

AGENDA

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

Budget & Finance Committee Chair: Robert Byrd

**Monday, June 1, 2015
3:00 PM**

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



ASPOSE

Your File Format APIs

1. **ACTION**
Call to Order
- **Marvin Southard, Chair**
2. **INFORMATION** 3
Review Budget and Finance Committee Meeting Notes - May 4, 2015
- **Marvin Southard, Chair**
3. **INFORMATION** 9
Annual Audit
- **Raoul Ortega, Finance Director**
- **Roger Alfaro, Managing Partner, Vavrinek, Trine, Day & Co**
4. **INFORMATION** 15
Monthly Financial Statements
- **Raoul Ortega, Finance Director**
5. **INFORMATION** 21
Program Expenditures Review - Information Resource & Referral Program
- **Tara Ficek, Director, Grants Management**
- **Faith Ramirez, Program Officer, Grants Management**
6. **INFORMATION**
Final FY 2015-16 Budget
- **Raoul Ortega, Finance Director**

COMMISSIONERS

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

EX OFFICIO MEMBERS

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

EXECUTIVE DIRECTOR

Karla Pleitéz Howell

EXECUTIVE VICE PRESIDENT

John A. Wagner

A PUBLIC ENTITY

- Alison Mendes, Interim Finance Manager

- Jessica Kaczmarek, Director, Office of Strategic Planning and Implementation

A.	Budget Transmittal Memo	28
B.	Attachment A - Budget Summary	41
C.	Attachment B - Budget Highlights	54
D.	Attachment C - Program Detail	73
E.	Attachment D - Operating Detail	82
F.	Attachment E - GASB 54 Fund Balance	90
7.	INFORMATION	
	Public Comment	
8.	ACTION	
	Adjournment	



SUMMARY MEETING NOTES

**FIRST 5 LA
SUMMARY MEETING NOTES
Budget & Finance Committee Meeting
May 4, 2015**

COMMITTEE MEMBERS PRESENT:

Judy Abdo
Jane Boeckmann
Sandra Figueroa-Villa
Marvin Southard [Chair]

Armando Jimenez, Director
Research and Evaluation
Jessica Kaczmarek, Director
Office of Strategic Planning and Implementation
Alison Mendes, Interim Finance Manager
Sharareh Motamed, Staff Accountant
Teresa Nuno

COMMISSIONERS PRESENT

Suzanne Bostwick [Alternate]

Acting Chief of Programs and Planning
Raoul Ortega, Finance Director
Jennifer Pippard, Interim Director
Community Investments
Gabriel Sanchez, Director
Communications and Marketing
Linda Vo, Board Secretary
John Wagner, Chief Operating Officer

STAFF PRESENT:

Peter Barth, Director
Policy and Intergovernmental Affairs
Kim Belshé, Executive Director
Barbara Dubransky, Interim Director
Program Development
Tara Ficek, Director
Grants Management
Rafael Gonzalez, Director
Best Start Communities
Faustino Genio, Staff Accountant

1. Call to Order/Roll Call

The meeting was called to order by Committee Vice Chair Figueroa-Villa at 3:06 pm. Roll call completed.

2. Review of Meeting Notes – Budget and Finance Committee, March 2, 2015

The item was reviewed, received and files with no deletions, additions, and/or changes.

3. Monthly Financial Statements

Mr. Ortega goes over the current monthly financial statements for the month ending March 31, 2015. The statements represent business as usual and current revenue is coming in on time. Expenditures are also tracking as projected. One thing that Mr. Ortega wanted to call out was on Page 10, under operating and administrative budget expenditures, we are going over by \$13,000 under mobile services. The reason for this is that the previous phone service contract had expired so First 5 LA is now negotiating a new contract with AT&T. We are still anticipating a \$50,000 credit from AT&T that will realign the expenditure and overage under this line item.

Mr. Ortega informs the Committee that staff plan on taking these financial statements to the May Commission meeting for approval.

Commissioner Bostwick would like to know if there will be any follow up to determine if the \$50,000 credit from AT&T will hit the following fiscal year and if there will be any issues if it does?

