY 2017-18, the fair value of First 5 LA investment portfolio adjustment was down \$2.7 million, compared to \$3.0 million loss in FY 2016-17.

Other General Income

The Commission generated other revenue primarily through a lease agreement it has with La Petite Academy. This revenue increased by \$25,927 from \$122,208 in FY 2016-17 to \$148,135 in FY 2017-18.

**Revenue June 30, 2018
(In Millions)**



Expenses

The Commission recognized expenses of approximately \$122.2 million in FY 2017-18 compared with \$129.9 million in FY 2016-17, a decrease of \$7.7 million, or 5.07%. The \$7.7 million net decrease in overall expenditures encompasses the following from FY 2017-18.

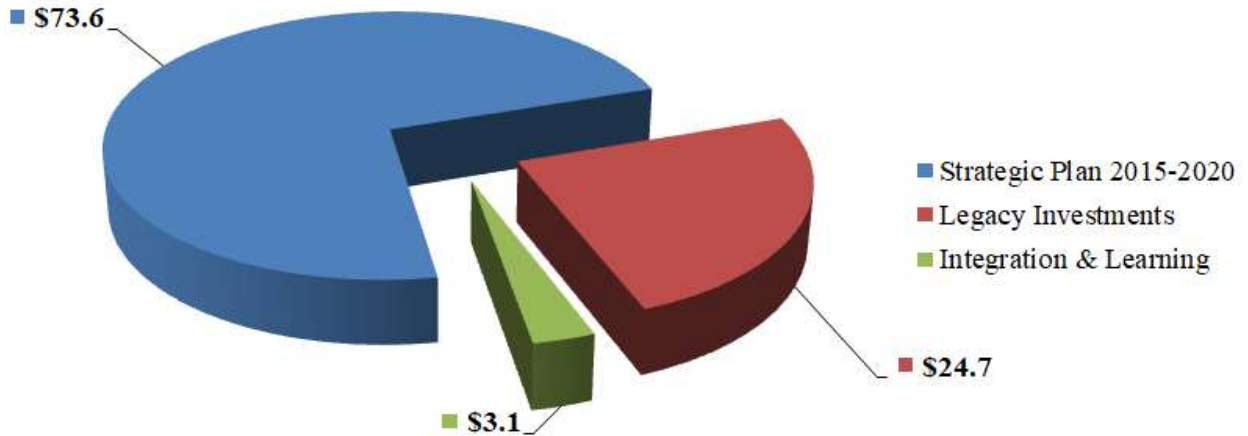
Provider Grants and Other Allocations

The Commission experienced a decrease of \$5.4 million, or 5.07%, expending approximately \$101.4 million in FY 2017-18 compared to \$106.8 million in FY 2016-17 for “Provider grants and other allocations”. This reduction represents roughly 71% of the overall decrease in expenditures the Commission experienced in FY 2017-18. The net decrease is a result of a number of Legacy initiatives ramping down or ending, as well as a delay in program costs during FY 2017-18, with a number of activities commencing later in the fiscal year and continuing into FY 2018-19. The following details activity based on the Commission’s investment categories, reorganized per the new Strategic Plan, during the fiscal year:

- **2015-2020 Strategic Plan: Focusing for the Future:** FY 2017-18 marks the third year to align with the current five-year Strategic Plan, represented in two primary areas of implementation activity - Strategic Plan Priority Outcome Areas and Strategic Plan Investment Areas & Support Costs. Roughly \$73.6 million was expended in FY 2017-18, an increase of approximately \$11.4 million as compared to FY 2016-17. The primary drivers for the increase were costs in support of the priority outcome areas where Families experienced an increase of just over \$3.6 million, Communities increased by about \$2.3 million and ECE grew by approximately \$1.8 million from FY 2016-17. Other initiatives in support of the 2015-2020 Strategic Plan, such as Communications & Marketing, Strategic Partnership and Policy Agenda/Advocacy, also reflected a slight uptick in expenditures compared to FY 2016-17. Overall, costs in support of the Strategic Plan goals continued to increase in FY 2017-18 as the four priority outcome areas and support costs were more clearly delineated and the program implementation continued to advance. Conversely, much like in FY 2016-17, FY 2017-18 continued to be an infrastructure development year for the Health-Related Systems outcome area with costs fairly consistent from one year to the next and only minimally lower in FY 2017-18.
- **Legacy Investments:** This category includes existing multi-year programs scheduled to conclude or be realigned with the 2015-2020 Strategic Plan during the new Strategic Plan term. Approximately \$24.7 million was expended in FY 2017-18 which reflected a \$15.2 million reduction in programs that expired or were reclassified in alignment to the current strategic plan. There were significant decreases in funding for several other programs identified within Legacy Investments as they continue to ramp down. The continued decline of resources in support of the Legacy Investments is as expected and will continue to decrease in the coming years.
- **Integration & Learning:** This includes current investments that align and contribute to the 2015-2020 Strategic Plan, as well as ongoing projects aligned to our legacy investments and the organization’s ongoing commitment to learning. The reduction in FY 2017-18 costs is indicative of a realignment of funds, decreasing the Data Development and Integration and Program Evaluation initiatives while slightly increasing resources within the Data Partnership with Funders initiatives. This reduction in Program Evaluation costs is reflective of the continuing decline in legacy investments as the evaluation and outcome studies associated with those projects also conclude or begin to ramp down.

Additionally, newly proposed activities within the Data Development and Integration initiative experienced a shift in the proposed timeline and execution of services. Total expenditures in FY 2017-18 amounted to approximately \$3.1 million, roughly \$1.6 million less than the \$4.7 million incurred in FY 2016-17.

**First 5 LA Funded Provider Grants and Other Allocations Expenses
June 30, 2018
(In Millions)**



Pass-through Grants

For FY 2017-18, \$136,877 was recorded as “pass through grants” which related to Medi-Cal Administrative Activities program during the fiscal year. These expenses represent reimbursement for the FY 2015-16. Pass-through grants decreased in FY 2017-18 by approximately \$4 million or 96.7% from FY 2016-17. This decrease is due to Pass-through funding from Partnership for Families that was ended in FY 2016-17.

Salaries and Benefits

Salaries and Benefits increased from FY 2016-17 by \$1.6 million or 10.27%. This is due to fewer vacant positions than in FY 2016-17, a 5% increase to the health benefits and an ongoing increase in salary costs attributed to the implementation of the compensation philosophy by the Commission in November 2014.

Operating Services

Operating Services increased by \$60,368, a 5.15% increase from prior year as a result of increases in general operating costs throughout the organization such as mileage and parking, mobile devices, postage, printing, subscriptions and publications, and office supplies.

Consultant Services

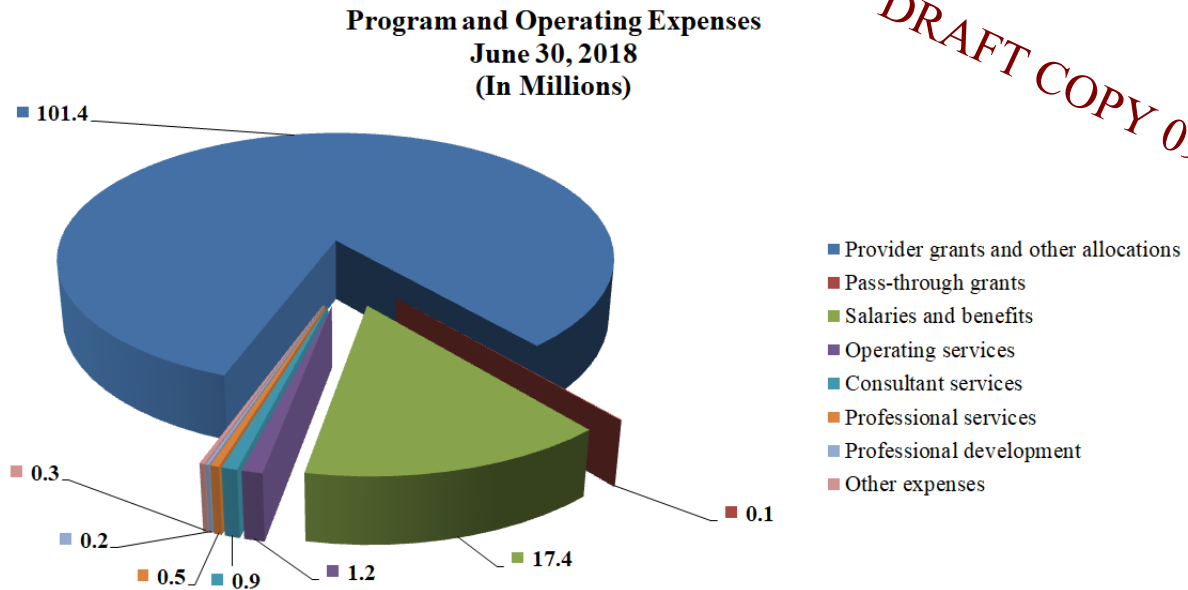
Consultant services decreased by \$149,652 or 14.97% compared with FY 2016-17. The decrease is primarily due to the Chart of Accounts Project that was completed in FY 2016-17.

Professional Services

Professional services increased from FY 2016-17 by \$153,521 or 44.3%. The increase is primarily due to increase in Public Record Act requests in FY 2017-18.

Professional Development

For FY 2017-18, \$166,975 was recorded as professional development. Prior to the implementation of the new chart of accounts effective July 1st, 2017, Professional Development expenses were integrated with Professional Services.



Analysis of the Governmental Fund

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

As of the end of FY 2017-18, the Commission’s general fund reported a total ending fund balance of \$379.4 million, a decrease of \$42.7 million (10.1%) in comparison with the prior fiscal year balance of \$422.1 million.

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

Budgetary Highlights

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

Final Revenue Budget vs. Actual Revenue

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

Tobacco Taxes

Tobacco tax revenue recorded for FY 2017-18 was \$72.3 million which was the combination of \$69.1 million of actual tobacco tax revenue and \$3.2 million of Prop 56 backfill. The \$69.1 million was approximately \$1 million, or 1.43% lower than the anticipated amount of \$71 million. The original estimate of \$71 million was based on data from the State Board of Equalization dated May 22, 2018.

State Commission Program Funds

Actual State Commission Program Funds in the amount of \$979,106 was from \$896,040 recorded for California IMPACT Hubs funds and First 5 State Advocacy alignment program and deferred revenue in the amount of \$83,066 which was reported in the statement of activities in the prior year.

Investment Income

Investment income of \$6.8 million was earned in FY 2017-18. The monthly average return of 1.58% is higher than the 1.40% anticipated and included in the Long Term Financial Projection approved by the Commission in February 2018.

Original Expenditure Budget vs. Final Expenditure Budget

In April 2018, the Commission approved an overall reduction of \$5.1 million or 3.5% from the original approved \$144.8 million FY 2017-18 Budget, the following provides a brief summary of the primary factors that contributed to the decrease in the final budgeted expenditures compared with the original budgeted expenditures.

Provider Grants and Other Allocations

The overall Program Budget (Provider Grants and Other Allocations) was adjusted downward during the year by \$5.1 million, or 4.1%. In April 2018 the Commission approved a mid-year budget revision reducing the Health Related systems by roughly \$2.7 million, Early Care & Education (ECE) by \$836,000, Communities by \$568,000, Strategic Plan Investment Areas & Support Costs by \$500,000, Integration & Learning projects by \$547,000 and Legacy Investments by \$100,000. The overall modest reduction to the budget was driven by an increased level of experience to more closely align the budget with actual need, as well as several program activity timeline shifts which were adjusted for varying reasons including: delays in hiring the necessary staff, time to effectively complete the Best Start Alignment process, and allowing for the time needed to establish strong and meaningful partnerships, to name a few. Additionally, the Health-Related outcome area adjusted its original budget downward by roughly 64% to account for the slower than expected ramp up, complex and lengthy process of relationship building and rigorous project identification process (specifically for Trauma-Informed Care). Other program adjustments were based on updated information and changing circumstances.

General Operating Expenditures

Adjustments to the Operating Budget represented movements of funds between cost categories at the departmental level based on updated assessments of need, which aggregated into the agency-wide adjustments. The net result of the various adjustments was cost neutral, with no net change to the Operating Budget. Funds were adjusted upward by \$27,320 at mid-year. This increase of 1.70% includes a number of transfers both in and out and is primarily due to a net addition in Hardware and Software Maintenance of \$49,000, addition to costs related to Internal Meetings of \$30,800, reduction in costs related to Capital Outlay of \$43,000 and other minor reductions offset by decrease in Office Supplies for \$7,800.

Professional Services

Funds were adjusted upward at mid-year by \$70,900 to reflect revised projections based on expenditures through January 2018 as well as net increase of \$125,000 in Legal Fees based on increased in public records acts requests.

Consultant Services

Funds were adjusted upward at mid-year, resulting in a net increase of \$129,100 or 7.6%. This is driven primarily by additional funds needed for Consultant Fees for planning and design of First 5 LA Capital Improvement Project.

Travel Expenses

Funds were adjusted upward at mid-year by \$39,000 to reflect revised projections based on expenditures through January 2018.

Final Expenditure Budget vs. Actual Expenditure Amounts

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

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Provider Grants and Other Allocations

The total Provider Grants and Other Allocations variance for FY 2017-18 was approximately \$16.8 million. The FY 17-18 budget to actual variance is a result of a shift to the timeline of activities, and the ending or significant ramp down of a number of legacy investments. The: Healthy Kids, Oral Health & Nutrition - Dental Home, and Reducing Childhood Obesity initiatives ended in FY 16-17, resulting in an over \$6 million expenditure variance between FY 16-17 and FY 17-18. The overall variance is also the result of incremental project resource underutilization due to prolonged program planning and development, specifically within the Health outcome area, and grantee underspending.

The 2015-2020 Strategic Plan Investments represent nearly \$10 million in delayed spending resulting from methodical program development, primarily within the Health-Systems outcome areas whose complex framework development and county-wide workgroup establishment has required more time to research and cultivate the necessary partnerships to increase the potential for a successful outcome. Additionally, a number of initiatives introduced in FY 2017-18 did not have the staffing needed to execute activities as planned and others had to use existing staff to prioritize specific targeted tasks with a much broader impact. Many of the activities earmarked for FY 2017-18 that did not gain traction are anticipated to occur next fiscal year, including two initiatives that fall within the scope of Strategic Partnerships and four initiatives that fall within the scope of Integration & Learning. The Legacy Investment underspending by approximately \$7 million was primarily the result of significant underspending within the Parent Child Interaction Therapy (PCIT), Children's Dental Care and Little by Little/One Step Ahead projects.

Pass-through Grants

The total expenditures related to pass-through grants were \$136,877 for FY 2017-18. This amount is a result of Medi-Cal Administrative Activities program. The Commission's annual fiscal year budget is developed to include planned expenditures of Commission funds only; programs that are funded via pass-through grants in which the Commission acts as an intermediary are not included in the annual budget to accurately represent expenditures of Commission funded provider grants and other allocations.

Salaries and Benefits

Salary and benefit costs were higher than budgeted, with a variance of \$458,734. This is due to a combination of regular employee turnover and vacant positions, as well as a conservative budgeting approach. This is due to a combination of lower vacant positions during this fiscal year as well as the use of higher attrition rate compared to last fiscal year based on the latest separation information available at the time of budget development. In addition, vacant positions were budgeted at the mid-range of the salary guidelines and some positions were budgeted at nine months instead of the full year.

Workers Compensation Insurance

Costs related to Workers Compensation Insurance were lower than budgeted with the variance of \$29,465, because of conservative budgeting approach.

Telephones & Modems

FY 2017-18 expenditures exceeded the budget by \$4,704. The overage is primarily due to increase in long-distance telephone charges related to conference calls.

Building Repairs and Maintenance

Building Repairs and Maintenance were lower than budgeted, with a variance of \$19,976, or 11%. This is due to fewer repairs and maintenance needs than originally anticipated for FY 2017-18.

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Outside Printing

Outside printing costs were higher than budgeted, with a variance of \$42,206. This was due to slightly higher costs than originally anticipated.

Professional Dues

Professional Dues costs were lower than budgeted, with a variance of \$79,569. This is primarily due to an overestimation of anticipated increase in organizational wide and individual memberships through professional organizations prior to June 30, 2018.

Legal Fees

Costs for legal fees were higher than budgeted, with a variance of \$50,518, or 20%. This is due to higher costs related to public records acts requests.

Consultant Fees

Consultant Fees were lower than budgeted, with a variance of \$962,428. This is primarily due to delay in planning and design of First 5 LA Capital Improvement Project.

The final budget for Operations remained the same at \$21.6 million for FY 2017-18, while the Program Budget was decreased by \$5.1 million due to reductions driven by slower than anticipated ramp up, actual contracts coming in lower than the original budget estimates and underutilization within some of the direct service programs.

Other Potentially Significant Matters

The State projections resume the standard 2-4% rate of revenue decline moving forward on an annual basis starting in FY 2018-19. The projected annual revenue decrease is estimated to be 16% through FY 2018-19 based on the Department of Finance projections published May 22, 2018.

With the passage and implementation of SBx2 and Prop 56, the one-time impact in the decline of revenue was roughly 17% in FY 2017-18 and rebounding by 16% in FY 2018-19. The estimated rebound is based on the backfill clause that was built into the Prop 56 language which is essentially a “hold harmless” to keep Proposition 10 revenue whole for participating counties moving forward.

Contacting the Commission’s Financial Management

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

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
JUNE 30, 2018**

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	General Fund	Adjustments (Note 1)	Statement of Net Position
Assets			
Cash	\$ 4,342,024	\$ -	\$ 4,342,024
Investments	378,649,730	-	378,649,730
State receivable	14,897,914	-	14,897,914
Investment income receivable	766,989	-	766,989
Advances to grantees	1,044,000	-	1,044,000
Capital assets:			
Not depreciated	-	2,039,000	2,039,000
Depreciable capital assets (net)	-	9,007,294	9,007,294
Total assets	\$ 399,700,657	\$ 11,046,294	\$ 410,746,951
Liabilities			
Accounts payable and accrued liabilities	\$ 19,982,283	\$ -	\$ 19,982,283
Other liabilities	-	16,480	16,480
Compensated absences:			
Due within one year	-	108,485	108,485
Due in more than one year	-	574,571	574,571
Total liabilities	19,982,283	699,536	20,681,819
Deferred Inflows of Resources			
Unavailable revenue	298,700	(298,700)	-
Total deferred inflows of resources	298,700	(298,700)	-
Fund balance/net position			
Fund balance:			
Nonspendable	1,044,000	(1,044,000)	-
Committed	195,282,039	(195,282,039)	-
Assigned	125,245,775	(125,245,775)	-
Unassigned	57,847,860	(57,847,860)	-
Total fund balance	379,419,674	(379,419,674)	-
Net position:			
Net investment in capital assets	-	11,046,294	11,046,294
Unrestricted	-	379,018,838	379,018,838
Total net position	-	390,065,132	390,065,132
Total liabilities, deferred inflows of resources and fund balances/net position	\$ 399,700,657	\$ 11,046,294	\$ 410,746,951

See accompanying notes to the basic financial statements.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE YEAR ENDED JUNE 30, 2018**

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	General Fund	Adjustments (Note 1)	Statement of Activities
Revenues			
Program revenues			
Operating grants and contributions:			
Tobacco taxes	\$ 72,330,836	\$ -	\$ 72,330,836
State Commission Program Funds	979,106	(83,066)	896,040
Medi-Cal Administrative Activities	181,859	-	181,859
California Department of Education	-	298,700	298,700
Other program revenue	1,418,639	(401,956)	1,016,683
Total program revenues	74,910,440	(186,322)	74,724,118
General revenues			
Investment income	6,830,856	-	6,830,856
Net decrease in fair value of investments	(2,742,856)	-	(2,742,856)
Other general income	148,135	-	148,135
Total general revenues	4,236,135	-	4,236,135
Total revenues	79,146,575	(186,322)	78,960,253
Expenditures/expenses			
Provider grants and other allocations	101,364,209	-	101,364,209
Pass-through grants	136,877	-	136,877
Salaries and benefits	17,292,006	90,741	17,382,747
Operating services	1,232,687	-	1,232,687
Consultant services	850,154	-	850,154
Professional services	500,050	-	500,050
Professional development	166,975	-	166,975
Other expenses	273,951	-	273,951
Capital outlay	49,009	(49,009)	-
Depreciation	-	312,988	312,988
Total expenditures/expenses	121,865,918	354,720	122,220,638
Excess/(deficiency) of revenues over/(under) expenditures	(42,719,343)	-	-
Net Change in Fund Balance	(42,719,343)	42,719,343	-
Change in Net Position	-	(43,260,385)	(43,260,385)
Fund balance/net position			
Beginning of year	422,139,017	11,186,500	433,325,517
End of year	\$ 379,419,674	\$ 10,645,458	\$ 390,065,132

See accompanying notes to the basic financial statements.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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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.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

Government-wide Financial Statements (Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with operation of the Commission's fund are included on the statement of net position. The statement of activities presents a comparison of the direct expenses and program revenues for the Commission's governmental activities. Program revenues include grants and contributions restricted for the operational requirements of a particular program. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met. Program revenues include tobacco taxes and grants and contributions that are restricted to meeting the operational requirements of a particular program. General revenues are all revenues that do not qualify as program revenues and include investment income and other income. Net position represent the resources that the Commission has available for use in providing services. Net position is composed of net investment in capital assets and unrestricted funds. At June 30, 2018, the Commission reported unrestricted net position of \$379,018,838.

Fund Financial Statements

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

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

Adjustments Between Fund Financial Statements and Government-Wide Financial Statements

Capital Assets

Capital assets are not considered to be financial resources and therefore, are not reported as an asset in the fund financial statements. Capital assets in the amount of \$11,046,294 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 \$49,009 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, 2018 amounted to \$312,988 and is included in the government-wide financial statements.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

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

Long-Term Liabilities

As of June 30, 2018, the Commission estimated its liability for vested compensated absences to be \$683,056. Compensated absence obligations are considered long-term in nature and are reported in the fund financial statements as expenditures in the period paid or when due and payable at year-end under the modified accrual basis of accounting. The compensated absences have been accrued in the government-wide financial statements and are included in long-term liabilities. The change in compensated absences during the year of \$90,741 is reported in the statement of activities and does not require the use of current financial resources.

For the year ended June 30, 2018, the Commission maintained a security deposit in the amount of \$16,480 related to a facility use agreement with La Petite Academy for use of the first floor of the Commission’s building for the period of July 1, 2012 through June 30, 2020.

Unavailable Revenue

Under the modified accrual basis of accounting, revenue is recognized in the fund financial statements if it has been collected after year-end within the Commission’s established availability period of 60 days. All other accrued revenues due to the Commission are recognized as unavailable revenue at year-end in the fund financial statements. Governmental funds recognized unavailable revenue where receivables are not available to liquidate liabilities of the current period. As of June 30, 2018, the Commission has unavailable revenue of \$298,700. The change in unavailable revenue during the year of \$186,322 is reported in the statement of activities as this revenue was recognized in the prior year statement of activities.