SUMMARY MEETING NOTES

Mr. Ortega says that there are sufficient funds that have been allocated for this and does not foresee any issues.

Vice Chair Figueroa-Villa offered to use her contact over at AT&T should First 5 LA run into any hurdles in receiving its \$50,000 credit. Staff thanked Vice Chair Figueroa Villa for her offer and informed her that they would reach out to her for additional help should they run into any issues.

4. Draft FY 2015-16 Budget

Mr. Ortega and Ms. Mendes present the draft FY 2015-16 budget to Committee members. They inform the Committee that this draft budget will also be brought before the full Commission at the May 14 Commission meeting.

This is the first year of the budget that has been developed to align with and support the newly approved strategic plan. He informs the Committee that this budget is informed by the following key activities and inputs:

- 2015-2020 Strategic Plan Implementation
 - Strategy Refinement Process
- Expiring Initiative Assessments
- Organizational Development & Transformation
- Long Term Financial Projection
- Governance Guidelines

For this year, Mr. Ortega says that First 5 LA stretched its budget a little different. This year we developed the budget framework on four main components of the FY 2015-16 budget:

1. 2015-2020 Strategic Plan: Focusing for the Future
2. Legacy Investments
3. Research & Evaluation
4. Internal Operations

Previously, the budget framework followed the structure below:

Initiative ➡ Program ➡ Project/Contract

Mr. Ortega informs the Committee that the current investment categories are as follows:

1. Investments/Approaches Reaffirmed by the Board and Aligned with the Strategic Plan
2. Existing Investments Potentially Aligned to the Strategic Plan
3. New Investments Under Development (Strategic Plan Implementation Fund)

He then proceeds to go over the summary of the FY 2015-16 budget:

SUMMARY MEETING NOTES

BUDGET COMPONENT	FY 2014-15 Budget				Proposed	
	Original		Revised		FY 2015-16 Budget	
Program						
<i>2015-2020 Strategic Plan: Focusing for the Future</i>						
a. Investments/Approaches Reaffirmed by the Board and Aligned with SP	\$ 48,801,000	20%	\$ 44,698,000	20%	\$ 61,301,000	27%
b. Existing Investments Potentially Aligned with SP	7,305,000	3%	6,652,000	3%	3,610,000	2%
c. New Investments Under Development, to be Aligned with SP (Strategic Plan Implementation Fund)	-	0%	250,000	0%	3,104,000	1%
<i>Total 2015-2020 Strategic Plan</i>	\$ 56,106,000	23%	\$ 51,600,000	23%	\$ 68,015,000	30%
<i>Legacy Investments</i>	151,454,000	63%	143,153,000	63%	131,556,000	58%
<i>Research & Evaluation</i>	13,643,000	6%	11,360,000	5%	7,914,000	3%
Total Program	\$ 221,203,000	92%	\$ 206,113,000	91%	\$ 207,485,000	91%
Operating	19,355,179	8%	19,355,179	9%	20,684,362	9%
TOTAL BUDGET	\$ 240,558,179	100%	\$ 225,468,179	100%	\$ 228,169,362	100%

Mr. Ortega now hands over the presentation to Ms. Mendes who continues the presentation by doing a more in depth overview of the broad categories that First 5 LA used to structure the FY 15-16 budget.

She informs the Committee that that the first category represents activities that are already underway and aligned with the 2015-20 strategic plan, which totals about \$61.3 Million, which is approximately 27% of the FY budget. This includes:

- Welcome Baby and Select Home Visiting, which at \$36.6M represent approximately 17.6% of the overall programmatic budget (16% overall).
- Community capacity building work in the 14 Best Start Communities, which at \$17M represent approximately 8.2% of the overall programmatic budget (7% overall).
- These are reflective of the Commission’s dedication to promoting the Protective Factors, consistent with the Building Stronger Families Framework.