Net Position

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

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

Fund Balance

Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The Commission established the following classifications and definitions of fund balance for the year ended June 30, 2018:

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

LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

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

Fund Balance (Continued)

- b. Restricted (externally enforceable limitations on use)
Amounts constrained to specific purposes by their providers (such as creditors, grantors, contributors, or laws and regulations of other governments: e.g. funds advanced by First 5 CA under specific agreements for services such as matching funds for specific initiatives. Amounts constrained by limitations imposed by law through constitutional provisions or enabling legislation (e.g. funds legally restricted by County, state, or federal legislature, or a government’s charter or constitution; or amounts collected from non-spendable items such as long term portion of loan outstanding if those amounts are subject to legal constraint).

- c. Committed (self-imposed limitations in place prior to end of the period)
Amounts constrained by limitations imposed at the highest level of decision making authority that requires the same formal action at the same level to remove or modify. The formal action required by the Board of Commissioners for funds to be committed is action by way of resolution allocating funding for a specific program or initiative.

- d. Assigned (limitation resulting from intended use)
Amounts or limitations that are constrained by the Commission’s intent to be used for a specific purpose (the purpose of the assignment must be narrower than the general fund itself) and are not either restricted or committed. Adoption of a Strategic Plan or Long Term Financial Plan with general spending parameters would be examples of the Commission’s intent and would constitute an assignment. Accordingly, modification to the Commission’s intent would not require formal action. Further, the Commission may designate a body/committee or an official who can specify such purposes. However, as of June 30, 2018, the Commission had not made such a designation.

- e. Unassigned (residual net resources)
Resources in the fund balance that cannot be reported in any other classification including a minimum fund balance reserve based on 25% of the operating and programmatic budget. It also includes the negative residual fund balance that cannot be eliminated by offsetting assigned fund balance amounts.

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

Effect of New Governmental Accounting Standards Board (GASB) Pronouncements

Effective in Future Fiscal Years

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital asset should recognize a liability based on the guidance in this Statement. This Statement also requires disclosure of information about the nature of a government’s ARO, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. The Commission has not determined the effect of the Statement.

LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018

DRAFT COPY 09/17/18

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

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

Effective in Future Fiscal Years (Continued)

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

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

GASB Statement No. 88 – In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to governmental financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The Statement is effective for the reporting periods beginning after June 15, 2018. The Commission has not determined the effect of the Statement.

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

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

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

DRAFT COPY 09/17/18

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

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. The Commission has four outstanding advances to grantees as of June 30, 2018. Toward the end of current fiscal year, the Commission has entered into four separate contracts with four grantees below for the Best Start Regional Network. These grantees represent four different regions. The purpose of Best Start program is to cultivate strong collaborative efforts with parents, residents, organizations, community partnerships; to increase community capacity; to support and promote the safety, the healthy development, and the well-being of children prenatal to age 5 and their families.

Advances to Grantees:

El Nido Family Centers	\$ 154,286
The Nonprofit Partnership	216,857
Para Los Ninos	137,143
Community Health Councils, Inc.	535,714
Total advances to grantees	\$ 1,044,000

Capital Assets

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

Deferred Inflows of Resources

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

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

DRAFT COPY 09/17/18

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

Use of Estimates

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

NOTE 2 – CASH AND INVESTMENTS

Total cash and investments at fair value, as of June 30, 2018 are as follows:

Cash:	
Cash in bank	<u>\$ 4,342,024</u>
Investments with County Treasurer:	
Pooled cash and investments	<u>378,649,730</u>
Total cash and investments	<u><u>\$ 382,991,754</u></u>

Cash in Bank

The *California Government Code* requires California banks and savings and loan associations to secure the Commission's deposits by pledging government securities as collateral. The market value of pledged securities must equal 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits and collateral is considered to be held in the name of the Commission. At June 30, 2018, cash held by financial institutions of \$6,417,485 was entirely insured and collateralized as described above. The book balance at June 30, 2018 was \$4,342,024.

Pooled Cash and Investments

Investments with the Los Angeles County Treasurer at June 30, 2018 are stated at fair value. The fair value of pooled investments is determined annually and is based on current market prices. The fair value of each participant's position in the pool is the same as the value of the pool shares. The method used to determine the value of participants' equity withdrawn is based on the book value of the participants' percentage participation at the date of such withdrawals. As of June 30, 2018, the Commission's percentage of participation is 1.20. 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, 2018, the weighted average maturity for the County pool approximated 609 days and the County pool is not rated. For further information regarding the Los Angeles County Investment Pool, refer to the County of Los Angeles Comprehensive Annual Financial Report.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

DRAFT COPY 09/17/18

NOTE 2 – CASH AND INVESTMENTS (Continued)

Fair Value Measurements

The Commission categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2018, the Commission held no individual investments. All funds were invested in the Los Angeles County Investment Pool.

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

Deposits and withdrawals are made on the basis of \$1 and not fair value. Accordingly, the Commission’s proportionate share of investments in the Los Angeles County Investment Pool at June 30, 2018 is uncategorized and not defined as a Level 1, Level 2, or Level 3 input.

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

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

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

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

DRAFT COPY 09/17/18

NOTE 3 – CAPITAL ASSETS

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018
Capital assets, not depreciated:				
Land	\$ 2,039,000	\$ -	\$ -	\$ 2,039,000
Capital assets, depreciable:				
Building and improvements	12,076,512	-	-	12,076,512
Computer software and accessories	1,806,296	49,009	-	1,855,305
Office equipment	331,035	-	-	331,035
Furniture and fixtures	627,670	-	-	627,670
Total depreciable capital assets	<u>14,841,513</u>	<u>49,009</u>	<u>-</u>	<u>14,890,522</u>
Less accumulated depreciation:				
Building and improvements	(2,920,576)	(242,542)	-	(3,163,118)
Computer software and accessories	(1,706,231)	(55,896)	-	(1,762,127)
Office equipment	(315,764)	(14,550)	-	(330,314)
Furniture and fixtures	(627,669)	-	-	(627,669)
Total accumulated depreciation	<u>(5,570,240)</u>	<u>(312,988)</u>	<u>-</u>	<u>(5,883,228)</u>
Total capital assets, depreciable (Net)	<u>9,271,273</u>	<u>(263,979)</u>	<u>-</u>	<u>9,007,294</u>
Capital assets, net	<u>\$ 11,310,273</u>	<u>\$ (263,979)</u>	<u>\$ -</u>	<u>\$ 11,046,294</u>

NOTE 4 – CHANGES IN COMPENSATED ABSENCES

Compensated absences liability activities for the year ended June 30, 2018 is as follows:

	Balance July 1, 2017	Increases	Decreases	Balance June 30, 2018	Due Within One Year
Compensated absences	\$ 592,315	\$ 754,706	\$ (663,965)	\$ 683,056	\$ 108,485

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

DRAFT COPY 09/17/18

NOTE 5 – FUND BALANCE

Fund balance is classified using a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance at June 30, 2018 consists of the following:

INITIATIVE/PROGRAM ALLOCATION	NONSPENDABLE
Advances:	
Regional Network 1 - Para Los Ninos	\$ 137,143
Regional Network 2 - Community Health Councils, Inc.	535,714
Regional Network 3 - El Nido Family Centers	154,286
Regional Network 4 - The Nonprofit Partnership	216,857
TOTAL	<u>\$ 1,044,000</u>
	COMMITTED
At-Risk Fathers Investment	\$ 296,491
Baby Friendly Hospitals/Family Place Libraries	23,207,687
Black Infant Health	3,739,729
Child360	22,233,712
Children's Dental Care	7,718,274
Children's Vision Care	35,722
Communications & Marketing	6,121,000
Communications - Conference Funding	250,000
Communities	19,932,000
Communities Engagement and Advocacy	256,000
Communities of Practice	35,000
County Partnerships	50,000
Data Development & Integration	975,000
Data Partnership with Funders	850,000
Early Care & Education Systems	9,559,000
Early Identification & Intervention - Autism & Other Developmental Delays	319,974
Emerging Opportunities - Policy & Strategy/Integration & Learning	175,000
Families	40,857,000
Grantee Assessment	75,000
Healthy Food Access	239,849
Health Related Systems	3,687,000
Impact Framework	112,000
Information Resource and Referral	620,000
Knowledge Management	178,000
Learning Plan Development	200,000
Little by Little/One Step Ahead	15,881,256
Organizational-wide Investment	96,000
Parent-Child Interaction Therapy	8,357,816
Reducing Childhood Obesity	455,545
Policy Advocacy Fund	55,000

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

DRAFT COPY 09/17/18

NOTE 5 – FUND BALANCE (Continued)

Policy Agenda/Advocacy	\$	3,015,000
Program Evaluation		3,320,000
Strategic Partnership-Cross-Cutting Funder Partnership		745,000
Strategic Partnership-Grantmaking Memberships		41,000
Strategic Partnership-Partnership Development		160,000
Universal Assessment of Newborns		12,099,453
Workforce Development - ECE Workforce Consortium		2,372,855
Capital Project Fund		6,959,676
TOTAL	\$	195,282,039
		ASSIGNED
Strategic Plan	\$	125,245,775
TOTAL	\$	125,245,775
		UNASSIGNED
Unassigned	\$	22,849,688
Fund Balance Reserve - 25% of total FY 2018-19 Budget		34,998,172
TOTAL	\$	57,847,860
Total fund balance	\$	379,419,674

During this fiscal year, LA Care, Grant number 05632, returned \$7,983,209 of unspent funds for the Healthy Kids Initiatives which ended in December 2016. In addition, LA Care remitted \$444,554 in interest in which the Commission recorded as investment income.

NOTE 6 – PROGRAM EVALUATION

In accordance with the *Standards and Procedures for Audits of California Counties Participating in the California Children and Families Program*, issued by the California State Controller, the Commission is required to disclose the amounts expended during the fiscal year on program evaluation. Program evaluation costs pertain to those activities undertaken to support the collection, production, analysis and presentation of evaluation information for Commission management, Commissioners and other interested parties.

The Commission spent \$3,146,106 on program evaluation during the year ended June 30, 2018.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

DRAFT COPY 09/17/18

NOTE 7 – DEFERRED COMPENSATION PLANS

All regular and limited-term employees of the Commission participate in the 403(b) Savings and Investment Plan, a defined contribution plan administered by The Standard. Benefit provisions under the plan are established by the California Government Code Section 31694(a) and other applicable statutes. The 403(b) Savings and Investment Plan provides for service retirement, death, and disability benefits to plan members. The plan can be amended by executive management of the Commission.

Regular and limited-term employees are eligible to receive both an elective and a non-elective contribution based on years of completed service with the organization. The elective contribution requires employee participation in order to receive the employer match, and is between 1% and 3% depending on the employee’s contribution and the years of service the employee has completed with the organization: 1% for less than one year, 2% after one year and 3% for after two years or more of completed service. The Commission also makes a separate, non-elective contribution into the retirement plan regardless of employee participation. This non-elective employer contribution is between 3% and 7.5% based on years of completed service with the organization: 3% for less than 5 years, 4.5% for 5 to 9 years, 6% for 10 to 14 years, and 7.5% after 15 years or more of completed service. Employer contributions are not 100% vested until an employee has completed three years of service with the organization, with a graded vesting schedule for employees who complete at least one year of service. The Commission contributed a total of \$826,059, which comprised of \$334,079 in elective contribution and \$491,980 in non-elective contribution for the fiscal year ended June 30, 2018.

NOTE 8 – UNAVAILABLE REVENUE

The general fund reports unavailable revenue on the governmental fund balance sheet in connection with resources that have been earned, but are not yet available to finance expenditures of the current fiscal period. This type of deferred inflow of resources occurs only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the general fund balance sheet. At the end of the current fiscal year, the components of unavailable revenue resulting from funds not received within the 60-day period of availability were as follows:

Unavailable Revenue:

California Department of Education	\$ 298,700
Total unavailable revenue	\$ 298,700

NOTE 9 – RISK MANAGEMENT

The Commission is exposed to various risks of loss related to general liability, property liability, health benefits, workers’ compensation and auto. These risks are addressed through commercial insurance policies.

The Commission’s property and liability insurance is provided by insurance companies that are “Non-Admitted” insurance companies in the State of California. If such a company becomes insolvent, the California Insurance Guarantee Association will not settle unpaid claims.

No claims or suits are pending against the Commission arising out of proposed claim settlements covered by insurance. No settlements exceeded insurance coverage during the last three years.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2018**

DRAFT COPY 09/17/18

NOTE 10 – COMMITMENTS AND CONTINGENCIES

Operating Lease

The Commission leases equipment from a third party which expires in July 2019 and May 2022 and are non-cancelable. The future minimum rental payments due under the lease are as follows:

For Year Ending June 30,	Annual
2019	\$ 31,107
2020	14,017
2021	12,463
2022	11,425
Total	\$ 69,012

The Commission recognized \$75,149 in lease expense for the year ended June 30, 2018.

Future Funding

The Commission has entered into future funding commitments with various entities, which are contingent on State funding.

NOTE 11 – RELATED PARTY TRANSACTIONS

The Commission incurred expenses totaling \$35,067 for County of Los Angeles services provided during the year ended June 30, 2018.

The Commission paid \$62,922,818 of provider grants, operating services, consultant services, and professional services to organizations which are represented by 12 members of the Board of Commissioners.

NOTE 12 – FIRST 5 CALIFORNIA SIGNATURE PROGRAMS

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

The purpose of IMPACT is to support a network of local quality improvement systems to better coordinate, assesses, and improve the quality of early learning settings to achieve the goal of helping children ages 0 to 5 and their families thrive by increasing the number of high quality early learning settings, including supporting and engaging families in the early learning process. The primary focus of IMPACT Hubs 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 \$851,340 in IMPACT Hubs reimbursable expenditures for the year ended June 30, 2018.

**REQUIRED SUPPLEMENTARY INFORMATION
LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

DRAFT COPY 09/17/18

	Original Budget	Final Budget	Actual	Variance Positive (Negative)
Revenues				
Tobacco taxes	\$ 70,068,119	\$ 70,068,119	\$ 72,330,836	\$ 2,262,717
State Commission Program Funds	-	-	979,106	979,106
Medi-Cal Administrative Activities	-	-	181,859	181,859
Other program revenue	1,758,608	1,758,608	1,418,639	(339,969)
Investment income	5,393,384	5,393,384	6,830,856	1,437,472
Net increase (decrease) in fair value of investments	-	-	(2,742,856)	(2,742,856)
Other general income	-	-	148,135	148,135
Total revenues	77,220,111	77,220,111	79,146,575	1,926,464
Expenditures				
Program Costs:				
Provider grants and other allocations	123,259,000	118,207,000	101,364,209	16,842,791
Pass-through grants	-	-	136,877	(136,877)
Total program costs	123,259,000	118,207,000	101,501,086	16,705,914
Operations & Administration				
Personnel Related Expenditures:				
Salaries and wages	13,204,391	12,995,691	13,373,378	(377,687)
Fringe Benefits	3,837,581	3,837,581	3,918,628	(81,047)
Total personnel related expenditures	17,041,972	16,833,272	17,292,006	(458,734)
General Operating Expenditures:				
ADP Payroll Charges	31,000	37,000	35,420	1,580
Workers' Compensation Insurance	90,000	84,000	54,535	29,465
Utilities	165,000	165,000	131,521	33,479
Corporate Insurance	76,000	76,000	75,904	96
Mileage and Parking	70,180	72,050	52,846	19,204
Telephones and Modems	70,000	70,000	74,704	(4,704)
Cell Phones and Mobile Devices	57,000	54,250	29,125	25,125
Outside Printing	19,700	19,700	61,906	(42,206)
Other Supplies	20,250	20,250	14,915	5,335
Postage and Delivery	13,300	13,200	12,144	1,056
Educational Supplies	2,750	2,550	1,467	1,083
Office Supplies	95,360	87,560	72,321	15,239
Subscriptions and Publications	12,330	12,330	7,881	4,449
Equipment Rental	118,200	118,200	78,959	39,241
Building Repairs and Maintenance	180,000	180,000	160,024	19,976
Equipment Repairs and Maintenance	24,000	23,500	13,554	9,946
Offsite Storage	33,900	33,900	16,518	17,382
Miscellaneous Service Charges	197,400	246,400	227,496	18,904
Miscellaneous/Contingency	75,000	75,000	2,502	72,498
Internal Meetings	107,600	138,400	87,039	51,361
Capital Outlay	145,000	102,000	21,906	80,094
Total general operating expenditures	1,603,970	1,631,290	1,232,687	398,603
Professional Services:				
Audit	70,000	70,000	63,936	6,064
Legal	125,000	250,000	300,518	(50,518)
Professional Dues	136,852	118,752	39,183	79,569
Staff Recruitment	25,000	25,000	10,286	14,714
Commission Stipends	34,000	34,000	20,264	13,736
Web-Based Services	81,500	45,500	30,796	14,704
Bank & Other Service Charges	12,000	12,000	35,067	(23,067)
Total professional services	484,352	555,252	500,050	55,202
Consultant Services:				
Consultant Fees	1,382,200	1,517,300	554,872	962,428
Other Professional Fees	300,000	295,000	293,522	1,478
External Reviewers	7,500	6,500	1,760	4,740
Total consultant services	1,689,700	1,818,800	850,154	968,646

(continued)

See accompanying note to required supplementary information.

**REQUIRED SUPPLEMENTARY INFORMATION
LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

DRAFT COPY 09/17/18

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Travel and Meetings:				
Airfare	\$ 124,080	\$ 136,980	\$ 107,902	\$ 29,078
Lodging	127,300	135,150	94,095	41,055
Per Diem	65,330	69,730	48,468	21,262
Other Travel Expense	-	13,850	23,486	(9,636)
Total travel and meetings	<u>316,710</u>	<u>355,710</u>	<u>273,951</u>	<u>81,759</u>
Professional Development:				
Training Materials & Supplies	-	2,880	382	2,498
Internal Training	-	69,500	93	69,407
Leadership Programs	-	53,000	33,175	19,825
Conference Registration	477,400	253,400	109,526	143,874
External Education/Training	-	41,000	23,799	17,201
Total professional development	<u>477,400</u>	<u>419,780</u>	<u>166,975</u>	<u>252,805</u>
Capital Improvements:	-	-	49,009	(49,009)
Total operating expenditures	<u>21,614,104</u>	<u>21,614,104</u>	<u>20,364,832</u>	<u>1,249,272</u>
Total program costs and operating expenditures	<u>144,873,104</u>	<u>139,821,104</u>	<u>121,865,918</u>	<u>17,955,186</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ (67,652,993)</u>	<u>\$ (62,600,993)</u>	<u>\$ (42,719,343)</u>	<u>\$ 19,881,650</u>
Fund balance - Beginning of year			<u>422,139,017</u>	
Fund balance - End of year			<u>\$ 379,419,674</u>	

See accompanying note to required supplementary information.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
NOTE FOR THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2018**

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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 FY 2017-18 was \$139.8 million, which included \$118.2 million for Program costs and \$21.6 million for Operating and Administrative costs.

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OTHER SUPPLEMENTARY INFORMATION

**LOS ANGELES COUNTY
 CHILDREN AND FAMILIES FIRST - PROPOSITION 10 COMMISSION
 SCHEDULE OF FIRST 5 CALIFORNIA FUNDING
 FOR THE YEAR ENDED JUNE 30, 2018**

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<u>Program</u>	<u>Source</u>	<u>Revenue Funds</u>	<u>Expenditures</u>
IMPACT Regional Coordination and Training	First 5 LA Program Funds	\$ 851,340	\$ 851,340
Technical Assistance Hubs (Hubs)	County, Local Funds	11,159,730	11,159,730

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
STATISTICAL SECTION
(UNAUDITED)**

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The information in this section is not covered by the Independent Auditors' Report, but it is presented as supplemental data for the benefit of the readers of the comprehensive annual financial report. The objectives of statistical section information are to provide financial statement users with additional information to understand and assess the Commission's economic condition.

Pages

Financial Trends

These schedules contain trend information to help the reader understand how the Commission's financial performance and well-being have changed over time. 34-35

Revenue Capacity

These schedules contain trend information to help the reader assess the Commission's most significant revenue base. 38-40

Demographic Information

These schedules offer economic and demographic indicators to help the reader understand how the information in the Commission's financial report relates to the services the Commission provides and the activities it performs. 41-42

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. 43-45

Sources:

Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant years.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS**

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	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010*	2009
Restricted	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 881,019,859
Unrestricted	379,018,838	422,015,244	461,512,770	543,521,742	632,680,166	723,252,516	829,030,048	434,206,491	859,235,104	-
Net investment in capital asset	11,046,294	11,310,273	11,593,026	11,885,041	12,082,438	12,355,226	12,777,760	13,114,194	13,405,843	13,873,311
Total net position	<u>\$ 390,065,132</u>	<u>\$ 433,325,517</u>	<u>\$ 473,105,796</u>	<u>\$ 555,406,783</u>	<u>\$ 644,762,604</u>	<u>\$ 735,607,742</u>	<u>\$ 841,807,808</u>	<u>\$ 447,320,685</u>	<u>\$ 872,640,947</u>	<u>\$ 894,893,170</u>

* The Commission presented net position as unrestricted beginning with 2010.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS**

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	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Tobacco taxes	\$ 72,330,836	\$ 83,567,141	\$ 87,942,700	\$ 89,475,135	\$ 90,280,307	\$ 94,112,590	\$ 100,187,619	\$ 100,269,182	\$ 102,504,928	\$ 114,925,729
State School Readiness	-	-	-	-	-	-	-	28,465,232	19,011,847	15,445,577
State Commission Program Funds	896,040	556,665	5,796,252	10,283,414	18,009,907	2,749,082	8,098,412	7,933,188	7,162,800	6,438,881
Medi-Cal Administrative Activities	181,859	137,599	159,549	80,799	232,408	316,369	483,325	507,869	740,794	925,511
Partnership for Families Fund*	-	4,334,967	9,001,152	4,615,313	-	-	-	-	-	-
California Department of Education	298,700	-	-	-	-	-	-	-	-	-
Other program revenue	1,016,683	401,956	115,000	-	-	-	-	-	-	-
Investment income	6,830,856	4,003,489	3,759,751	3,903,275	6,368,593	(3,402,141)	915,935	12,004,422	16,094,660	28,102,852
Net increase (decrease) in FMV of investments	(2,742,856)	(3,026,254)	1,064,007	2,152,879	-	-	-	-	-	-
Other revenues	148,135	122,208	119,100	104,072	100,320	98,880	9,048	290,093	465,061	453,762
Total revenues:	\$ 78,960,253	\$ 90,097,771	\$ 107,957,511	\$ 110,614,887	\$ 114,991,535	\$ 93,874,779	\$ 109,694,339	\$ 149,469,986	\$ 145,980,090	\$ 166,292,312
Expenses										
Provider grants and other allocations	101,364,209	106,777,128	159,337,913	182,991,937	189,910,283	185,753,622	124,709,026	133,261,213	157,019,407	160,239,867
Pass-through grants	136,877	4,150,975	13,519,735	N/A	N/A	N/A	N/A	N/A	N/A	N/A
AB 99	N/A	N/A	N/A	N/A	N/A	N/A	(424,388,705)	424,388,705	N/A	N/A
First 5 California (SRI)	N/A	N/A	N/A	N/A	N/A	N/A	1,137,220	2,506,120	N/A	N/A
Salaries and benefits	17,382,747	15,763,620	14,357,480	13,423,832	12,682,373	11,583,915	11,153,057	10,685,423	8,818,136	8,161,291
Operating services	1,232,687	1,172,319	1,157,290	1,346,532	1,207,259	1,159,609	1,138,850	1,324,708	832,164	1,090,947
Consultant services	850,154	999,806	990,724	1,216,609	956,488	549,676	331,046	1,523,221	677,379	653,301
Professional services	500,050	346,529	323,336	404,560	543,038	426,726	540,606	398,819	208,008	400,036
Professional development	166,975	-	-	-	-	-	-	-	-	-
Other expenses	273,951	358,346	255,453	264,892	183,974	149,116	114,384	116,223	80,355	69,045
Depreciation	312,988	309,327	316,567	322,346	353,258	452,182	471,732	585,814	596,868	576,664
Total expenses:	122,220,638	129,878,050	190,258,498	199,970,708	205,836,673	200,074,846	(284,792,784)	574,790,246	168,232,317	171,191,151
Change in net position	\$ (43,260,385)	\$ (39,780,279)	\$ (82,300,987)	\$ (89,355,821)	\$ (90,845,138)	\$ (106,200,066)	\$ 394,487,123	\$ (425,320,260)	\$ (22,252,227)	\$ (4,898,839)

* Beginning January 2015, the Partnership for Families initiative is being funded by the LA County Department of Children and Family Services (DCFS), with First 5 LA acting as a pass-through entity and receiving reimbursement from DCFS.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
FUND BALANCES – GENERAL FUND
LAST TEN FISCAL YEARS***

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	Fiscal Year									
	2018*	2017*	2016*	2015*	2014*	2013*	2012*	2011*	2010	2009
Fund Balance										
Nonspendable	\$ 1,044,000	\$ 19,760,505	\$ 34,279,475	\$ 39,411,636	\$ 37,578,099	\$ 27,022,268	\$ 19,960,620	\$ -		
Committed	195,282,039	216,214,576	249,515,814	340,879,636	451,133,640	561,003,855	631,710,435	632,471,832		
Assigned	125,245,775	128,331,556	114,665,689	78,113,279	57,716,899	64,902,466	153,086,390	-		
Unassigned	57,847,860	57,832,380	61,615,198	78,223,453	79,494,722	70,816,380	16,691,138	(205,716,806)		
Total Fund Balance	<u>\$ 379,419,674</u>	<u>\$ 422,139,017</u>	<u>\$ 460,076,176</u>	<u>\$ 536,628,004</u>	<u>\$ 625,923,360</u>	<u>\$ 723,744,969</u>	<u>\$ 821,448,583</u>	<u>\$ 426,755,026</u>		
Reserved										
Reserved for encumbrances									\$ 129,094,692	\$ 341,203,752
Reserved for obligations									189,699,943	45,820,595
Reserved for First 5 California									<u>19,004,928</u>	<u>30,050,843</u>
Total Reserved									<u>\$ 337,799,563</u>	<u>\$ 417,075,190</u>
Unreserved										
Designated									\$ 249,875,172	\$ 284,028,356
Unreserved									271,842,909	174,167,089
Total Fund Balance									<u>\$ 859,517,644</u>	<u>\$ 875,270,635</u>

* Fund balance presentation changed in fiscal year 2010-2011 due to the implementation of GASB 54.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
CHANGES IN FUND BALANCES – GENERAL FUND
LAST TEN FISCAL YEARS**

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	Fiscal Year									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues										
Tobacco taxes	\$ 72,330,836	\$ 83,567,141	\$ 87,942,700	\$ 89,475,135	\$ 90,280,307	\$ 94,112,590	\$ 100,187,619	\$ 100,269,182	\$ 102,504,928	\$ 114,925,729
State School Readiness	-	-	-	-	-	-	-	39,242,565	19,011,847	15,445,577
State Commission Program Funds	979,106	2,411,083	5,796,252	11,050,327	10,668,187	10,741,413	7,960,036	95,713	2,441,868	4,633,722
Medi-Cal Administrative Activities	181,859	137,599	159,549	80,799	232,408	316,369	483,325	507,869	740,794	925,511
Partnership for Families Funds*	-	4,334,967	9,001,152	3,701,993	-	-	-	-	-	-
California Department of Education	-	-	-	-	-	-	-	-	-	-
Other program revenue	1,418,639	-	115,000	-	-	-	-	-	-	-
Investment income	6,830,856	4,003,489	3,759,751	3,903,275	6,368,593	(3,402,141)	915,935	12,004,422	16,094,660	28,102,852
Net increase (decrease) in FMV of investments	(2,742,856)	(3,026,254)	1,064,007	2,152,879	-	-	-	-	-	-
Other income	148,135	190,539	119,100	104,072	100,320	98,880	9,048	290,093	427,960	415,048
Total revenues:	79,146,575	91,618,564	107,957,511	110,468,480	107,649,815	101,867,110	109,555,963	152,409,844	141,222,057	164,448,439
Expenditures:										
Provider grants and other allocations	101,364,209	106,777,128	159,337,913	182,991,937	189,910,283	185,753,622	124,709,026	133,261,213	157,019,407	160,239,867
Pass-through grants	136,877	4,150,975	13,519,735	N/A	N/A	N/A	N/A	N/A	N/A	N/A
AB 99	N/A	N/A	N/A	N/A	N/A	N/A	(424,388,705)	424,388,705	N/A	N/A
First 5 California (SRI)	N/A	N/A	N/A	N/A	N/A	N/A	1,137,220	2,506,120	N/A	N/A
Salaries and benefits	17,292,006	15,724,046	14,357,480	13,414,357	12,589,911	11,502,328	11,144,681	10,619,053	8,774,370	8,155,851
Operating services	1,232,687	1,172,319	1,157,290	1,346,532	1,207,258	1,159,609	1,138,850	1,324,708	832,164	1,090,947
Consultant services	850,154	999,806	990,724	1,216,609	956,488	549,676	331,046	1,523,221	677,379	653,301
Professional services	500,050	346,529	323,336	404,560	543,038	426,726	540,606	398,819	208,008	400,036
Professional development	166,975	-	-	-	-	-	-	-	-	-
Other expenses	273,951	358,346	255,453	264,892	183,974	149,116	114,384	116,223	80,355	69,045
Capital lease payments	-	-	-	-	-	-	-	-	-	-
Capital outlay	49,009	26,574	316,567	124,949	80,471	29,648	135,298	294,166	123,599	602,278
Total expenditures:	121,865,918	129,555,723	190,258,498	199,763,836	205,471,423	199,570,724	(285,137,594)	574,432,228	167,715,282	171,211,325
Excess/(deficiency) of revenues over/(under) expenditures	\$ (42,719,343)	\$ (37,937,159)	\$ (82,300,987)	\$ (89,295,356)	\$ (97,821,608)	\$ (97,703,614)	\$ 394,693,557	\$ (422,022,384)	\$ (26,493,225)	\$ (6,762,886)

* Partnership for Families initiative was funded by the LA County Department of Children and Family Services (DCFS), with First 5 LA acting as a pass-through entity and receiving reimbursement from DCFS. This initiative ended December 2016.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
FIRST 5 CALIFORNIA COUNTY TAX REVENUE PROJECTIONS FOR
FY 2017/2018 - FY 2021/2022**

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2015 Projected Births	2015 Projected Birthrate	2017-2018 Tax Revenue Projection	2016 Projected Births	2016 Projected Birthrate	2018-2019 Tax Revenue Projection	2017 Projected Births	2017 Projected Birthrate	2019-2020 Tax Revenue Projection	2018 Projected Births	2018 Projected Birthrate	2020-2021 Tax Revenue Projection	2019 Projected Births	2019 Projected Birthrate	2021-2022 Tax Revenue Projection
124,440	25.304%	\$ 70,950,605	122,958	25.169%	\$ 79,355,574	121,413	24.987%	\$ 75,219,934	119,336	24.735%	\$ 72,516,976	117,752	24.555%	\$ 70,094,744

Source:
 "First 5 California County Tax Revenue Projections for FY 2017-18 through 2021-22"
 (Updated 5/22/2018 Utilizing DOF May Revise 2018 Tobacco Tax Projections and DOF Birth Projections for California State and Counties 1990-2040)

**LOS ANGELES COUNTY CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
CIGARETTE TAXES AND OTHER TOBACCO PRODUCTS SURTAX REVENUE, 1959-60 TO 2015-16
(In thousands of dollars)**

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Fiscal year	Cigarette tax				Other tobacco products surtax	
	Revenue (a)	Distributors' Discounts (b)	Gross Value (c)	Refunds	Revenue	Rate
2015-16	\$741,937,000	\$6,360,000	\$748,297,000	\$1,262,000	\$101,427,000	28.13%
2014-15	748,022,000	6,413,000	754,434,000	837,000	86,949,000	28.95%
2013-14	751,513,000	6,443,000	757,956,000	600,000	86,424,000	29.82%
2012-13	782,115,000	6,705,000	788,820,000	498,000	82,548,000	30.68%
2011-12	820,322,000	7,032,000	827,355,000	1,017,000	80,424,000	31.73%
2010-11	828,831,000	7,105,000	835,937,000	1,308,000	77,016,000	33.02%
2009-10	838,709,000	7,187,000	845,896,000	1,583,000	84,617,000	41.11%
2008-09	912,724,000	7,819,000	920,543,000	626,000	85,506,000	45.13%
2007-08	955,030,000	8,185,000	963,215,000	727,000	85,929,000	45.13%
2006-07	998,723,000	8,558,000	1,007,281,000	1,330,000	79,946,000	46.76%
2005-06	1,026,497,000	8,795,000	1,035,293,000	1,707,000	67,348,000	46.76%
2004-05	1,024,272,000	8,778,000	1,033,051,000	1,653,000	58,441,000	46.76%
2003-04	1,021,366,000	8,755,000	1,030,121,000	4,721,000	44,166,000	46.76%
2002-03	1,031,772,000	8,845,000	1,040,617,000	13,248,000	40,996,000	48.89%
2001-02	1,067,004,000	9,146,000	1,076,150,000	10,774,000	50,037,000	52.65% d/
2000-01	1,110,692,000	9,503,000	1,120,195,000	8,741,000	52,834,000	54.89%
1999-00	1,166,880,000	9,980,000	1,176,859,000	9,413,000	66,884,000	66.50%
1998-99	841,911,000 e/	7,206,000	849,117,000	6,808,000	42,137,000 f/	61.53% f/
1997-98	612,066,000	5,244,000	617,309,000	5,448,000	39,617,000	29.37%
1996-97	629,579,000	5,394,000	634,973,000	5,060,000	41,590,000	30.38%
1995-96	639,030,000	5,469,000	644,499,000	6,193,000	32,788,000	31.20%
1994-95	656,923,000	5,628,000	662,551,000	11,159,000	28,460,000	31.20%
1993-94	647,993,000 g/	5,553,000	653,546,000	8,353,000	19,773,000	23.03%
1992-93	667,479,000	5,715,000	673,195,000	9,138,000	21,480,000	26.82%
1991-92	711,275,000	6,086,000	717,362,000	7,791,000	22,016,000	29.35%
1990-91	729,612,000	6,242,000	735,854,000	7,904,000	24,064,000	34.17%
1989-90	770,042,000 h/	6,581,000	776,623,000	11,615,000	24,956,000 h/	37.47%
1988-89	499,712,000 h/	4,273,000	503,984,000	4,968,000	9,994,000 h/	41.67%
1987-88	254,869,000	2,180,000	257,049,000	2,970,000		
1986-87	257,337,000	2,202,000	259,539,000	2,661,000		
1985-86	260,960,000	2,231,000	263,190,000	2,834,000		
1984-85	265,070,000	2,267,000	267,337,000	2,390,000		
1983-84	265,265,000	2,267,000	267,532,000	2,756,000		
1982-83	273,748,000	2,336,000	276,084,000	2,060,000		
1981-82	278,667,000	2,383,000	281,050,000	1,843,000		
1980-81	280,087,000	2,395,000	282,482,000	1,567,000		
1979-80	272,119,000	2,327,000	274,446,000	1,645,000		
1978-79	270,658,000	2,315,000	272,973,000	1,408,000		
1977-78	275,042,000	2,352,000	277,394,000	1,239,000		
1976-77	270,502,000	2,315,000	272,817,000	832,000		
1975-76	269,852,000	2,309,000	272,161,000	927,000		
1974-75	264,182,000	2,262,000	266,444,000	745,000		
1973-74	259,738,000	2,222,000	261,960,000	632,000		
1972-73	253,089,000	2,167,000	255,256,000	626,000		
1971-72	248,398,000	2,127,000	250,525,000	677,000		
1970-71	240,372,000	2,058,000	242,430,000	552,000		

(Continued)

**LOS ANGELES COUNTY CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
CIGARETTE TAXES AND OTHER TOBACCO PRODUCTS SURTAX REVENUE, 1959-60 TO 2015-16**

(Continued)

(In thousands of dollars)

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Fiscal year	Cigarette tax				Other tobacco products surtax	
	Revenue (a)	Distributors'	(c)	Refunds	Revenue	Rate
1969-70	237,220,000	2,032,000	239,253,000	455,000		
1968-69	238,836,000	2,046,000	240,882,000	492,000		
1967-68	208,125,000 i/	1,862,000	209,987,000	328,000		
1966-67	75,659,000	1,543,000	77,202,000	129,000		
1965-66	74,880,000	1,528,000	76,407,000	88,000		
1964-65	74,487,000	1,520,000	76,007,000	61,000		
1963-64	71,530,000	1,459,000	72,989,000	71,000		
1962-63	70,829,000	1,445,000	72,274,000	79,000		
1961-62	68,203,000	1,390,000	69,593,000	47,000		
1960-61	66,051,000 j/	1,675,000 k/	67,726,000	76,000		
1959-60	61,791,000 l/	767,000 l/	62,558,000	67,000		

- a. Net of refunds for tax indicia on cigarettes that become unfit for use (See Refunds).
- b. A discount of .85 percent of gross value of tax indicia is granted to distributors for affixing the stamps. From July 1, 1960, until August 1, 1967, the discount rate was 2 percent.
- c. Includes sales of indicia purchased on credit. Effective July 16, 1961, distributors have been able to purchase tax indicia on credit.
- d. From July 1, 2001, through September 9, 2001, the surtax rate on smokeless tobacco ranged from 131 percent for moist snuff to 490 percent for chewing tobacco. Effective September 10, 2001, the surtax rate on smokeless tobacco was lowered to 52.65 percent.
- e. Effective January 1, 1999, the overall tax rate on cigarettes was increased from 37 cents to 87 cents per pack under voter-approved Proposition 10. The additional 50-cent-per-pack tax was imposed to raise funds for early childhood development programs. Excludes \$87,978,766 in 1998-99 from the floor stocks taxes for both cigarettes and other tobacco products levied on January 1, 1999.
- f. From July 1, 1998, through December 31, 1998, the surtax rate was 26.17 percent for other tobacco products. Effective January 1, 1999, the new surtax imposed under Proposition 10 raised the combined surtax rate to 61.53 percent for other tobacco products. The new surtax is equivalent (in terms of the wholesale costs of other tobacco products) to a 50-cent-per-pack tax on cigarettes.
- g. Effective January 1, 1994, the overall tax rate on cigarettes was increased from 35 cents to 37 cents per pack. The additional 2-cent-per-pack tax was imposed to raise funds for breast cancer research and education.
- h. Effective January 1, 1989, an additional 25-cent-per-pack surtax was imposed on cigarettes and a new 41.67 percent surtax was imposed on other tobacco products. Excludes \$57,927,856 in 1988-89 and \$595,000 in 1989-90 from the floor stocks tax levied on October 1, 1967.
- i. Effective August 1, 1967, the tax rate was increased from 3 cents to 7 cents per pack. On October 1, 1967, the rate was further increased to 10 cents per pack, with the stipulation that 30 percent of the tax be allocated to cities and counties. Includes \$6,515,209 4-cent-per-pack floor stocks tax levied on August 1, 1967; and \$4,889,485 from the 3-cent-per-pack floor stocks tax imposed October 1, 1967.
- j. Refunds made for distributors' discounts in the 1960-61 fiscal year on purchases made in the 1959-60 fiscal year have been deducted. These refunds amounted to \$324,000.
- k. Effective July 1, 1960, a discount was allowed at the time tax indicia were purchased.
- l. Includes \$2,673,048 from the 3-cent-per-pack floor stocks tax imposed July 1, 1959; and also includes the amount of distributors' discounts which were refunded after purchase of indicia. During July and August of 1959, the tax was collected by invoice and no allowed on these collections of \$8,123,700, nor on the \$2,673,048 tax on floor stocks.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
DEMOGRAPHIC DATA AND ECONOMIC STATISTICS
2008-2017**

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Demographic Data

	2008**	2009***	2010 (1)	2011 (1)	2012 (1)	2013 (1)	2014 (1)	2015 (1)	2016 (1)	2017 (1)
Total Population	10,341,412	10,449,155	9,824,194	9,862,211	9,945,864	10,010,961	10,082,664	10,147,070	10,209,897	10,271,792
White	2,822,775	2,938,369	2,743,456	2,719,057	2,721,500	2,709,464	2,693,506	2,677,368	2,659,218	2,745,583
Black	853,032	882,167	826,260	828,970	830,607	831,808	833,267	834,505	835,538	814,075
American Indian	24,588	30,808	19,509	19,619	19,652	19,629	19,658	19,654	19,639	20,276
Asian	1,423,826	1,378,338	1,327,692	1,332,691	1,342,581	1,357,306	1,373,175	1,387,891	1,403,728	1,447,696
Native Hawaiian & Other Pacific Islander	28,137	29,001	23,191	23,103	23,277	23,433	23,579	23,721	23,861	24,358
Hispanic or Latino	4,944,987	5,008,069	4,702,784	4,753,038	4,818,170	4,874,755	4,940,756	5,001,012	5,060,772	5,012,325
Other	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Multi-race	244,067	182,403	181,302	185,733	190,077	194,566	198,723	202,919	207,141	207,479
Female	5,195,931	5,266,592	4,980,734	4,998,722	5,039,635	5,071,249	5,105,963	5,137,391	5,168,250	5,196,304
Male	5,145,481	5,182,563	4,843,460	4,863,489	4,906,229	4,939,712	4,976,701	5,009,679	5,041,647	5,075,488
Under 5 years	731,216	716,228	644,882	645,529	645,026	644,356	658,930	664,168	667,716	627,911
5-9 years	735,376	744,818	631,973	625,415	632,530	637,383	638,471	641,563	645,678	643,296
10-14 years	802,998	769,538	674,968	658,984	648,192	638,396	631,525	625,574	623,134	635,236
15-19 years	926,946	870,100	749,322	732,741	716,854	700,066	683,907	670,120	656,834	709,913
20-24 years	712,834	725,816	751,717	755,888	758,178	759,628	757,233	748,352	735,295	807,078
25-29 years	647,647	677,682	758,633	762,396	756,706	754,773	755,997	757,871	762,804	675,374
30-39 years	1,307,857	1,420,833	1,429,814	1,429,718	1,441,415	1,454,389	1,466,136	1,477,437	1,492,374	1,430,791
40-49 years	1,578,500	1,592,529	1,421,700	1,418,870	1,423,408	1,416,725	1,408,130	1,403,932	1,401,167	1,410,802
50-59 years	1,295,706	1,315,677	1,229,799	1,253,379	1,281,390	1,303,781	1,321,414	1,331,973	1,335,839	1,348,703
60-69 years	794,316	827,207	784,117	817,011	856,522	891,983	930,186	971,603	1,009,027	1,042,439
70-79 years	465,714	466,110	439,892	447,281	462,564	479,911	497,179	515,304	535,492	576,417
80+ years	342,302	322,617	307,377	314,999	323,079	329,570	333,556	339,173	344,537	363,832

Source:

* US Census Bureau, 2000 Census, SF1

** State of California, Department of Finance, E-3 Race / Ethnic Population Estimates with Age and Sex Detail, 2010–2060. Sacramento, CA, January 2018.

*** State of California, Department of Finance, Race/Ethnic Population with Age and Sex Detail, 2000–2050. Sacramento, CA, July 2007. (data are projections calculated between census surveys)

(1) State of California, Department of Finance, Population Projections for California and Its Counties 2010-2060. Sacramento, CA, January 2013. (These data supersede the previously used data source.)

Economic Data

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
LA County Personal Income	410,482,294	395,372,354	404,473,004	425,673,042	455,788,782	466,098,988	499,767,889	544,324,900	N/A	N/A
LA County Per Capita Personal Income	42,165	40,396	41,163	43,062	45,800	46,506	49,400	53,521	N/A	N/A
California Personal Income	1,596,229,973	1,537,094,676	1,578,553,439	1,685,635,498	1,805,193,769	1,856,614,186	1,944,369,223	2,061,337,141	2,197,492,012	2,303,870,496
California Per Capita Personal Income	43,608	41,587	42,282	44,749	47,505	48,434	50,109	52,651	55,987	58,272
United States Personal Income	12,429,234,000	12,080,223,000	12,417,659,000	13,189,935,000	13,873,161,000	14,151,427,000	14,708,582,165	15,324,108,725	16,017,781,445	16,413,550,863
United States Per Capita Personal Income	40,873	39,379	40,144	42,332	44,200	44,765	46,129	47,669	49,571	50,392

Source:

Bureau of Economic Analysis: <http://www.bea.gov/iTable/iTable.cfm?reqid=70&step=1&isuri=1&acrdn=4> (Tables SA1-3 and CA1-3)

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

2017 economic data is not yet available for Los Angeles County

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
UNEMPLOYMENT RATE
2008 – 2017**

Area	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
United States	4.4%	4.3%	5.3%	6.2%	7.4%	8.1%	8.9%	9.6%	9.3%	5.8%
California	4.8%	4.7%	6.2%	7.5%	8.9%	10.4%	11.8%	12.4%	11.3%	7.2%
Los Angeles County	4.7%	4.6%	6.7%	8.3%	9.9%	10.9%	12.3%	12.6%	11.6%	7.5%

Source:

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

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
TEN LARGEST INDUSTRIES (1)
2017 AND 2008**

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Industry	June 30, 2017			June 30, 2008		
	Number of Employees	Rank	Percentage of Total	Number of Employees	Rank	Percentage of Total
Trade, Transportation & Utilities	821,400	1	16.86%	805,500	1	17.71%
Educational & Health Services	780,100	2	16.02%	637,500	2	14.01%
Professional & Business Services	614,400	3	12.61%	583,100	4	12.82%
Government	593,600	4	12.19%	613,500	3	13.13%
Leisure & Hospitality	524,700	5	10.77%	410,200	6	9.02%
Manufacturing	357,600	6	7.34%	444,000	5	9.76%
Financial Activities	230,000	7	4.72%	219,000	8	4.81%
Information	220,400	8	4.52%	234,500	7	5.15%
Other Services	159,400	9	3.27%	147,900	9	3.25%
Construction	143,200	10	2.94%	146,500	10	3.22%
Sub-total Ten Largest Industries	4,444,800		91.25%	4,241,700		93.24%
All Other Industries	426,200		8.75%	307,400		6.76%
Total Industries	4,871,000		100.00%	4,549,100		100.00%

Note:

(1) Employment by industry is presented because employment data for individual employers was unavailable.