In addition, because there is a new emphasis on policy and systems change, this category also includes approaches included in the strategic plan that are instrumental to advancing the four outcome areas. These approaches are:

- Policy and advocacy efforts: opinion research, policy briefs, and federal/state advocacy related to First 5 LA’s priority policy and sustainability issues, as well as resources to support a number of early learning advocacy strategies.
- Strategic communications and marketing: public education, social marketing, public relations, event participation and sponsorship, promotional and collateral materials, and ongoing efforts to promote effective messaging of our SP and guiding principles.

Ms. Mendes then proceeds with covering another category that reflects existing investments that may potentially align with our new strategic plan. These include two investments that were recommended for extension as part of the expiring initiatives assessment process:

1. Information Resource & Referral
2. Healthy Kids

She underscores that FY 2015-16 activities and costs in this category may be modified during the fiscal year to align with the strategic plan.

SUMMARY MEETING NOTES

Ms. Mendes now goes over the strategic plan implementation fund that as discussed at last week’s Special Commission meeting/Program and Planning Committee meeting. She explains this fund includes estimated resources to support new work related to the anticipated year one activities of the strategic plan based on the strategy refinement work conducted within the four outcome areas.

2015-2020 STRATEGIC PLAN OUTCOME AREA	Proposed FY 2015-16 Budget	
Families	\$ 604,000	19%
Communities	1,093,750	35%
Early Care & Education (ECE) Systems	370,000	12%
Health, Mental Health & Substance Abuse Systems	546,250	18%
Other/Cross-Cutting Activities	490,000	16%
Total Strategic Plan Implementation Fund	\$ 3,104,000	100%

Ms. Mendes continues the presentation by going over legacy investments. She informs the Committee that we currently have 35 ongoing initiatives of which 25 of them fall into the category of Legacy investments, which reflect ongoing work based on previous Board decisions.

A lot of these have already gone through the expiring initiatives assessment process, which falls into one of the following categories:

- End as scheduled in FY 2015-16 (e.g. Peer Support Groups for Parents)
- Extended beyond FY 2015-16, but no modifications will be made to align activities to the new strategic direction (e.g. Reducing Childhood Obesity)
- Extended beyond FY 2015-16, with work to align activities to the new strategic direction taking place in a future fiscal year (e.g. LAUP, ECE Workforce Consortium)

For those investments that may align with the new strategic plan, but have yet to be assessed will be evaluated in the future, consistent with the governance guidelines and the expiring initiatives assessment process.

For Research & Evaluation, Ms. Mendes informs the Committee that this category includes projects that align with and contribute to the strategic plan outcomes and strategies, as well as ongoing projects aligns to legacy investments. This totals about \$7.9 million, which is about 3% of the overall budget.

Ms. Mendes reminds the Committee that this category is consistent with analysis presented to the Commission in March 2015 by the Research & Evaluation (R&E) Department. She also informs the Committee that the Monitoring, Evaluation and Learning tool (MEL) framework is currently underway and will provide a comprehensive structure for First 5 LA’s Research & Evaluation activities. Ms. Mendes states that the transition to this new framework may result in changes to how R&E items are categorized in the context of the fiscal year budget.

Finally, Ms. Mendes goes over the internal operations category.

SUMMARY MEETING NOTES

OPERATING COST CATEGORY	FY 2014-15 Budget				Proposed	
	Original		Revised		FY 2015-16 Budget	
Personnel Services	\$ 15,238,672	79%	\$ 14,757,141	76%	\$ 16,367,981	79%
General Operating Expenses	1,509,250	8%	\$ 1,395,100	7%	1,398,990	7%
Professional Services	722,846	4%	\$ 718,246	4%	714,900	3%
Consultant Services	1,394,900	7%	\$ 1,865,900	10%	1,623,500	8%
Travel & Meeting Expenses	329,511	2%	\$ 458,793	2%	458,991	2%
Capital Improvements	160,000	1%	\$ 160,000	1%	120,000	1%
Total Operating Costs	\$ 19,355,179	100%	\$ 19,355,180	100%	\$ 20,684,362	100%

She informs the Committee that the primary drivers of the budget increase for internal operations are:

1. Implementation of compensation study recommendations
 - Second phase of salary adjustments
 - Changes to retirement benefits
2. Additional positions included to advance the work of the 2015-2020 Strategic Plan

Ms. Mendes reminds the Committee that based on current policy, the Commission approves an administrative cost limit each fiscal year, which has historically been below 5% of projected spending. The current Administrative Cost limit is 4.94% of the total budget.