Source:

County of Los Angeles Comprehensive Annual Financial Report for the year ended June 30, 2017 (most recent information available):

<http://auditor.lacounty.gov/wp-content/uploads/2018/01/CAFR-FY-2016-2017.pdf>

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
CAPITAL ASSETS STATISTICS**

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Capital Assets (Land, Building, Furniture & Equipment) are used by the Commission for general operating and administrative function. The Commission has only one (1) centrally located building supported by other capital assets.

**LOS ANGELES COUNTY
CHILDREN AND FAMILIES FIRST – PROPOSITION 10 COMMISSION
AUTHORIZED POSITIONS BY FUNCTION
2011-2018**

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Functional Area	Fiscal Year							
	2018 (7)	2017 (6)	2016 (5)	2015 (4)	2014 (3)	2013 (2)	2012 (1)	2011 (1)
Executive	7	8	5	4.5	5.5	3	2	2
Administration	30	38	37.5	34.5	34	35	33	29
Programs	111	107	106	101.5	91.5	92	91	96
Total	148	153	148.5	140.5	131	130	126	127

Note:

(1) Data are budgeted authorized positions approved as part of the fiscal year budget. Prior to FY 2010-11, positions were reported by department only, and not according to functional area.

Source:

- (1) First 5 LA Approved FY 2011-12 Operating Budget (FY 2010-11 data were included for comparison purposes)
- (2) First 5 LA Approved FY 2012-13 Operating Budget
- (3) First 5 LA Approved FY 2013-14 Operating Budget
- (4) First 5 LA Approved FY 2014-15 Operating Budget
- (5) First 5 LA Approved FY 2015-16 Operating Budget
- (6) First 5 LA Approved FY 2016-17 Operating Budget
- (7) First 5 LA Approved FY 2017-18 Operating Budget

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and the general fund of the Los Angeles County Children and Families First – Proposition 10 Commission (Commission), a component unit of the County of Los Angeles, California, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report thereon dated October 11, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Commission's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Rancho Cucamonga, California
October 11, 2018

INDEPENDENT AUDITORS' REPORT ON STATE COMPLIANCE

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

Compliance

We have audited the Los Angeles County Children and Families First – Proposition 10 Commission's (Commission), a component unit of the County of Los Angeles, California, compliance with the requirements specified in the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office, applicable to the Commission's statutory requirements identified below for the year ended June 30, 2018.

Management's Responsibility

Management is responsible for compliance with the requirements of the laws and regulations applicable to the California Children and Families Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Commission's compliance with the requirements referred to above based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office. Those standards and the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act* require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the requirements referred to above that could have a direct and material effect on the statutory requirements listed below. An audit includes examining, on a test basis, evidence about the Commission's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance. However, our audit does not provide a legal determination of the Commission's compliance with those requirements. In connection with the audit referred to above, we selected and tested transactions and records to determine the Commission's compliance with the state laws and regulations applicable to the following items:

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<u>Description</u>	<u>Audit Guide Procedures</u>	<u>Procedures Performed</u>
Contracting and Procurement	6	Yes
Administrative Costs	3	Yes
Conflict-of-Interest	3	Yes
County Ordinance	4	Yes
Long-range Financial Plans	2	Yes
Financial Condition of the Commission	1	Yes
Program Evaluation	3	Yes
Salaries and Benefit Policies	2	Yes

Opinion

In our opinion, the Commission complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the California Children and Families Program for the year ended June 30, 2018.

Purpose of Report

The purpose of this report on compliance is solely to describe the scope of our testing over compliance and the results of that testing based on the State of California's *Standards and Procedures for Audits of Local Entities Administering the California Children and Families Act*, issued by the State Controller's Office. Accordingly, this report is not suitable for any other purpose.

Rancho Cucamonga, California
 October 11, 2018

Los Angeles County Children and Families First – Proposition 10 Commission Comprehensive Annual Financial Report For the Year Ended June 30, 2018

**Special Meeting of the Board of
Commissioners / Program &
Planning Committee**

September 27, 2018



First5LA.org

Presentation Overview

- Comprehensive Annual Financial Report Overview and Journey
- Independent Auditor's Report
- Fiscal Year 2017-18 Highlights
- Fund Balance
- 3 Year Comparisons
- Next Steps

218

CAFR Overview

- Comprehensive Annual Financial Report (CAFR)
 - Detailed view of the Commission's financial position at a moment in time
 - Activities and results of operations for the fiscal year
 - Presentation of the Commission's overall financial condition

219

CAFR Journey

- Audit process: (May 2018 through October 2018)
 - Interim fieldwork - 7/09-7/13
 - Fieldwork - 8/20-8/31
 - Reporting - 8/27-9/21
- Committee Meetings
 - Program & Planning Committee (September)
- Board of Commissioners' approval (October)

220

Independent Auditor's Report

Clean Audit:

- The CPA firm of Vavrinek, Trine, Day & Co. noted that the financial statements are presented fairly
 - Unmodified Opinion
 - No findings or observations

221

FY 2017-18 Highlights

- June 2017: Board approved FY 2017-18 total budget of \$144.9 million:
 - Program Budget = \$123.3 million
 - Operating Budget = \$21.6 million
- The Board approved a revised budget in April 2018 of \$139.8 million:
 - Program Budget = \$118.2 million
 - Operating Budget = \$21.6 million

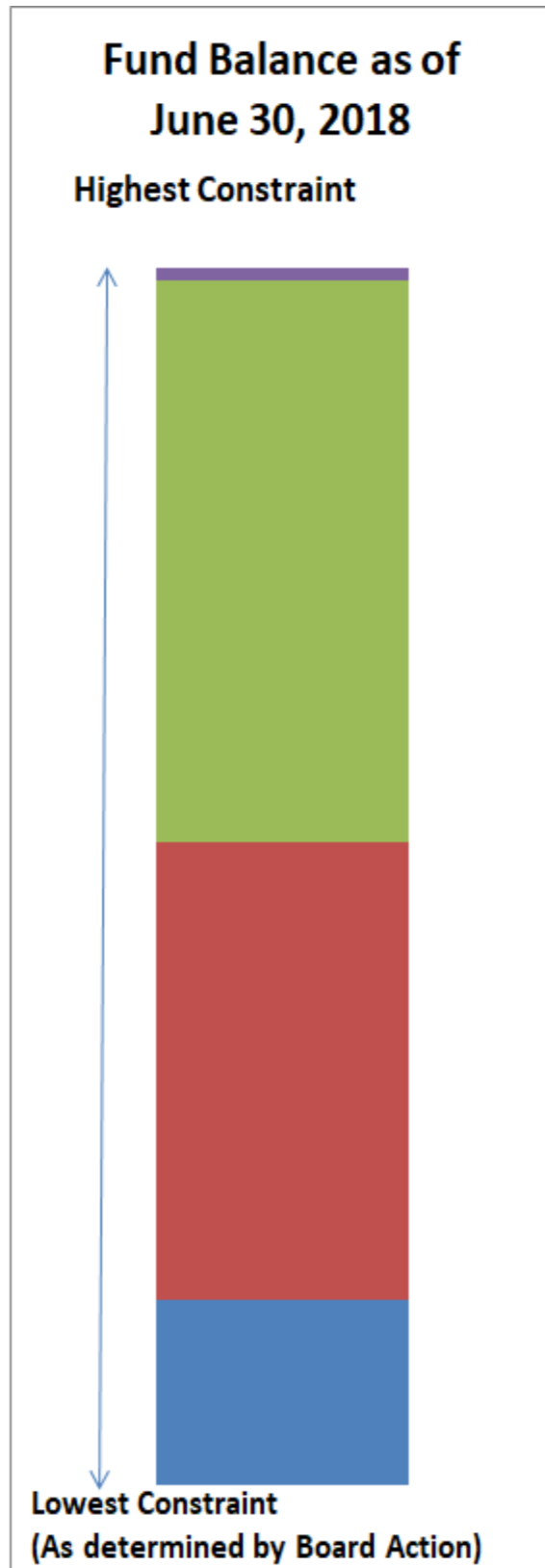
222

FY 2017-18 Highlights Cont'd

- Total revenue of \$78.96 million, of which \$72.33 million is for tobacco tax
- Total expenditures of \$122.22 million:
 - Program expenditures = \$101.50 million
 - Operating expenditures = \$20.72 million

223

Fund Balance Categories



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

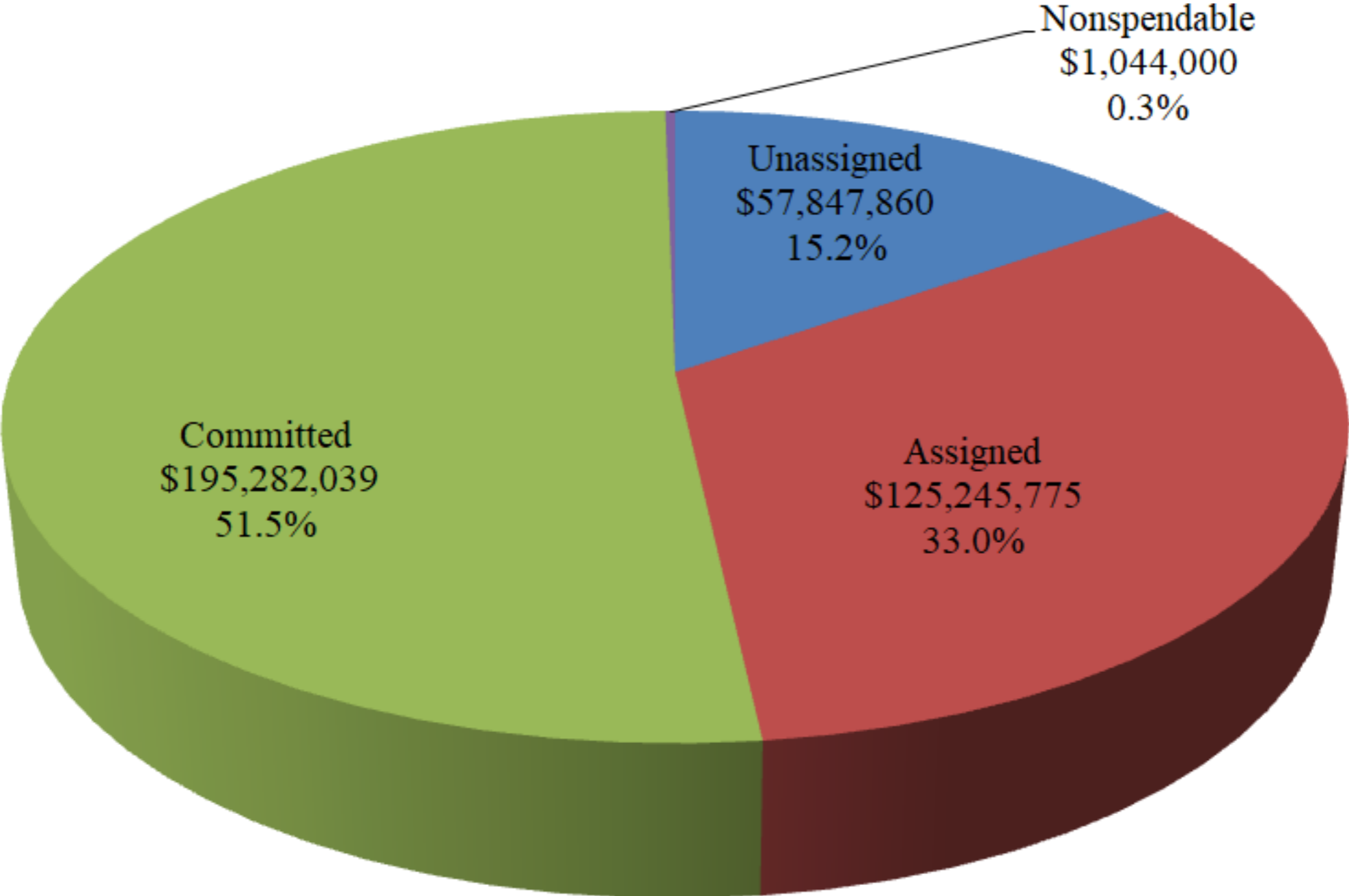
Level of Constraints:

- Nonspendable (\$1,044,000):** 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. *Constraints: Includes all level of Constraints below & Board Action through Contract Consent.*
- Committed (\$195,282,039):** 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. *Constraints: Include all level of Constraints below & Board Action through the FY Budget Approval.*
- Assigned (\$125,245,775):** Funds are reserved for Commission use consistent with the 2015-2020 Strategic Plan. *Constraints: Board Action through Approval of the FY 2015 -20 Strategic Plan.*
- Unassigned (\$57,847,860):** Funds designated for the Operating Budget and Reserve. *Constraints: Governed by Prop 10 requirements & Audit (Fund Balance)*

Total Fund Balance as of June 30, 2018 = \$379,419,674

224

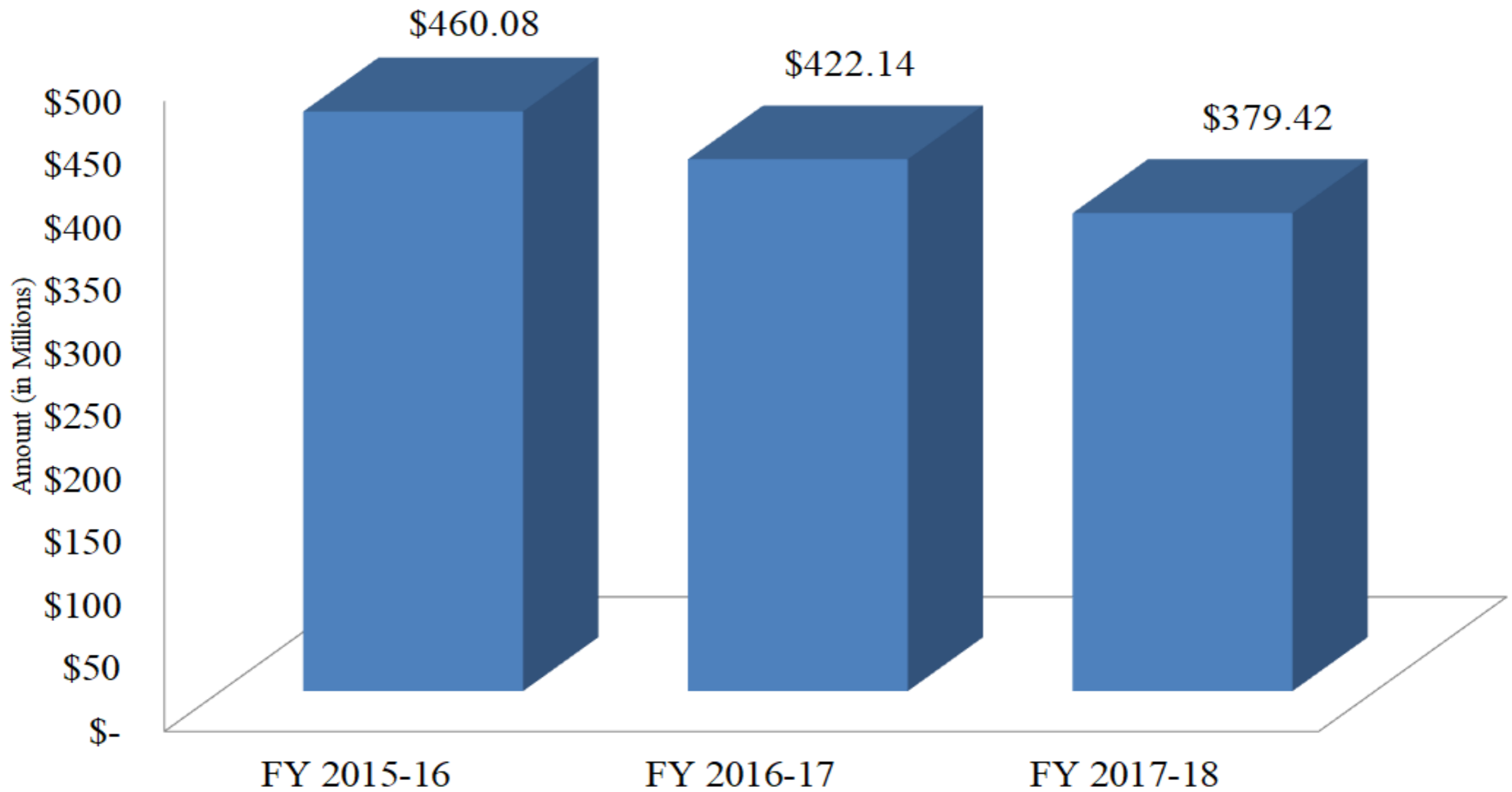
Fund Balance as of June 30, 2018



Total Fund Balance = \$379,419,674

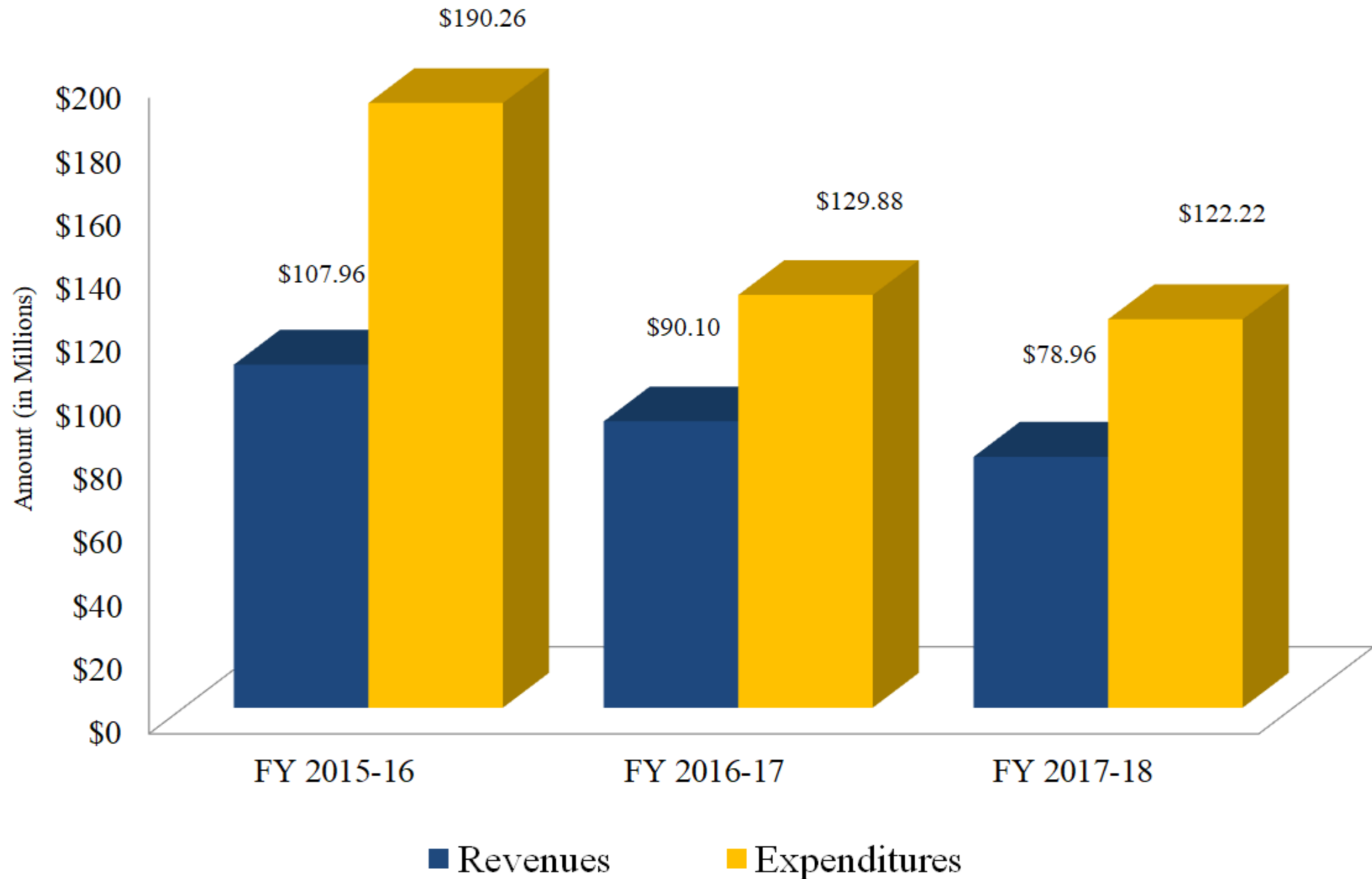
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3-Year Comparison: Fund Balance



226

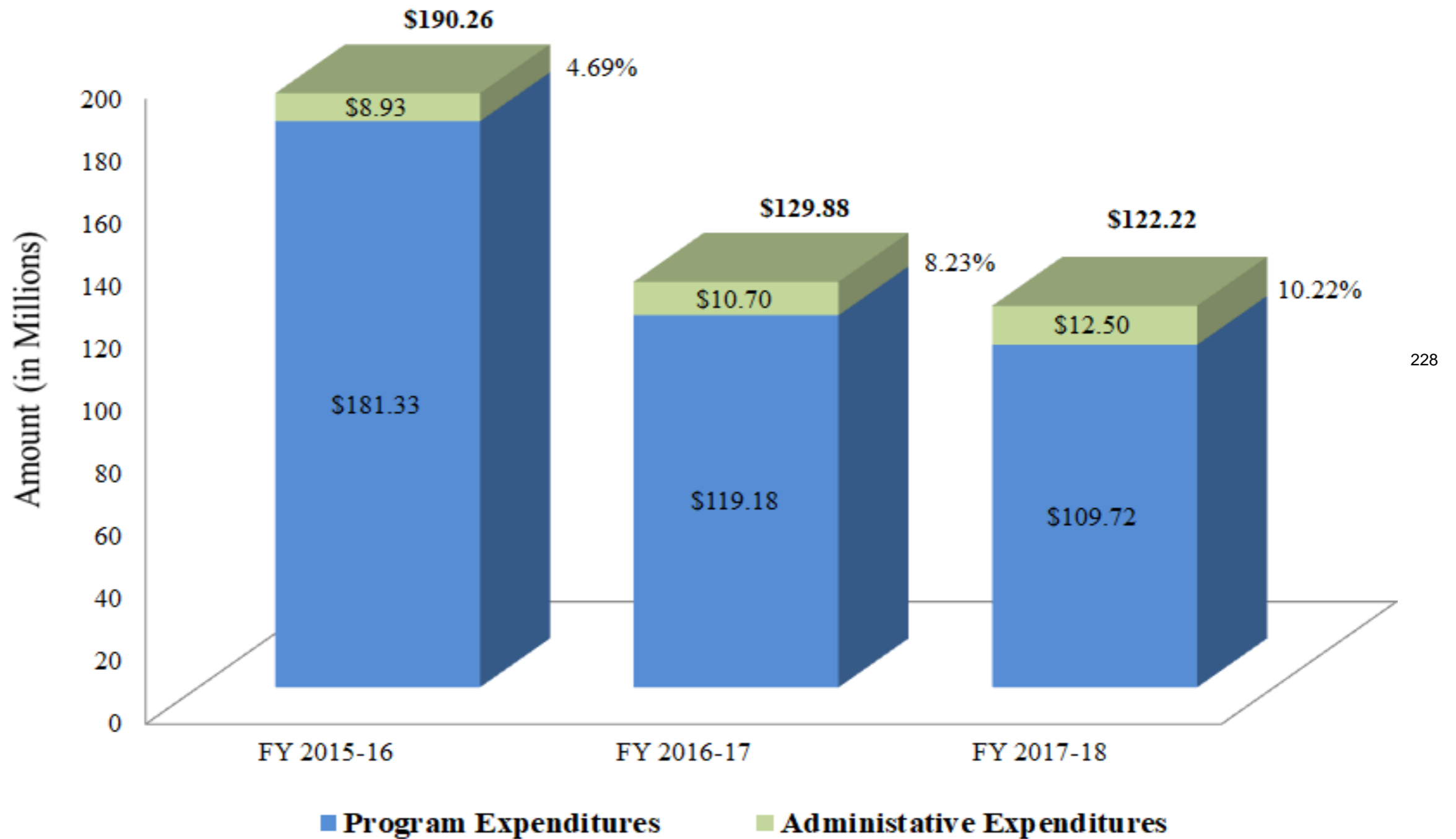
3-Year Comparison: Revenues vs. Expenditures



227

*Pass-through dollars are included in revenues and expenditures.

3-Year Comparison: Program and Administrative Expenditures



Next Steps

- Board of Commissioners (For Approval – through consent)
- Submission of the CAFR:
 - State Controller's Office
 - First 5 California
- Update the Long Term Financial Projection (LTFP)

229

Questions?



230

FIRST 5 LA

SUBJECT:

Request to:

1. Waive Governance Guideline #7, Expiration of contracts/grants, and #9, Alignment of “legacy” investments (from previous Strategic Plans) with the 2015-2020 Strategic Plan and
2. Extend the Strategic Partnership with Information and Referral Federation of Los Angeles dba 211 Los Angeles County (“211 LA”) for the Information Resource and Referral (211) Initiative for the amount not to exceed \$620,000 for the period of January 1, 2019 through June 30, 2019 and
3. Authorize First 5 LA Staff to execute a contract amendment for an additional \$620,000 and extend the contract for six months through June 30, 2019. (Fund Balance Category: Committed).

RECOMMENDATION (PROVIDED AS INFORMATION):

This memo is provided as information for the Board’s consideration at the September 27, 2018 Special Program and Planning Commission meeting. First 5 LA staff recommends that at the October 11, 2018 Commission meeting: the Board waive Governance Guidelines #7, Expiration of contracts/grants, and #9, Alignment of “legacy” investments (from previous Strategic Plans) with the 2015-2020 Strategic Plan; approve the 6-month extension of the Strategic Partnership with 211 LA through June 30, 2019 for an amount not to exceed \$620,000; and authorize staff to complete the contract amendment to increase funding by \$620,000 and to extend for the period from January 1, 2019 to June 30, 2019. Resources to fund this partnership will come from underspending of programmatic investments that are included in the FY 2018-19 Programmatic Budget, as well as the Emerging Opportunities funds approved by the Board of Commission in June 2018. Any adjustments needed as a result of this funding will be made during mid-year review.

BACKGROUND:

Information, Resource and Referral (IR&R) systems provide services that connect people—parents, caregivers and families—with resources that can help them. IR&R systems create and maintain databases of information on community, social, health and government resources such as organizations, programs and services and may share that information through a variety of channels, including phone, online and text messaging. The databases are kept up-to-date and can range from more comprehensive that provide information on a wide variety of supports and services, to the specialized that provide in-depth information about resources specific to a population group such as military personnel or families with children prenatal to age 5. Local examples of comprehensive IR&R systems include 211 LA, 311 LA and the Yellow Pages®. Examples of specialized IR&R systems include Help Me Grow, the Crisis Text Line and suicide prevention hotlines such as The Trevor Project’s “TrevorLifeline.”

First 5 LA has invested in IR&R systems under its previous Strategic Plans, specifically 211 LA since 2005. To date, First 5 LA has provided 211 LA with \$19.7 million in funding. Current annual First 5 LA funding of 211 LA is \$1.2 million which represents approximately 19 percent of its overall budget, equating to 10 Full-Time Employees (FTEs), and a varied proportion of time for 10 additional staff.

On March 8, 2018, the Board approved a recommendation to conduct an internal inquiry on the role of IR&R systems, and their contributions to First 5 LA’s four Outcome Areas identified in the 2015-2020 Strategic Plan: Communities, Early Care and Education, Family Supports and Health Systems. In addition, the Board waived Governance Guideline #7, Expiration of Grants/Contracts, and approved extending the Strategic Partnership with 211 LA for an additional 6-months (through December 2018) for an amount not to exceed \$620,000 to continue IR&R services to allow for: 1) the completion of an internal inquiry and 2) to align with the CEO’s competitive procurement process for a county IR&R system which was initially scheduled to be completed with contractor selected by December 2018. Other important historical Board decisions related to 211 LA’s contract occurred in FY15-16 and 16-17 when the investment went through the Expiring Initiatives process which resulted in a contract extension as a result of potential alignment with the 2015-2020 Strategic Plan.

IR&R Internal Inquiry

During July and August of 2018, a team from First 5 LA's Health Systems Outcome Area conducted an internal inquiry on the role of IR&R systems, and their contributions to the four Outcome Areas. The team interviewed staff across divisions and departments within First 5 LA and reviewed key historical documents and recent research findings. Highlights are noted below; the full report is included as Appendix A: Inquiry into the Role and Contribution of Information, Resource and Referral (IR&R) Across Outcomes Areas of the Strategic Plan.

Inquiry Findings

Recent research literature has shown that technology resources, such as internet search engines like Google, smart phone apps and social media, are playing expanded roles in parents' communications pathways to information. While parents tend to turn to trusted family, friends (e.g., other parents) and professionals (e.g., pediatricians, teachers), they are also turning to internet searches, websites, blogs, social media, apps and text services to get information. This research is supported by 211 LA call and website search volume over the past three fiscal years (FY15-16 to FY17-18) that shows a decrease in the number of callers coupled with a rapid increase in the number of 211 LA online database searches. Several consistent themes emerged during staff interviews about gaps in the current IR&R system, ideas for strengthening IR&R for L.A. County and First 5 LA's evolving role in IR&R. The inquiry identified the need for:

- Technology innovation
- Improved data sharing
- Multiple types of IR&R systems (e.g., comprehensive and specialized)
- Warm hand-off from trusted local entity
- Referral follow-up

It is recognized that 211 LA provides an invaluable service to the county and that parents and caregivers need a variety of IR&R systems. Our research and interview findings have shown that parents and caregivers are utilizing trusted local sources and that many of our investments include a referral coordination and navigation component that connects families to local resources. Therefore, First 5 LA funds to support IR&R are best directed in support of local entities IR&R capacity versus more general countywide IR&R. In addition considering families' are relying more on technology such as the internet and other mobile platforms over a centralized call center demonstrates 211 LA's current capacity isn't set up to meet the evolving IR&R needs of parents and caregivers. 211 LA's general, countywide IR&R is important and a needed service however it is not aligned with our 2015-2020 Strategic Plan.

Partnership with CEO

In addition to funding through First 5 LA, the majority (approximately 80%) of 211 LA's infrastructure is supported by Los Angeles County. The Los Angeles County Chief Executive Office (CEO) released an RFP in fall 2017 to procure comprehensive countywide IR&R services and supports with emphasis on electronic/digital service delivery, including websites, online chatting, texting, smart phone applications and push notifications. First 5 LA has been working closely with the CEO to track the RFP's status and timeline and was informed in July that 211 LA was selected to receive the County's IR&R contract.

The CEO and 211 LA are currently in contract and budget negotiations. An initial timeline anticipated the negotiation process to be completed with a new contract in place January 1, 2019. However, recent updates have confirmed the negotiation process will extend beyond the original timeline and as a result, the CEO will be requesting Board of Supervisors (BOS) approval of a 211 LA 12-month extension (through December 2019) to ensure IR&R services remain in place while they complete negotiations. During the negotiation process, the CEO will fully assess its current contracted IR&R program to include a determination of the necessary components of an IR&R system that strategically meets current and emerging countywide needs. The CEO and First 5 LA discussed continued operational support to bridge a 6-month period (January 2019 through June 2019). With this support, 211 LA can retain full staffing and minimize disruption in service throughout the contract negotiation period while the CEO works to finalize review of their IR&R strategic opportunities and identify long-term funding sources for 211 LA. The CEO will, based on its assessment findings, provide the funding for any determined additional costs for operational support of 211 LA after First 5 LA's contract with 211 LA ends in June 2019. First 5 LA's

bridge funding is contingent on the BOS approving the CEO's extension. If BOS does not approve, 211 LA's First 5 LA contract will expire on December 31, 2018.

RECOMMENDATION TO EXTEND STRATEGIC PARTNERSHIP WITH 211 LA:

First 5 LA staff recommends extending the partnership with 211 LA from January through June 2019 and amending the contract to add an amount not to exceed \$620,000 to maintain IR&R services. This recommendation takes into consideration our long-standing partnership with both the CEO and 211 LA and provides the opportunity to sustain infrastructure built through First 5 LA's resources over the last 13 years. The 6-months of funding is aligned with the CEO's revised IR&R procurement and contract execution timeline and will minimize disruption of IR&R services in the interim. Additionally, it offers the CEO the time needed to solidify sustainable, long-term County sources of funding. A condition of this funding entails the CEO include First 5 LA as part of the assessment team that will analyze and formulate final recommendations regarding the County's IR&R strategic opportunities. First 5 LA can leverage the CEO's continued and future investments into countywide IR&R services by advising during this 6-month contract extension on the needs and information seeking preferences of our target population.

Pursuant to the Procurement Policy, Strategic Partnerships of \$75,000 or more in a fiscal year must be presented to the Board for approval. Staff is requesting an extension of the Strategic Partnership for an amount not to exceed \$620,000 to comply with this policy. Section IV.5 of the Procurement Policy also states that contract amendments of \$75,000 or more or 10% or more of the total contract amount within a fiscal year, whichever is greater, require Board approval prior to execution. Staff is seeking approval to execute a contract amendment for the period of January 1, 2019 to June 30, 2019 for \$620,000.

The request is not aligned with the adopted 2015-2020 First 5 LA Strategic Plan. As such, First 5 LA staff requests the Board waive Governance Guideline #9, Alignment of "legacy" investments (from previous Strategic Plans) with the 2015-2020 Strategic Plan. The initiative was aligned with the 2010-2015 First 5 LA Strategic Plan, and this extension to the strategic partnership will maintain an IR&R infrastructure that First 5 LA has funded for the past 13 years as the infrastructure shifts to its next sustainability phase with the CEO.

RECOMMENDATION:

First 5 LA staff recommends that at the October 11, 2018 Commission meeting, the Board approve a six month extension of the Strategic Partnership with 211 LA for an amount not to exceed \$620,000 and to authorize staff to complete a contract amendment through June 30, 2019 for an additional \$620,000. Funds for FY18-19 are included within the current First 5 LA Programmatic Budget under Programs Division, and will be pulled from underspending programmatic investments areas as well as the Emerging Opportunities, which was approved by the Board of Commissioners in June 2018. Any adjustments needed as a result of this funding will be made during mid-year review.

APPENDIX A: INQUIRY INTO THE ROLE AND CONTRIBUTION OF INFORMATION, RESOURCE AND REFERRAL (IR&R) ACROSS OUTCOME AREAS OF THE STRATEGIC PLAN

INTRODUCTION

During July and August of 2018, a team from First 5 LA's Health Systems Outcome Area conducted an internal inquiry on the role of Information, Resource and Referral (IR&R) systems, and their contributions to the four Outcome Areas identified in the agency's 2015-2020 Strategic Plan: Communities, Early Care and Education, Family Supports and Health Systems. The team interviewed staff across divisions and departments within First 5 LA and reviewed key historical documents.

This report summarizes the inquiry approach and makes recommendations for future support of IR&R strategies.¹

BACKGROUND

Definition

IR&R systems provide services that connect people—parents, caregivers and families—with resources that can help them. IR&R systems create and maintain databases of information on community, social, health and government resources such as organizations, programs and services and may share that information through a variety of channels, including phone, online and text messaging. The databases are kept up-to-date and can range from the comprehensive that provide information about all human services within a particular area, to the specialized that provide in-depth information about resources specific to a population group such as military personnel or families with children prenatal to age 5. Local examples of comprehensive IR&R services include 211 Los Angeles County (211 LA), 311 LA and the Yellow Pages®. Examples of specialized IR&R services include Help Me Grow, the Crisis Text Line and suicide prevention hotlines such as The Trevor Project's "TrevorLifeline."

Research has shown that parents and caregivers who are more knowledgeable of child development engage in healthier parenting practices.² In addition, parents and caregivers who are aware of parenting practices that promote healthy child development are more likely to implement those practices.³ Thus, the ability to access this type of information and related resources is strongly linked to the mission of First 5 LA to strengthen families, communities and systems of services and supports so all children in L.A. County enter kindergarten ready to succeed in school and life.

¹ Note that a larger-scale inquiry was conducted in 2015 on the potential role and purpose IR&R could play in the, then in development, 2015-2020 Strategic Plan.

² Morawska, A., Winter, L., & Sanders, M. (2009). Parenting knowledge and its role in the prediction of dysfunctional parenting and disruptive child behaviour. *Child: Care, Health and Development*, 35(2), 217-226.
National Academies of Sciences, Engineering, & Medicine. (2016). *Parenting Matters: Supporting Parents of Children Ages 0-8*. National Academies Press, Washington, DC. Retrieved from <https://www.fcd-us.org/assets/2016/10/NASParenting-Matters.pdf>

³ National Academies of Sciences, Engineering, & Medicine, 2016.

First 5 LA History

First 5 LA has invested in IR&R systems under its previous Strategic Plans. The following is a brief history of the agency’s support of these systems.

- 2001 – The First 5 LA Parent Helpline was a dedicated “warm line” with its own unique phone number. The helpline’s purpose was to promote safe and supportive environments for children prenatal to age 5 by connecting the residents of L.A. County to information and services funded by First 5 LA or existing community resources.
- 2005 – First 5 LA secured an initial service contract with 211 LA to operate the First 5 LA Parent Helpline. Through the agreement, calls from First 5 LA target populations were transferred to 211 LA Community Resource Advisors (CRAs) who were specifically trained to provide accurate information and appropriate referrals to these individuals.
- 2011 – With an eye toward sustainability, First 5 LA’s performance-based contract with 211 LA eliminated the Parent Helpline and routed all calls directly through 211 LA.
- 2017 – First 5 LA established its information-based Parenting Website on the MobileFirst Platform.

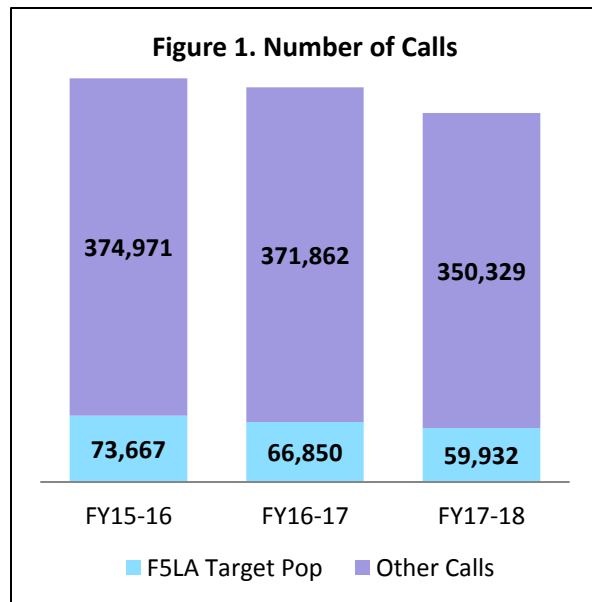
To date, First 5 LA has provided 211 LA with \$19.7 million in funding. First 5 LA currently funds approximately 19 percent of the overall 211 LA budget.⁴

211 LA Indicators

Figure 1 presents the number of calls to 211 LA. As shown, in FY2017-18, almost 60,000 calls were from families of the prenatal to age 5 target population, which represents 14.6 percent of the total calls. 211 LA has seen a decrease in the number of callers in recent years; calls from the target population decreased by 18.6 percent over the past 3 fiscal years.⁵ This decline may be partially explained by the 280.6 percent increase in the number of 211 LA online database searches, which grew from 50,657 in FY2015-16, to 192,795 in FY17-18.⁶

211 LA provides First 5 LA with the target population’s top ten service needs or reasons for placing calls:⁷

- Early Childhood Education
- Child Care
- Maternal and Infant Care
- Parenting
- Housing Counseling/Search Assistance



⁴ The 211 LA contract went through the Expiration of Contracts/Grants process in FY15-16 and FY16-17.

⁵ Compared to the 8.6 percent decrease in the overall total call rate from FY15-16 to FY17-18.

⁶ Data obtained from monthly progress reports submitted by 211 LA to First 5 LA.

⁷ Data are from monthly progress reports that only present a listing of reasons and not the percentage breakout, thus this listing is not in order of popularity.

- Transitional Shelter/Housing
- Emergency Shelter
- Groceries
- Food Expense Assistance
- Utility Assistance

INQUIRY APPROACH

The inquiry's two-pronged approach answered the following questions:

- What are First 5 LA's objectives around supporting an IR&R strategy?
- What opportunities exist to integrate IR&R strategies with our 2015-2020 Strategic Plan Outcome Areas IR&R? How foundational is IR&R to other strategies in the Strategic Plan? Does each strategy's success depend on the presence of a robust IR&R system?
- How needed and critical are the services that 211 LA provides?
- What are the strengths and gaps in the current IR&R system in L.A. County?
- What are IR&R models and best practices around the country?

Interviews were held to capture staff input on the prior, current and potential roles of IR&R at First 5 LA, particularly as they related to our four Outcome Areas. In total, 12 interviews were conducted with 16 staff members. Interviews lasted from 30 to 60 minutes and were structured around the questions listed above that were provided to participants in advance. In addition to key informant interviews, key documents, including previous inquiry findings, budgets, and grant progress reports, were reviewed for history and current status of IR&R. Lastly, findings from recent studies provided the team with insights on how parents access information.

FINDINGS

Research on How Parents and Caregivers Access Data

Technology resources, such as internet search engines like Google, smart phone apps and social media, are playing expanded roles in parents' communications pathways to information. Zero to Three's 2015 National Parent Survey⁸ asked a nationally representative sample of 2,200 parents of children ages 0 to 5 what sources they use for parenting advice, information and guidance. While parents tend to turn to trusted family, friends (e.g., other parents) and professionals (e.g., pediatricians, teachers), they are also turning to internet searches, websites, blogs, social media, apps and text services to get information. Unsurprisingly, more than half (54 percent) of parents said they would like it if there was a centralized website overseen by child development experts.

Similarly, Child Trends' 2018 literature review of 260 studies on parenting knowledge as well as their focus group series with parents of young children⁹ found that parents often rely on the internet for information, including Google search, Facebook and YouTube because of the platform's

⁸ Zero to Three. (2016). *Tuning in: National parent survey overview*. Author, Washington, DC. Retrieved from <https://www.zerotothree.org/resources/1424-national-parent-survey-overview-and-key-insights#downloads>

⁹ Bartlett, J. D., Guzman, L., & Ramos-Olagast, M. A. (2018). Parenting knowledge among first-time parents of young children: A research-to-practice brief. *Research Brief #2018-28*. Child Trends, Bethesda, MD. Retrieved from <https://www.childtrends.org/publications/parenting-knowledge-among-first-time-parents-of-young-children-a-research-to-practice-brief>

features of convenience, speed and user anonymity. While parents prefer to ask family, friends and professionals, they tend to get insufficient information from these sources. Both the Zero to Three and Child Trends research found that parents are overwhelmed by the large number of informational sources and have concerns over the content quality.

In 2016, First 5 LA supported a study on how and why parents in L.A. County seek help or information about caring for their young children.¹⁰ This online survey of 249 L.A. County parents and caregivers of children 5 years or younger found similar results to the Zero to Three and Child Trends studies, in that information sources preferred by parents include personal and professional contacts and digital sources such as search engines, websites and social media.

Staff Interview Themes

Several consistent themes emerged during staff interviews, ranging from gaps in the current IR&R system, ideas for strengthening IR&R for L.A. County, to First 5 LA's evolving role in IR&R. These themes are outlined below.

Technology

Every person interviewed identified technology innovation as an important consideration in IR&R systems. Staff expressed their belief that families are more likely to access information from the internet, often starting their search for services through online search engines. This belief is reinforced by 211 LA's rapid growth in online search volume and research on how families access information. Therefore, there is a disconnect between how families are accessing information and First 5 LA's IR&R investment.