Mr. Ortega closes the presentation by discussing next steps for this item. He goes over the following schedule:

- **May 14, 2015 – Commission Meeting**
 - Informational Item: Overview and discussion of the FY 2015-16 Proposed Budget
- **May 21, 2015 – Executive Committee**
 - Discussion of FY 2015-16 proposed operating costs
- **May 28, 2015 – Program & Planning Committee**
 - Discussion of FY 2015-16 proposed programmatic costs
- **June 1, 2015 – Budget & Finance Committee**
 - Review changes to the FY 2015-16 Proposed Budget based on:
 - Commission Feedback
 - Updated information/direction
- **June 11, 2015 – Commission Meeting**
 - Action Item: Presented for Commission Approval

He opens up the discussion for any questions that Committee members may have.

There is no further discussion on the item.

5. Public Comment

ADJOURNMENT:

The meeting was adjourned at 3:58 pm.

NEXT MEETING:

The next Budget and Finance Committee meeting will take place on Monday, June 1, 2015 at 3:00 pm.

SUMMARY MEETING NOTES

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

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



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants



FIRST 5 LA

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

Audit Scope and Timing

- Perform the audits of the:
 - Comprehensive Annual Financial Report (CAFR)
 - State Compliance – Standards and Procedures for Audits of California Counties Participating in the Children and Families Program issued by the State Controller’s Office
 - OMB A-133 Single Audit (as applicable)
- Timeline:
 - Planning and Interim Fieldwork – June
 - Final Fieldwork – August
 - Report Delivery – September/October

10

Our Responsibility

- Our Responsibility - U.S. Generally Accepted Auditing Standards and *Government Auditing Standards*:
 - Express opinions about whether the financial statements that have been prepared by management with the oversight of the Commission are presented fairly, in all material respects, in conformity with generally accepted accounting principles
 - Reasonable, not absolute assurance
 - Consider internal control and compliance; no opinion will be expressed
 - Express an opinion on compliance applicable to major federal programs (OMB A-133 Single Audit), if applicable
 - Issue a report on state compliance SCO guidelines

Our Responsibility

- Communicate other matters:
 - Qualitative aspects of accounting policies and accounting estimates and note disclosures
 - Difficulties encountered
 - Uncorrected misstatements
 - Material corrected misstatements
 - Disagreements with managements
 - Management representations
 - Consultations with other accountants

12



Our Approach

- **Planning:**
 - Meet with Management
 - Identify audit risk areas
 - Identify significant or unusual transactions
 - Inspect financial and other information
- **Risk Assessment and Audit Plan**
 - Understand and document entity level controls
 - Perform preliminary analytical procedures
 - Prepare preliminary assessment of the risk of material misstatement
- **Interim**
 - Internal controls – design and implementation, or test
 - Risk assessment
 - Key business cycles – receipts, disbursements, payroll, investments, capital assets,¹³ grantee management, financial reporting, IT and budget
 - State Compliance – Guidelines issued by State Controller

Our Approach

- Final:
 - Perform substantive tests, on a sample basis on account balances and transactions, including but not limited to:
 - Analytical procedures
 - Third party confirmation
 - Tracing/vouching to supporting documentation
 - Determine the adequacy of the financial statements and disclosures
 - Assessing accounting principles used and significant estimates
- Exit
 - Discuss audit adjustments
 - Present findings and recommendations
 - Provide required communications

14

FIRST 5 LA

SUBJECT:
Monthly Financial Reports

RECOMMENDATION:
Approval of the monthly financial statements for the month ending April 30, 2015.