A few staff interviewed identified new technology platforms emerging in L.A. County and nationally to connect families to resources and to track referrals. These platforms include:

1. Aunt Bertha: online clearinghouse of resources based on zip code, family size and income
2. HealthLink: used by UCLA providers to make and track referrals
3. IRIS: the Integrated Referral & Intake System platform developed by the University of Kansas is a web-based community referral system that supports providers in making, receiving and tracking referrals
4. NowPow: developed by the University of Chicago connects a referral sender to a referral receiver to track progress and close the loop on referrals
5. OneDegree: started in the Bay Area to search community resources, apply for programs and track resources and referrals; launching in L.A. County through the Whole Person Care Initiative Los Angeles (WPC-LA); and used by a First Connections grantee
6. Purple Binder: started in Chicago, IL, and now a part of Healthify that providers use to connect the people they serve with the resources and services they need to keep them healthy

Beyond the ease of use and flexibility of access that online IR&R systems provide, staff also mentioned that they provide families with a judgment-free and less intimidating way to ask for help. A few individuals mentioned an online chat or text message function could be a useful feature of an IR&R system. Furthermore, staff also recommended that First 5 LA's Parenting Website could be enhanced to house more resources, especially on the topics for which parents contact First 5 LA directly.

¹⁰ MODOS, LLC and The Henne Group. (2016). *How parents of young children seek information: Results of an online survey*. First 5 LA, Los Angeles, CA.

Lack of Data

Many interviewees identified insufficient data as an issue across multiple aspects of the county's IR&R services. One concern that emerged was the lack of access to the 211 LA centralized resource database. Although 211 LA has an extensive resource database and goes through a process to update it on an annual basis, this is a proprietary resource. Additionally, staff noted that decentralized referral resources exist within local community-based organizations such as home visiting programs and WIC sites. However, First 5 LA does not have a method for collecting or sharing these ad hoc databases.

Staff acknowledged that historically First 5 LA, in partnering with 211 LA, anticipated receiving more detailed data on caller needs. The hope was to identify potential service gaps across geographic areas through 211 LA caller data which could potentially inform future First 5 LA strategies. 211 LA reports currently provide First 5 LA with broader indicators such as call volume, wait time, website searches, etc. For instance, 211 LA provides First 5 LA a listing of the top 10 reasons the target population is calling. This list, however, is not broken down into more detail such as by percentage or geographic area.

Finally, a theme emerged throughout the interviews that there is a lack of real-time data on wait lists and eligibility criteria for local services. Staff expressed the efficiency and usefulness of real-time data availability for families so they can know if services have a wait list and can be ready with any documentation needed for eligibility.

Vital Service with Multiple Existing Types

There was a sense among interviewees that 211 LA is a vital county resource that provides callers with information on resources and services. However, support provided by our investment in 211 LA is often on issues external to First 5 LA Outcome Areas. Staff highlighted that many of First 5 LA's investments have a referral coordination or navigation component and can connect families to local resources specifically for the prenatal to age 5 population. For example, home visitors, Project Dulce family specialists and First Connection sites can connect families to information on child development but may utilize 211 LA for families who have questions on such topics as housing or food insecurity.

Additionally, staff mentioned that there are other resources external to 211 LA that families and programs access for child-specific resources, such as WIC, California Child Care Resource & Referral (R&R) Network and the Child Care Alliance Los Angeles. Also mentioned was the online resource list for home visitors and parents provided by the Los Angeles County Perinatal and Early Childhood Home Visitation Consortium. The Consortium has a vision to build out its resource database into a more dynamic online platform that can facilitate communication between providers to ensure they can better link families to appropriate home visiting services.

Ideas emerged during interview conversations on how First 5 LA can build out local entities' IR&R capacity, including our own investments that have referral coordination or navigation components. 211 LA connects to systems like WIC and Regional Centers and some staff identified the important role First 5 LA could play is in strengthening decentralized local systems that support our target population and receive referrals from 211 LA.

Warm Handoff from Trusted Entity

Related to ideas shared on strengthening local IR&R efforts, the majority of staff interviewed expressed their belief that families are more comfortable and are likely to look for resource and

referral support from a trusted entity before reaching out to a call center. Trusted entities include community-based organizations, providers with whom families have an established relationship, and friends and family. A few staff indicated families use social media (e.g., neighborhood apps like NextDoor and parent Facebook pages) to identify appropriate resources and receive information for their child.

Additionally, the importance of a “warm handoff” in ensuring the quality and success of a referral emerged as a strong theme. Staff mentioned their uncertainty that a referral consisting of only a name and a phone number is an effective way to help families access resources. Those interviewed wondered if 211 LA staff had sufficient knowledge of local resources and time to talk to the caller to make an appropriate and nuanced referral. The ideal IR&R system would connect the family to the needed resource more directly through a warm handoff. Promotoras and parent navigators were elevated as an effective way to achieve a warm handoff and navigation support from a trusted entity.

Referral Follow-Up Needed

The final theme that emerged throughout the interview process was the need for IR&R systems to “close the loop” on referrals made in order to know the impact of these systems. There was a sense that 211 LA does not have the capacity to ensure that callers accessed resources and had their needs met. Additionally, related to the theme of lack of data, staff identified that the need to follow-up on referrals is heightened because of a lack of real-time data on wait times and eligibility, and scarcity of certain resources. Some staff also mentioned that decentralized, local entities that help families coordinate services, or online platforms that allow for real-time data collection and sharing, may be better suited to follow-up on referrals than a centralized call center like 211 LA.

Staff Interview Themes by Outcome Areas

In addition to the overall themes described above, information emerged on the current role of and potential considerations for IR&R services by Outcome Area. These themes are presented in the following table.

Outcome Area	Current Role	Potential Consideration
<i>Communities</i>	No direct role Have rarely heard about members of Best Start communities using 211 LA as they are more likely to turn to trusted community-based organizations for IR&R services	Map resources and needs data onto communities so that communities themselves can develop/improve IR&R services Support capacity of local, trusted organizations to embed Parent Navigators who can facilitate warm-handoff and referral follow-up

Outcome Area	Current Role	Potential Consideration
<i>Early Care and Education</i>	<p>Parents utilize different IR&Rs to find child care and ECE centers; in particular the Child Care R&R system has 8 sites in Los Angeles</p> <p>Parents do call 211 LA for information on child care and early care and education, which provides similar information as Child Care R&Rs</p>	<p>Advocate that the California Department of Education funded Child Care R&Rs become more user-friendly to families across different economic levels, including providing information on state subsidies and other funding sources and which centers are accepting new clients</p>
<i>Family Supports</i>	<p>Some home visitors have their own resource directory developed through the Home Visitation Consortium but use 211 LA to find unknown resources for families served; connecting families to needed services is critical to achieving outcomes</p> <p>WIC sites are also a trusted source for IR&R services</p>	<p>Consortium is in discussions to make the resource directory electronic; Health Resources & Services Administration (HRSA) plans to fund development of a Home Visiting database</p> <p>Build out First 5 LA Parenting website so that parents and caregivers can rely on just one source</p>
<i>Health Systems</i>	No direct role	<p>Other counties have partnered with 211 for the Centralized Access Point (CAP) of Help Me Grow</p> <p>Support capacity of partners' (e.g., Los Angeles County Department of Mental health, Department of Child & Family Services) IR&Rs as related to Early Identification and Screening and Trauma-Informed Care to impact systems change</p>

INFORMATION, RESOURCE AND REFERRAL (IR&R)

Tara Ficek, Ann Isbell, Alexandra Parma

September 27, 2018



- Provide an overview of the IR&R internal inquiry process and findings
- Provide update on CEO IR&R procurement process and timeline
- Recommend extension of 211 LA Strategic Partnership
- Request Board approval to waive Governance Guideline #7 and #9

- First 5 LA has a long history of supporting IR&R systems and has funded 211 LA since 2005
 - To date, \$19.7 million
 - Currently fund approximately 19 percent of overall budget equating to 10 staff



IR&R Internal Inquiry

- Document and Research Review
- Staff Interviews

Preferred Sources for Information

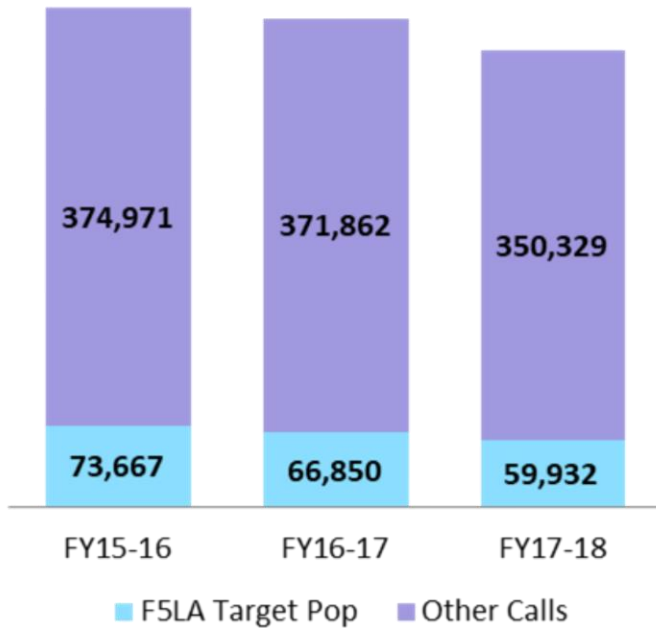
- Personal and professional contacts
- Internet (e.g., Google searches, parenting websites, social media)

Concerns

- Parents overwhelmed by the large number of sources
- Parents concerned over the quality of sources

2015 Zero to Three National Parent Survey, 2016 First 5 LA Parent Online Survey, 2018 Child Trends Literature Review and Focus Groups

Figure 1. Number of Calls



- 18% decrease in calls from target population
- 281% increase in the number of 211 LA online database searches

- Overall Themes
 - Technology innovation
 - Improved data sharing
 - Multiple types of IR&R systems
 - Warm hand-off from trusted local entity
 - Referral follow-up

- **Communities** – community-driven; build capacity of local organizations
- **Early Care and Education** – advocate to improve Child Care Resource & Referral
- **Family Supports** – Home Visiting programs building resource directories
- **Health Systems** – Help Me Grow Centralized Access Point; build capacity of partners

- Findings indicate First 5 LA funds are best directed to support IR&R:
 - local entities' capacity
 - technology communication pathways
- Therefore, funding of operational support to 211 LA is not aligned with our 2015-2020 Strategic Plan

1. Support a study with parents and caregivers of young children and our grantees on their perceptions of IR&R needs, gaps and challenges, and strengths.
2. Request data from 211 LA on service needs and engage in conversations with the CEO about larger data explorations.
3. Through 2019 Strategic Plan Refinement process explore how a First 5 LA focused strategy around IR&R could enhance each investment area's IR&R capacity.

Extend Strategic Partnership



- 211 LA selected as County's IR&R contractor; budget and scope of work negotiations underway
- Assess necessary components to identify IR&R strategic opportunities
- 6-month bridge funding to maintain 211 LA operations and infrastructure, minimize disruption of services, identify long-term funding
- First 5 LA part of assessment team

1. Extend the Strategic Partnership with Information and Referral Federation of Los Angeles dba 211 Los Angeles County (“ 211 LA”) for the Information Resource and Referral (211) Initiative in the amount of \$620,000 for the period of January 1, 2019 through June 30, 2019.
2. Waive Governance Guideline #7, Expiration of contracts/grants, and # 9, Alignment of “legacy” investments (from previous Strategic Plans) with the 2015-2020 Strategic Plan.
3. Authorize First 5 LA Staff to complete the contract amendment for an amount not to exceed \$620,000 from January 1, 2019 to June 30, 2019. (Fund Balance Category: Committed).

A woman with long dark hair and sunglasses is lying on her stomach on a grassy field, laughing joyfully. She has her arms around two young boys. One boy, wearing a blue and orange plaid shirt, is sitting up and smiling. The other boy, wearing an orange and white striped shirt, is lying on his stomach and laughing with his mouth open. The background is a soft-focus green field under bright sunlight.

Questions?

The logo for 'first 5 la' is located in a white circle. It features the text '1st' in a blue circle, a blue hand icon, and 'LA' in a green circle, all above the text 'first 5 la' in a bold blue font. Below this is the tagline 'Giving kids the best start' in a smaller blue font.

1st  **LA**
first 5 la
Giving kids the best start

FIRST 5 LA

SUBJECT:

Provide status of Help Me Grow-Los Angeles (HMG-LA) implementation including concept design for the demonstration communities. Additionally, provide important findings from the field related to the California State Assembly Bill 11: Early and Periodic Screening, Diagnosis and Treatment Program (AB 11), L.A. Care Health Plan's pre-discovery findings, Quality Rating and Improvement System (QRIS) exploration, and Los Angeles County Regional Center engagement activities.

BACKGROUND:

Identifying young children with or at risk for developmental and behavioral delays is an essential first step toward ensuring that all children have the opportunity to reach their optimal physical, mental and socioemotional health and well-being. However in California, approximately 21 percent of children do not receive timely developmental-behavioral screenings. First 5 LA, in partnership with L.A. Care Health Plan, the Los Angeles County Department of Public Health (LACDPH), and the American Academy of Pediatrics (AAP)-California Chapter 2, launched planning for Help Me Grow (HMG) in 2016 to strengthen early identification and intervention systems in the county. Currently, First 5 LA and LACDPH are co-leading the implementation of Help Me Grow for L.A. County (HMG-LA).

HMG is a national system change model, which aims to improve the coordination and functioning of developmental and behavioral screening, assessment and early intervention supports through the following 4 essential core components: Child Health Care Provider Outreach; Community & Family Outreach;¹ Centralized Access Point; and Data Collection and Analysis.

The model works to promote cross-sector collaboration in order to build efficient and effective early childhood systems that support families so that children can grow, develop and thrive to their full potential. Successful implementation of HMG leverages existing resources, maximizes opportunities within public agencies and across system functions, and advances a coalition of providers and sectors working collaboratively toward a shared agenda.

On November 9, 2017 the Board approved the establishment of a Strategic Partnership with LACDPH to serve as the organizing entity for HMG-LA and on April 26, 2018 authorized the scope of work and budget for year 1 (FY18-19) of the 5-year Strategic Partnership. On July 1, 2018, the Strategic Partnership with LACDPH officially commenced and together First 5 LA and LACDPH have been working in close collaboration on strategy design and implementation of the core components.

In addition to our work with LACDPH, staff has been leading internal and external exploration and engagement efforts to further inform HMG-LA implementation planning specially around child health care provider outreach, community and family engagement, and policy and system-change strategies. Staff have applied evidence and findings from the field to further inform the concept design for the HMG-LA Demonstration Communities, which was articulated in the HMG-LA recommendation report "Promoting Young Children's Optimal Development" as an approach to incrementally roll out HMG-LA.

At the April 2018 Program and Planning Commission (PPC) meeting, staff also noted returning to the Board in Fall 2018 with additional updates on our partnership with L.A. Health Care Plan to pilot activities to strengthen early identification and intervention efforts among health professionals, including findings from the pre-discovery phase.

¹ The Help Me Grow National model refers to this core component as "Community and Family Outreach," however the HMG-LA planning members selected to change the title to "Community and Family Engagement (CFE)"

STATUS OF WORK:

Since the release of the HMG-LA recommendation report in October 2017, staff have been leading a number of efforts to collect information and learnings specific to key sectors (e.g.: Health, Mental Health, Child Welfare, Disability/Special Education, Early Care and Education (ECE), and Community Based Organizations) who each have a role in the delivery of early identification and intervention services to further inform the roll out of HMG-LA in alignment with the recommendations. Additionally, staff are also intentionally placing an emphasis on strategy development that encompasses integration, leveraging and alignment of HMG-LA objectives and activities with both First 5 LA investments and County efforts.

Activities currently underway prioritized for today's presentation include: advancing policy through state legislative efforts, leveraging existing child and family systems and platforms, exploring integration with other early childhood sectors as well as testing, learning and scaling HMG-LA efforts.

Advancing State Policy and Advocacy:

Assembly Bill 11

First 5 LA is a co-sponsor of AB 11 (McCarty), which would require the California Department of Health Care Services (DHCS) to use its federally mandated External Quality Review Organization (EQRO) to annually review, survey and report on managed care plan reporting and compliance with the use of validated developmental screening tools and the periodicity schedule recommended by the American Academy of Pediatrics (AAP) for children 0-3 years old. Directing the EQRO to review and report on health plan compliance would increase oversight, and help address the persistent gaps in data that contribute to the dismal rate at which California is screening its children.

AB 11 passed the Senate and Assembly floors with unanimous support and to-date the bill is currently on the Governor's desk awaiting signature. Additionally, on September 7, 2018 LACDPH submitted a formal letter of support for the Governor's signature of AB 11; citing "that in Los Angeles County approximately 175,000 children who are at risk do not receive timely screenings, putting them at a serious disadvantage later in life while exerting increased pressure on already overburdened special education programs in schools."

Leveraging Child and Family Systems and Platforms:

L.A. Health Care Plan Pre-Discovery Findings

First 5 LA and L.A. Care have a long history of working together to support programming and services for young children. In addition to co-launching the HMG-LA planning efforts and serving as a participating chair for the HMG-LA Child Health Care Provider Outreach workgroup during the early design and planning phase, L.A. Care has also committed to partnering with First 5 LA to pilot efforts to strengthen early identification and intervention practices.

Over the last year, L.A. Care initiated and supported the cost of a Pre-Discovery Phase to further inform and guide the structure of the pilot. The Pre-Discovery Phase focused on developing recommendations based on a synthesis of key informant interviews related to developmental monitoring and screening by practicing pediatric providers and staff. Interviews were conducted at six Federally Qualified Health Clinics (FQHCs) and one Department of Health Services' clinic in Los Angeles County. The Pre-Discovery Phase resulted in a series of recommendations to optimize the ability of providers to have productive developmental conversations with families and to assist families in accessing additional services as needed. Recommendations address changes to visit structure, technology, staffing, team-based care, and workflows. L.A. Care and First 5 LA are finalizing the design of the L.A. Care pilot and staff will present details for the pilot (objectives, budget and timeline) at the October Program and Planning Committee meeting with action requested at the November Commission meeting.

Regional Center Engagement

As briefly shared during the April 2018 PPC meeting, staff developed an engagement strategy for the 7 Regional Centers in Los Angeles County to better understand unique and collective Regional Center needs, as well as, explore opportunities for alignment to HMG-LA.

During March to June, the Health Systems team, in partnership with the LACDPH, held individual meetings with each of the Los Angeles County Regional Centers. First 5 LA and LACDPH provided updates about the implementation planning for HMG-LA and Regional Centers shared their priority interests for children 0-3 years old and over 3 years old.

Together we explored how the HMG-LA framework can complement Regional Center efforts to support children and families. Topics of discussion included strengthening referral pathways for intervention services, communication and coordination between early identification and intervention systems, and community outreach and engagement. Findings from these discussions are informing HMG-LA's implementation and demonstration concept design.

First 5 LA and LACDPH have been invited to meet with the Southern California Early Start Managers during the next quarterly meeting in October 2018 to share a high level summary of key findings from the Regional Center meetings and updates on HMG-LA planning.

Exploring Integration:

Quality Rating and Improvement System (QRIS)

Since fall 2017, First 5 LA's Health System and ECE teams have been engaged in a three-part exploration process to better understand developmental screening and referral practices at Quality Rating and Improvement System (QRIS) ECE sites in Los Angeles County. As outlined in the 2015-2020 Strategic Plan, First 5 LA in collaboration with the Los Angeles County Office of Education (LACOE) and Office for the Advancement of Early Care and Education invests and supports the implementation of a uniform QRIS (referred to as Quality Start Los Angeles or QSLA) within L.A. County. Staff identified opportunities to integrate HMG-LA efforts and QSLA, principally because one of the seven elements QSLA sites receive a rating on is developmental and health screening activities. Additionally, ECE providers are uniquely positioned to monitor a young child's development given the amount of time they spend with students and their ability to observe typical and delayed development across students.

To-date, staff have reviewed and analyzed existing QSLA data to evaluate participating QSLA site performance on developmental and health screening activities; surveyed First 5 LA-supported QSLA coaches from Child360 and the Child Care Alliance of Los Angeles (CCALA) to explore needs and challenges; and conducted informal facilitated group discussions with QSLA coaches to better understand themes that emerged from the survey. Our analysis of the data indicate over 50% of QSLA sites are scoring low (1 or 2 out of 5 points) on the developmental screening element and only 13.8% of sites are scoring 5 points. Furthermore, we learned from the group discussions there is a need for more formalized trainings on implementing the developmental screening tool; coaching support to assist ECE providers to have engaging and sensitive discussions with parents and caregivers about their child's screening results and referrals to intervention services; and ready-made materials about developmental health.

While findings are still under review, staff have identified many places where First 5 LA's early identification and intervention efforts can support developmental screening and referral in the early learning sector.

Testing, Learning and Scaling:

HMG-Demonstration Communities

The HMG-LA Demonstration Communities are a critical element of HMG-LA implementation, providing an opportunity to test innovative approaches to strengthen early identification and intervention (EII) and establish a foundation for county-wide system-change starting in select communities across L.A. County. The HMG-LA recommendation report provided guidance to First 5 LA, LACDPH, and county partners to adopt an incremental phased-in implementation approach for HMG-LA. In addition, criteria was recommended to help guide the selection of the Demonstration Communities, including applying data to inform population and geographic targets, using spatial data of existing resources, and qualitative considerations, such as leveraging existing place-based efforts and identifying systems for greatest potential for success.

Since the release of the HMG-LA recommendation report, staff have continued to hold targeted discussions with key stakeholders and analyze findings on system-barriers impacting early identification and intervention, including challenges experienced by other HMG affiliate states and California counties. Based on this research, staff has developed the following concept for the HMG-LA Demonstration Communities:

The HMG-LA Demonstration Communities will inform how LA County can strengthen referral pathways between sectors (health, mental health, early learning, child welfare, disability, community-based organizations, schools, etc.). They will demonstrate ways to improve integration, and coordination between sectors, to better serve children currently identified at-risk and with developmental and behavioral delays in a community more efficiently and effectively.

The Demonstration Communities will foster the application of technology, infrastructure and practice change to strengthen and expand early identification and referral pathways with an emphasis on tapping underutilized intervention services and supports. Demonstration Communities will test practices to accurately match and link children with delays to appropriate early intervention services (e.g. IDEA-Part C intervention services (Regional Center), IDEA-Part B intervention services (School Districts), EPSDT services, DMH services, health plan in-network services, community-based services, etc.)

When fully implemented, the Demonstration Communities will overlap with LA County's seven IDEA-Part C (Regional Center) catchment areas, providing a foundation for county-wide reach.

NEXT STEPS:

Staff are currently working closely with our Contracts and Purchasing Department staff to refine the HMG-LA Demonstration Communities concept and consider procurement design. Staff anticipate returning to the board in early Spring 2019 with updates regarding the release of the request for proposals (RFP) and procurement process.

Additionally in Spring 2019, staff will provide more information related to the following efforts: HMG-LA alignment to Home Visiting, Best Start Communities and Office of Child Protection Prevention Plan, as well as HMG-LA efforts underway by LACDPH, including the HMG-LA Business Plan and launch of the three HMG Advisory Committees.

EARLY IDENTIFICATION AND INTERVENTION – STRATEGY DEVELOPMENTS

Cristina Jade Peña
Alexandra Parma
Krystal Green



- Provide important findings from the field
 1. Assembly Bill 11
 2. L.A. Care Pilot Pre-Discovery Findings
 3. Quality Rating and Improvement System (QRIS) Integration Study
 4. Regional Center Engagement
- Provide status on HMG implementation and demonstration
- Case Study: El Monte/South El Monte

Building Upon

- ❑ HMG-LA Early Design & Planning Phase
- ❑ First Connections: partnership with 3 Federally Qualified Health Centers, 2 family service agencies and 1 family resource center
- ❑ Strategic Partnership with Los Angeles County Department of Public Health (LACDPH)

Building Upon

- ❑ HMG-LA Early Design & Planning Phase
- ❑ First Connections: partnership with 3 Federally Qualified Health Centers, 2 family service agencies and 1 family resource center
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Currently Underway

- ❑ Policy & Systems Change
 - ❑ AB11
 - ❑ L.A. Care Pilot: Pre-Discovery Phase
- ❑ Stakeholder Engagement
 - ❑ Regional Centers
 - ❑ Health Plans
- ❑ HMG Implementation
 - ❑ Demonstration Communities
 - ❑ QRIS Integration Study
 - ❑ Office of Child Protection, HMG & Communities
 - ❑ Home Visiting & HMG

Building Upon

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 - ❑ Demonstration Communities
 - ❑ QRIS Integration Study
 - ❑ Office of Child Protection, HMG & Communities
 - ❑ Home Visiting & HMG

On the Horizon

- ❑ Launch L.A. Care Pilot
- ❑ LACDPH HMG Business Plan
- ❑ HMG Advisory Committees
- ❑ Launch HMG Demonstration Communities

Building Upon

- ❑ HMG-LA Early Design & Planning Phase
- ❑ First Connections: partnership with 3 Federally Qualified Health Centers, 2 family service agencies and 1 family resource center
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Currently Underway

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 - ❑ QRIS Integration Study
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 - ❑ Home Visiting & HMG

On the Horizon

- ❑ Launch L.A. Care Pilot
- ❑ LACDPH HMG Business Plan
- ❑ HMG Advisory Committees
- ❑ Launch HMG Demonstration Communities

AB11

- Passed both Senate & Assembly floors with unanimous support
- LA County DPH sent Governor formal letter of support
- Vetoed by Governor on September 21st
- **Next Steps:**
 - Staff will continue to work administratively to urge DHCS to improve oversight

L.A. Health Care Plan Pilot—Pre-Discovery Findings

- Recommendations address changes to the clinic, technology, staffing and workflows
- Conclusion: Clinics need assistance designing and implementing practice changes (workflow, visit design, team care and use of information)
- **Next Steps:**
 - Ongoing: Finalizing the design L.A. Care Pilot
 - Oct. PPC: Staff will present L.A. Care Pilot (objectives, budget, timeline)

Quality Rating & Improvement System (QRIS) Integration Study

- Majority of QRIS sites scoring low (1 or 2 out of 5 points) on developmental screening element
- Coaches identify need to support ECE providers with having conversation with parents/caregivers about developmental health and referrals
- **Next Steps:**
 - Findings will inform HMG rollout (e.g.: educational materials, training and outreach)

Regional Center Engagement

- Increased number of referrals over last 2 years
- Positive rapport with First Connections grantees
- Mixed quality referrals
- Timely access to early intervention (0-3)
- Transition from Regional Center to School District
- **Next Steps:**
 - Co-identify opportunities for collaboration and system-change efforts

Quality Rating & Improvement System (QRIS) Integration Study

- Majority of QRIS sites scoring low (1 or 2 out of 5 points) on developmental screening element
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Regional Center Engagement

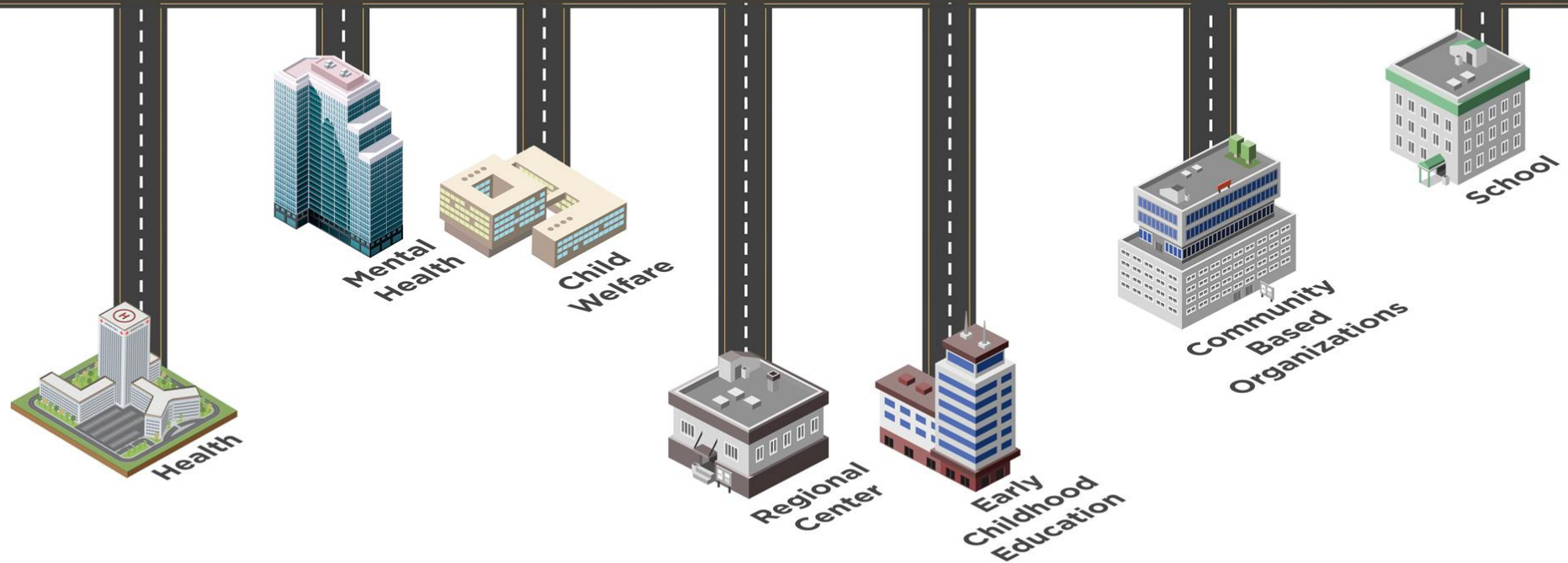
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- **Transition from Regional Center to School District**
- **Next Steps:**
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HMG-LA
Implementation:
Demonstration
Communities

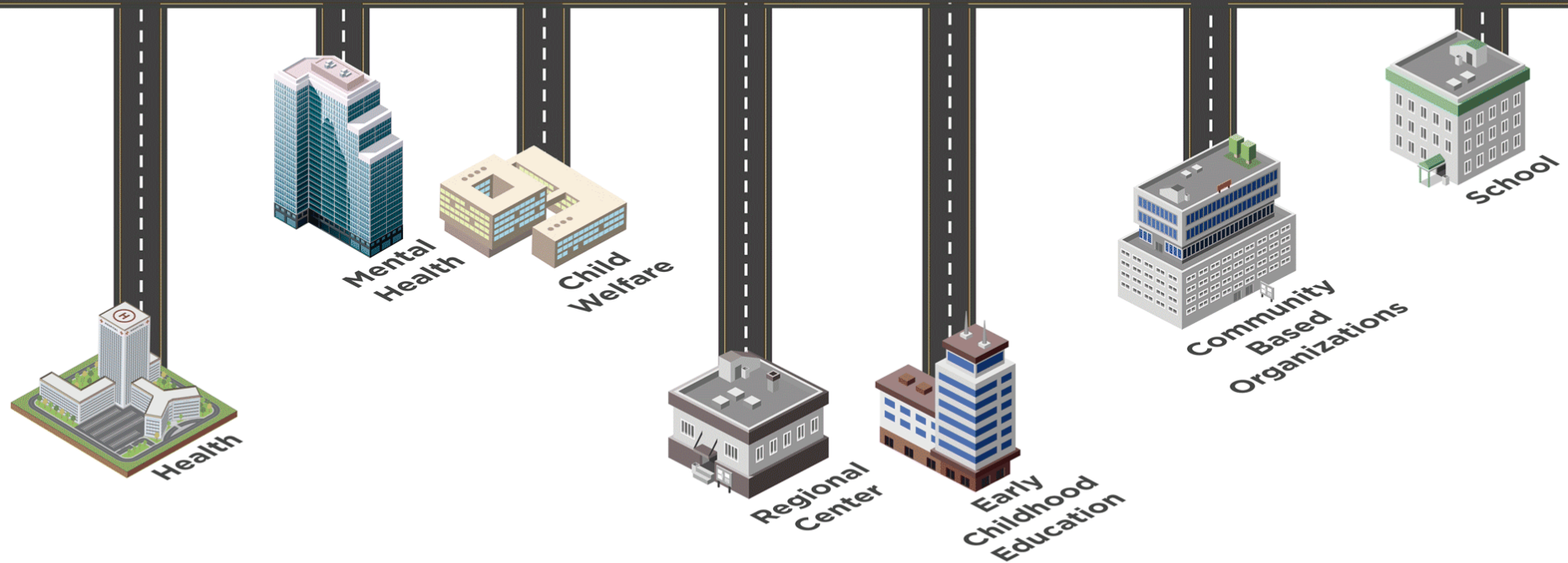
HMG-LA Demonstration Communities

Early Identification and Intervention (EII) Continuum



HMG-LA Demonstration Communities

Early Identification and Intervention (EII) Continuum



CONCEPT

- Strengthen & expand referral pathways between primary sectors through technology, infrastructure and practice change
- Test practices to more accurately match & link children at risk and with delays to appropriate services and supports (e.g.: mild-to-moderate delays, behavioral services, health-plan in network services, etc.)
- Overlap with LA County's 7 Regional Center catchment areas = countywide reach implemented in waves

NEXT STEPS

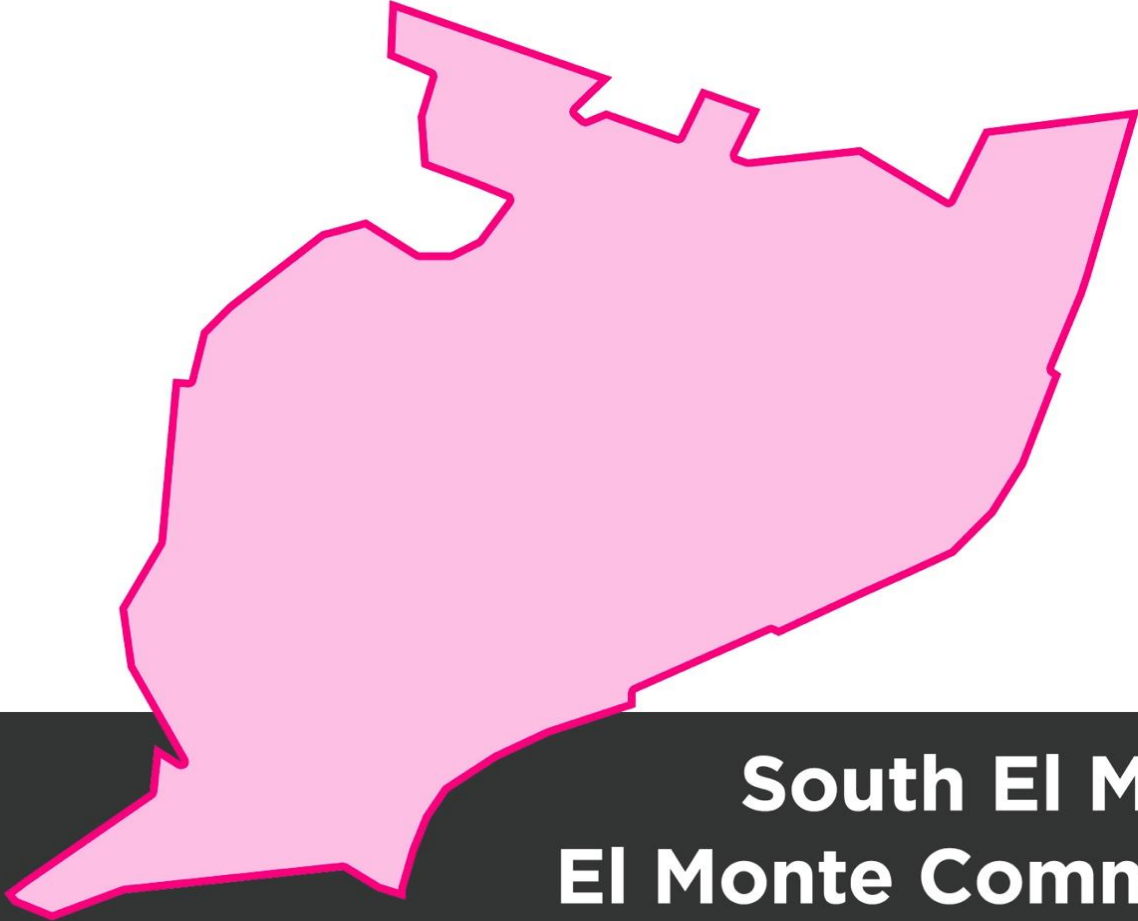
- Fall 2018: Procurement design
- Spring-Summer 2019: Release RFP

Case Study in the Community

1ST  LA
first 5 la
Giving kids the best start



Case Study: El Monte/South El Monte



**South El Monte/
El Monte Community**

Case Study: El Monte/South El Monte

Leverage: Best Start & Kindergarten Readiness Assessment (KRA)



**South El Monte/
El Monte Community**



Case Study: El Monte/South El Monte

Leverage: Best Start & Kindergarten Readiness Assessment (KRA)

Integrate: Quality Rating and Improvement Systems (QRIS), Home Visiting (HV), and Early Identification and Intervention (EII)



South El Monte/
El Monte Community



Case Study: El Monte/South El Monte

Leverage: Best Start & Kindergarten Readiness Assessment (KRA)

Integrate: Quality Rating and Improvement Systems (QRIS), Home Visiting (HV), and Early Identification and Intervention (EII)

Alignment: County Efforts



South El Monte/
El Monte Community

- October PPC- L.A. Care Pilot (information)
- November 2018 Board Meeting (action)
 - 1) Approve a Strategic Partnership with L.A. Care Health Plan for the Early Identification and Intervention Pilot (EIIP). Direct staff to work with L.A. Care to further refine roles, responsibilities and core activities of pilot
- Spring 2019:
 - 1) LACDPH HMG implementation updates
 - 2) HMG-LA Demonstration Communities

Questions



FIRST 5 LA

SUBJECT:

2017-2018 Annual Report to First 5 California (State Commission)

RECOMMENDATION:

This memo is provided as information for the Board's consideration at the September 27, 2018, Special Meeting of the Board of Commissioners/Program and Planning Committee. First 5 LA recommends that at the next Commission Meeting, the Board approve the Annual Report for submission to the State Commission.

BACKGROUND:

Each year staff prepares a report to the State Commission that provides fiscal and programmatic information in the format of a State Commission-designated template. This request was also presented as an information item at the September 27, 2018, Executive Committee meeting (per the Bylaws) and will be brought for action on consent at the October 11, 2018, Meeting of the Board of Commissioners.

DISCUSSION:

Staff seeks approval of the First 5 LA Annual Report for Fiscal Year 2017-2018 (July 1, 2017 – June 30, 2018), which is due to First 5 California by October 31, 2018. First 5 LA staff will submit the entire report via the web-based forms provided by the State Commission.

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

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

First 5 LA Annual Report to the State

2017-18

Armando Jimenez

September 27, 2018



Background

- Each County Commission is required to report program and expenditure data to First 5 CA annually.
- First 5 LA Annual Report for Fiscal Year 2017-2018 (July 1, 2017 – June 30, 2018) is due to First 5 CA by October 31, 2018.
- First 5 LA will submit the entire report via the web-based forms provided by the State Commission. The report consists of the following sections:
 - Section 1: Revenue and Expenditure Summary
 - Section 2: Demographic Worksheet
 - Section 3: Evaluation Summary

282

State Annual Report Process

First 5 CA made significant changes to data reporting for Fiscal Year 2017-18.

This did not affect way First 5 LA grantees provided the required information.

- Program officers were trained and oriented as “liaisons” in the data collection process.
- Data collection occurred from July-August 2018.
- First 5 LA Finance department provided expenditure data for FY 2017-18.
Current expenditure data is provisional pending approval of the audit. 283
- Program and expenditure data was mapped to the First 5 CA new reporting categories.
- Measurement, Learning and Evaluation department staff identified and summarized completed evaluations.

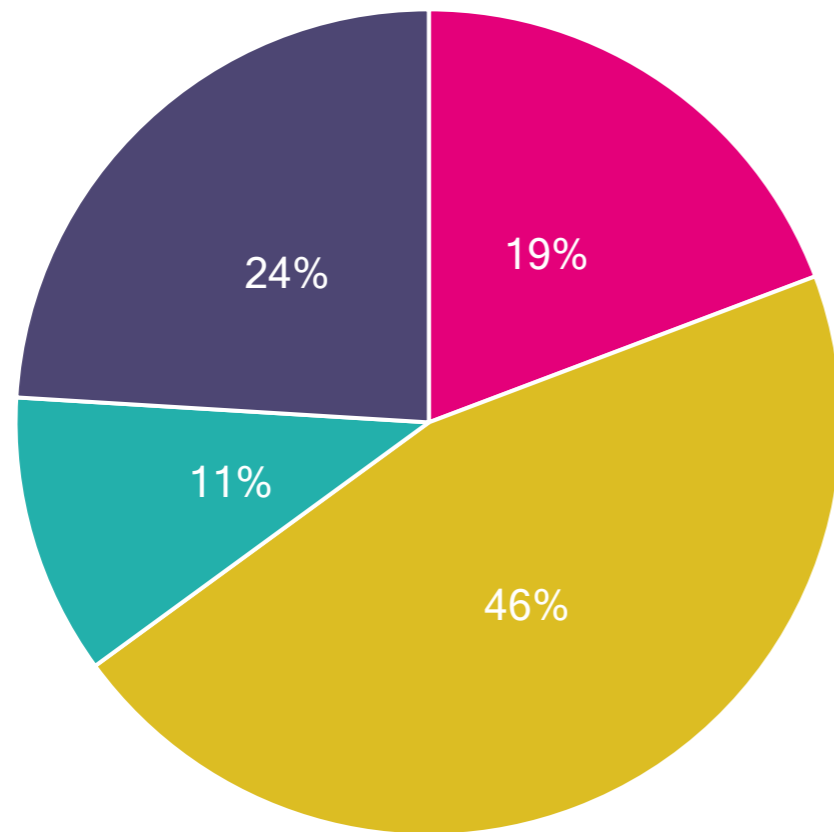
Overview: 2017-18 Revenue and Expenditures

Revenue	Tobacco Tax Funds	\$72,330,836
	IMPACT	\$851,340
	Other Funds	(\$866,457)
	Revenue From Interest Earned	\$6,830,856
	TOTAL REVENUE:	\$79,146,575
Expenditures	Administrative Expenditures	\$12,491,602
	Evaluation Expenditures	\$3,146,106
	Program Expenditures	\$106,228,210
	TOTAL EXPENDITURES:	\$121,865,918
Net Change in Fund Balance		-\$42,719,343

284

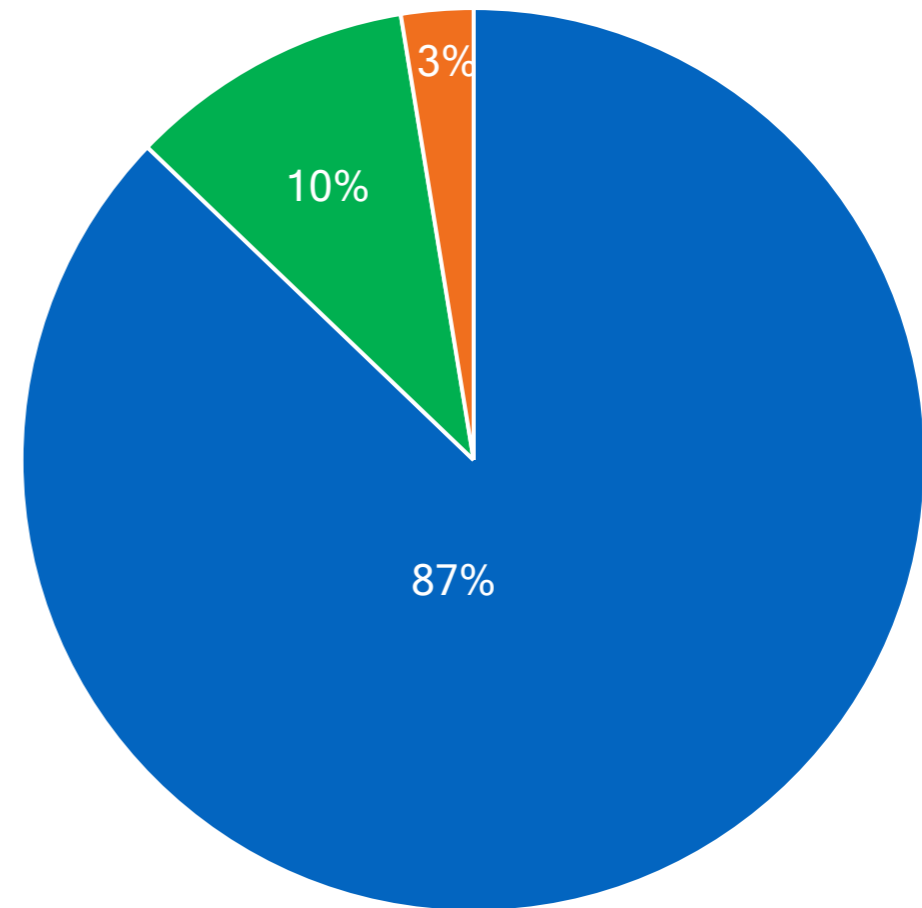
Overview: 2017-18 Expenditures

2017/18 Expenditures, by Result Area



- Improved Child Development
- Improved Child Health
- Improved Family Functioning
- Improved Systems of Care

2017/18 Expenditures, by Type

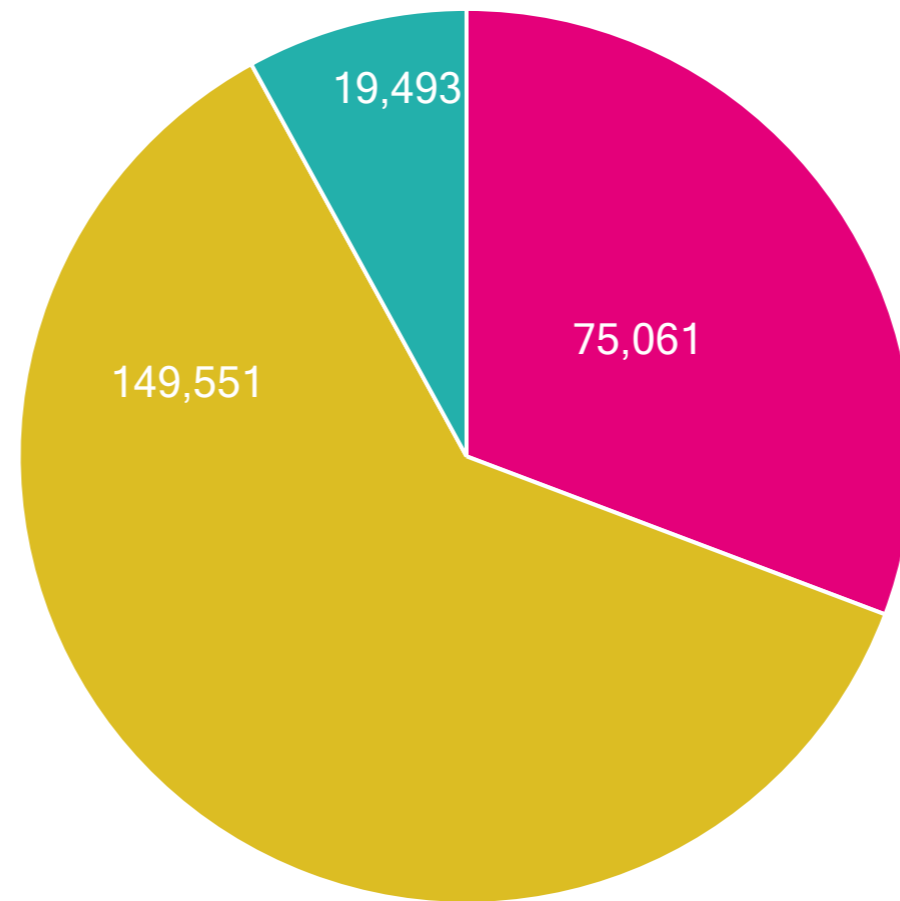


- Program Expenditures
- Administrative Expenditures
- Evaluation Expenditures

Overview: Demographics

Number of Clients Served, by Result Area
First 5 LA, FY 2017/18

244,105
Children,
Families and
Providers
Served

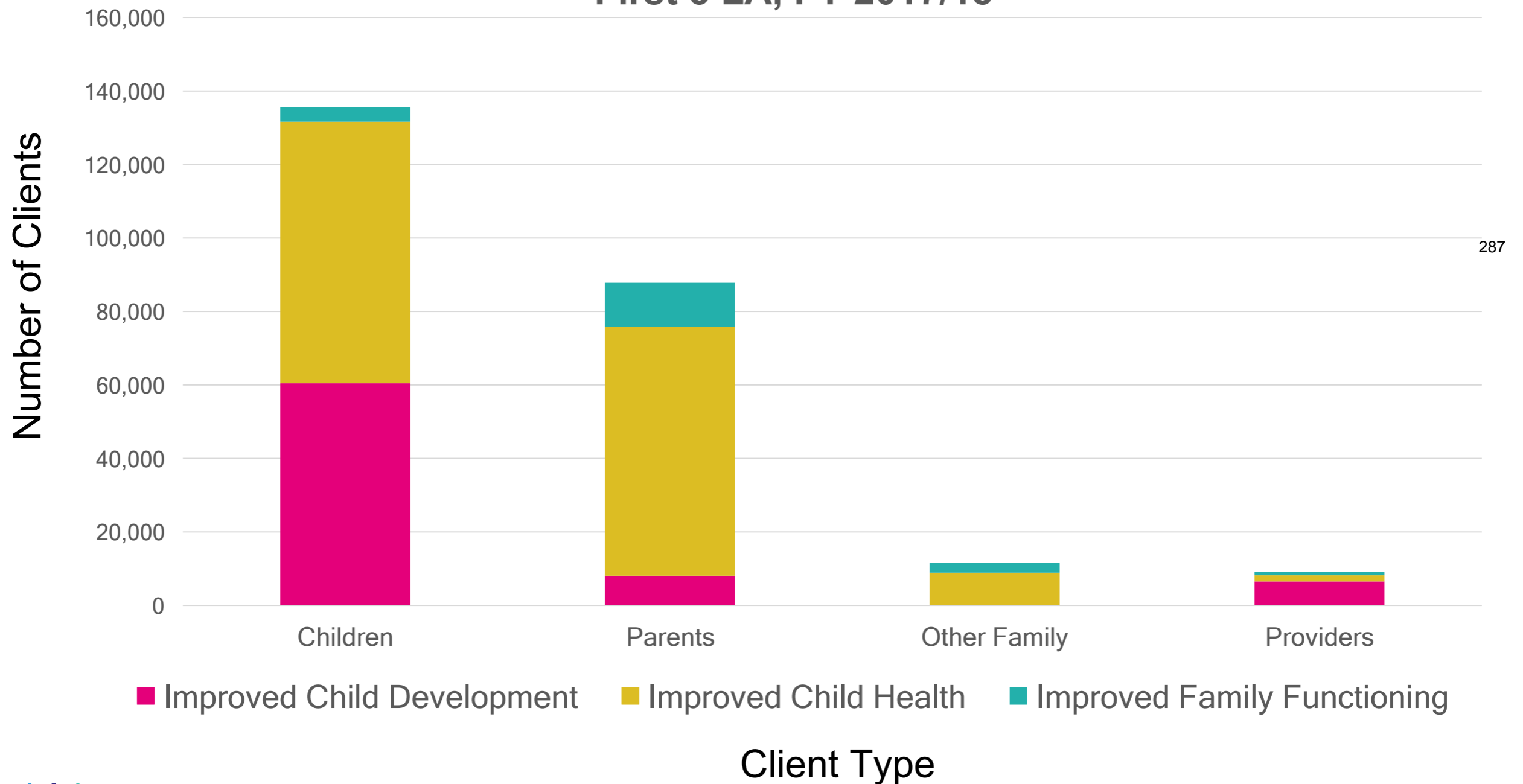


■ Improved Child Development ■ Improved Child Health ■ Improved Family Functioning

286

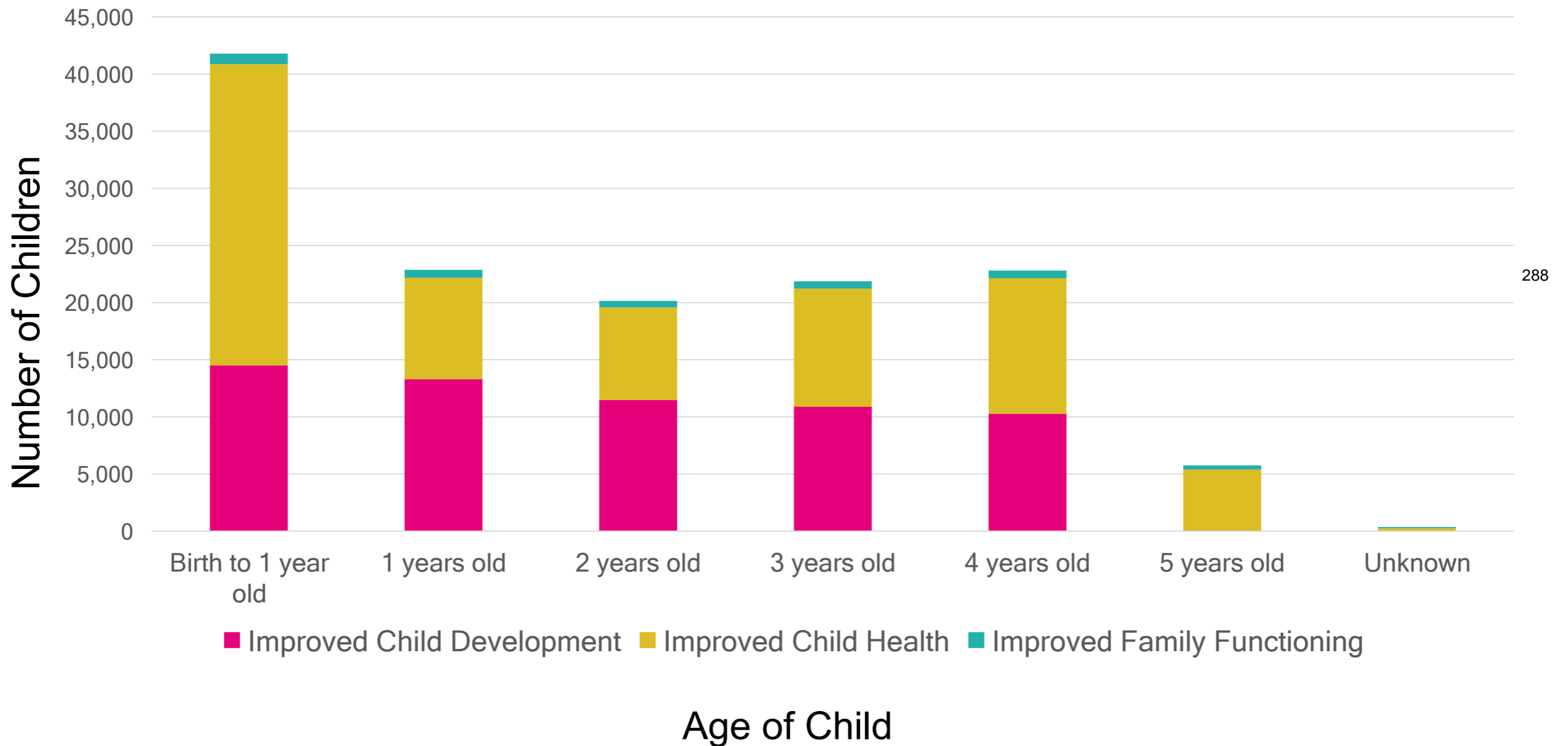
Overview: Demographics

Number of Clients Served, by Type and Result Area
First 5 LA, FY 2017/18



Overview: Demographics

Number of Children Served, by Age and Result Area
First 5 LA, FY 2017/18



Next Steps

- Finalize expenditure data based on completed audit
- Receive approval at October's First 5 LA Board of Commissioners Meeting
- Submit final data to First 5 CA by October 31, 2018

289



Annual Report AR-1
Los Angeles Revenue and Expenditure Summary
July 1, 2017 - June 30, 2018

Revenue Detail

Category	Amount
Tobacco Tax Funds	\$72,330,836
First 5 Impact Funds	\$851,340
Small County Augmentation Funds	\$0
DLL Pilot Funds	\$0
Donations	\$0
Revenue From Interest Earned	\$6,830,856
Grants	\$0
Other Funds	(\$866,457)
Total Revenue	\$79,146,575

Improved Family Functioning

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
General Family Support	CBO/Non-Profit	<ul style="list-style-type: none"> • 211 • Five Protective Factors • Other 	3592	11172	674	\$8,844,449
General Family Support	County Health & Human Services	<ul style="list-style-type: none"> • Other 	0	0	21	\$1,238,325
General Family Support	Hospital/Health Plan	<ul style="list-style-type: none"> • Five Protective Factors 	220	273	3	\$413,029
General Family Support	Other Public	<ul style="list-style-type: none"> • Other 	104	184	145	\$396,462
General Family Support	R & R (COE or Non-Profit)	<ul style="list-style-type: none"> • Other 	10	200	10	\$335,847
Intensive Family Support	Other Public	<ul style="list-style-type: none"> • Other 	20	118	0	\$459,490
Total						\$11,687,602

Improved Child Development

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
Quality Early Learning Supports	CBO/Non-Profit	<ul style="list-style-type: none"> • Business Supports • Facility Grants • Other 	60446	8091	4506	\$19,895,400
Quality Early Learning Supports	Research/Consulting Firm	<ul style="list-style-type: none"> • Other 	0	0	2018	\$548,499
Total						\$20,443,899

Improved Child Health

Service	Grantee	Program(s)	Children	Caregivers	Providers	Amount
General Health Education and Promotion	CBO/Non-Profit	<ul style="list-style-type: none"> • Nutrition • Health Access • Other 	14068	15504	0	\$853,595
General Health Education and Promotion	Higher Education	<ul style="list-style-type: none"> • Other 	2000	0	0	\$322,221
General Health Education and Promotion	County Health & Human Services	<ul style="list-style-type: none"> • Other 	0	157	0	\$856,409
Prenatal and Infant Home Visiting	CBO/Non-Profit	<ul style="list-style-type: none"> • Other 	12558	14679	33	\$24,404,268
Prenatal and Infant Home Visiting	County Health & Human Services	<ul style="list-style-type: none"> • Other 	55	0	0	\$541,532
Prenatal and Infant Home Visiting	Hospital/Health Plan	<ul style="list-style-type: none"> • Other 	9892	12646	64	\$12,156,363
Prenatal and Infant Home Visiting	R & R (COE or Non-Profit)	<ul style="list-style-type: none"> • Other 	473	596	0	\$2,298,442
Oral Health Education and Treatment	Higher Education	<ul style="list-style-type: none"> • Other 	21483	21632	843	\$5,964,790
Early Intervention	CBO/Non-Profit	<ul style="list-style-type: none"> • Other 	10662	2542	355	\$1,016,824
Early Intervention	Hospital/Health Plan	<ul style="list-style-type: none"> • Other 	0	0	392	\$149,157
					Total	\$48,563,601

Improved Systems Of Care

Service	Grantee	Program(s)	Amount
Policy and Public Advocacy	CBO/Non-Profit	<ul style="list-style-type: none"> • Other 	\$4,348,543
Policy and Public Advocacy	County Office of Education/School District	<ul style="list-style-type: none"> • Other 	\$21,888
Policy and Public Advocacy	Higher Education	<ul style="list-style-type: none"> • Other 	\$186,561
Policy and Public Advocacy	Research/Consulting Firm	<ul style="list-style-type: none"> • Other 	\$2,452,294
Programs and Systems Improvement Efforts	County Health & Human Services	<ul style="list-style-type: none"> • Family Strengthening Systems 	\$80,365
Programs and Systems Improvement Efforts	County Office of Education/School District	<ul style="list-style-type: none"> • Place-Based • Other 	\$528,419
Programs and Systems Improvement Efforts	Higher Education	<ul style="list-style-type: none"> • Place-Based • Other 	\$1,984,873
Programs and Systems Improvement Efforts	Hospital/Health Plan	<ul style="list-style-type: none"> • Baby Friendly Hospitals 	\$381,028
Programs and Systems Improvement Efforts	Other Public	<ul style="list-style-type: none"> • Fatherhood • Place-Based 	\$140,206
Programs and Systems Improvement Efforts	Research/Consulting Firm	<ul style="list-style-type: none"> • Health Systems • Place-Based • Other 	\$1,610,243
Programs and Systems Improvement Efforts	CBO/Non-Profit	<ul style="list-style-type: none"> • Fatherhood • Family Strengthening Systems • Place-Based • Trauma-Informed Care/ACES • Other 	\$13,798,688
Total			\$25,533,108

Expenditure Details

Category	Amount
Program Expenditures	\$106,228,210
Administrative Expenditures	\$12,491,602
Evaluation Expenditures	\$3,146,106
Total Expenditures	\$121,865,918
Excess (Deficiency) Of Revenues Over (Under) Expenses	(\$42,719,343)

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	\$422,139,017
Fund Balance - Ending	\$379,419,674
Net Change In Fund Balance	(\$42,719,343)

Fiscal Year Fund Balance

Category	Amount
Nonspendable	\$1,044,000
Restricted	\$0
Committed	\$195,282,039
Assigned	\$125,245,775
Unassigned	\$57,847,860
Total Fund Balance	\$379,419,674

Expenditure Note

No data entered for this section as of 9/17/2018 11:09:30 AM.

Small Population County Funding Augmentation

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



Annual Report AR-2
Los Angeles Demographic Worksheet
July 1, 2017 - June 30, 2018

Population Served

Category	Number
Children Less than 3 Years Old	84,806
Children from 3rd to 6th Birthday	50,415
Children – Ages Unknown (birth to 6th Birthday)	362
Primary Caregivers	87,794
Other Family Members	11,664
Providers	9,064
Total Population Served	244,105

Primary Languages Spoken in the Home

Category	Number of Children	Number of Adults
English	79,653	36,567
Spanish	50,171	36,443
Cantonese	178	184
Vietnamese	42	43
Korean	114	71
Other - Specify with text box	1,522	1,241
Mandarin	167	108
Unknown	3,736	13,138
Totals	135,583	87,795

Race/Ethnicity of Population Served

Category	Number of Children	Number of Adults
Alaska Native/American Indian	62	70
Asian	6,146	2,545
Black/African-American	9,416	7,303
Native Hawaiian or Other Pacific Islander	693	83
Hispanic/Latino	103,294	58,249
White	8,418	3,497
Two or more races	4,121	1,714
Other – Specify with text box	1,574	892
Unknown	1,859	13,442
Totals	135,583	87,795

Duplication Assessment

Category	Data
Degree of Duplication	15%
Confidence in Data	Moderately confident
Additional Details (Optional)	Population data collected from First 5 grantees via Survey Monkey; Population served does NOT include referrals made by 211.



Annual Report AR-3

Los Angeles County Evaluation & Improved Systems

July 1, 2017 - June 30, 2018

County Evaluation Summary

Evaluation Activities Completed

In line with many of the other First 5 County Commissions, First 5 LA is moving away from funding direct services and is slowly transitioning its resources to promoting and fostering systems level efforts and impacts. As such, First 5 LA is evolving its approach to measurement and learning to reflect this shift to policy and systems change and impact at the population level. There was only one major evaluation in FY 2017/18. To help understand the impact of its Reducing Early Childhood Obesity (RECO) portfolio, First 5 LA commissioned Abt Associates and its partners to design and implement an evaluation of the group of RECO investments. The final report was titled, "Reach Study Interim Findings Report: Findings from the First 5 LA Reducing Early Childhood Obesity Evaluation" and the authors included Michelle Blocklin, Meaghan Glenn, Molly Brune, Jeremiah Garza, Sallie Yoshida, and Hayley Roper-Fingerhut.

Background: The finished RECO report describes the evaluation's reach and implementation findings in three areas: 1. Reach of the RECO investments; that is, which individuals, communities, and systems/policies were targeted, served, participated in, had access to, and/or have the potential to benefit from RECO activities. 2. Experiences with and perceived changes related to the RECO activities. 3. Facilitators and barriers to the implementation and reach of the RECO activities.

Methodology: The study team used a variety of data collection and analysis methods. The collection methods included focus groups with community members and interviews with key grantee staff. Analysis methods included qualitative coding and analysis of focus group and interview data, as well as mapping of RECO activities.

Evaluation Findings Reported

The following are the findings for each of the three areas mentioned above. 1. Reach of the RECO investments: Targeted Participants: The ultimate targeted beneficiaries of the RECO investment activities were children under age 5 in LA County. Grantees reached these young children in their obesity-reduction efforts either directly or indirectly by targeting child care providers, teachers, parents, and grandparents. Other target populations and family subpopulations varied depending on the type of RECO investment and the geographic location of the activities. These additional targets included specific racial/ethnic groups (i.e., Latinos, South East Asians, and African Americans), neighborhoods with poor access to healthy foods, community coalitions, children with disabilities, and policymakers. Individuals' Experiences: RECO's participants reported primarily positive outcomes associated with their experiences with RECO. These included making healthful changes in habits such as cooking, eating, physical activity, grocery shopping, and breastfeeding. Individuals also reported becoming more engaged in their communities overall and advocating for their families and neighborhoods as a result of their experiences with RECO activities, particularly with regard to more healthful practices. RECO activities also increased the sense of social support for some participants, from connections they made engaging in RECO activities. In particular, they felt supported in making healthy changes for themselves and their families. Community members and grantees reported both facilitators and barriers related to the individual-level reach of the RECO investments (i.e., individuals participating in, accessing, or experiencing the work of RECO activities). They also reported facilitators and barriers to preventing or reducing obesity among individuals more generally. 2. Experiences with and perceived changes: RECO grantees targeted a variety of healthy choices and practices for adoption by communities, ranging from increased physical activity to participation in community gardens. Across that variety, however, community members and RECO grantees reported common themes related to community-level changes. These included increased knowledge and awareness related to obesity and healthy behaviors, changes to the built environment, and changes in norms and behaviors surrounding physical activities and other healthy behaviors, as well as related community advocacy and involvement. 3. Facilitators and Barriers: Grantees and community members reported facilitators and barriers to the community-level reach of the RECO investments. Community members also reported facilitators and barriers to reducing early childhood obesity at the community level more generally

Policy Impact of Evaluation Results

Both grantees and targeted community members reported that they liked the work of the RECO projects and that it was making a difference. Insights provided by grantees and community members were positive regarding implementation and reach of the diverse range of RECO activities. The RECO evaluation generated several lessons learned, which are applicable to the ongoing work of First 5 LA as well as others aiming to reduce early childhood obesity: *More strategic outreach, branding, and marketing are needed to support recognition, reach, and uptake of activities such as the RECO activities among the targeted population. * Conducting community needs assessments will help ensure that the highest need communities are reached. * Building relationships and engaging community members are necessary to implement and extend the reach of this type of work. * Challenges that emerged highlight the need for technical assistance to increase staff capacity for policy and advocacy work. * The few negative experiences of community members with RECO activities remind those working with similar populations that activities and programming should be culturally and linguistically appropriate for the targeted population. *It is important to acknowledge the broader needs of low-income families and communities, such as financial difficulties, time constraints, safety concerns, and poor transportation, when working with these populations. *Finally, incorporating these lessons learned will likely require time and financial resources, an important consideration when planning, funding, and executing future work. Findings from the report will provide important context for upcoming evaluation activities, which will test for impacts of the RECO investment activities on healthy behaviors and childhood obesity.

Improved Systems of Care

Who was the primary audience for the service?

The intended audience has been First 5 LA grantees, as well as providers, policy makers, hospitals, school districts, and other stakeholders invested in children ages 0-5.

What were the types of services provided?

Training and technical assistance, database development and management, identifying and adopting a kindergarten readiness tool, workforce development, early childhood advocacy, and other such efforts.

What was the intended result of the service? What was the community impact of the service?

Intended results of service is to sustain positive outcomes for children ages 0-5 and their families in Los Angeles County.