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

DISCUSSION:
First 5 LA began the month with a cash balance of \$598.39 million (adjusted by 1.9 million from the prior month). During the month, we recorded \$7.53 million in revenues, \$1.34 million in operating expenditures, \$7.85 million in program expenditures, and \$1.02 million in pass-through expenditures. As a result, First 5 LA ended the month with a cash balance of \$595.70 million, a decline of \$2.69 million.

This report includes detailed financial information for the month ending April 30, 2015. The financial statements are unaudited and reported as a "soft close." All materials in this packet and check registers are available online. Statements in this report include the following:

- Revenue and Expense Statement: Summarizes financial statements to highlight the starting cash balance, revenues received, program and operating expenses, and the ending cash balance for the month.
- Balance Sheet: Provides a "snapshot" view of the Commission's assets, liabilities and fund balance as of April 30, 2015.
- Detailed operating and program expenditures: Shows expenses against the FY 2014-15 Budget approved on June 12, 2014 and amended on March 12, 2015, concluding with a report of expenditures related to programs functioning as pass-through agreements.

Los Angeles County Children and Family First -
Proposition 10 Commission (aka) First 5 LA
Revenue and Expense Statement
April 30, 2015, Unaudited

	REVENUES AND EXPENDITURES	FISCAL YTD EXPENDITURES/ BUDGET %
Cash Balance as of March 31, 2015	\$ 598,385,188	(1)
Revenue		
Monthly State Allotments	\$ 6,615,199	(2)
State Commission Matching Grant - Cares Program	-	
Medi-Cal Administrative Activities (MAA)	25,527	
State Commission - Other Program Funds	-	
Interest Income - Unreserved	217,709	
Monthly State Revenue - SRI	1,961	
Investment Income - Other	-	
Rental Revenue - La Petite	8,532	
Partnerships for Families (PFF) - LA county Dept. of Children and Family Services (DCFS)	659,690	
Total Revenue	\$ 7,528,618	
Expenses		
Program Budget (Attachment A)		
Place-Based Initiatives	\$ 3,550,825	52%
Countywide Strategies	985,060	41%
Countywide Initiatives	2,994,414	34%
Prior Strategic Plan Initiatives	(1,006,842)	(3) 49%
Research and Evaluation Projects	1,330,941	55%
2015-2020 Strategic Plan Implementation Activities	-	
Total Initiative/Program Expenses	\$ 7,854,398	44%
Pass-Through (Attachment B)		
Medi-Cal Administrative Activities (MAA)	\$ -	
Child Signature Program (CSP)	-	
Partnerships for Families (PFF) - LA county Dept. of Children and Family Services (DCFS)	1,020,453	
Total Pass-Through Expenses	\$ 1,020,453	
Operation and Administration (Attachment C)		
Personnel	\$ 1,088,133	71%
General Operating	52,547	66%
Professional Services	81,450	47%
Consultant Services	87,316	46%
Travel & Meetings	30,046	43%
Capital Improvements	706	29%
Total Operation and Administration	\$ 1,340,197	66%
Total Expenses	\$ 10,215,048	
Variance (Revenues - Expenses)	\$ (2,686,430)	
Cash Balance as of April 30, 2015	\$ 595,698,758	(4)

NOTE:

- 1) An adjustment was made in the amount of \$1.9 million to correct a mistake recorded in a prior month. This represents the actual amount of the ending cash balance as of March 31, 2015.
- 2) Tobacco Tax Revenue for February 2015.
- 3) Expenditures from prior months were recorded to the incorrect cost center. Adjustments were made between the initiatives to correct the discrepancy.
- 3) Cash Balance excludes fixed assets and Liabilities.

**LOS ANGELES COUNTY CHILDREN AND FAMILY FIRST - PROPOSITION 10 COMMISSION (AKA FIRST 5 LA)
EXPENDITURES BY FY 2014-15 BUDGET
APRIL 30, 2015, UNAUDITED**

INITIATIVE/PROGRAM	FY 2014-15 BUDGET*	APRIL EXPENDITURES	FISCAL YTD EXPENDITURES	BALANCE REMAINING	FISCAL YTD EXPENDITURES /BUDGET%
PLACE-BASED INITIATIVES					
Best Start - Community Funding	12,908,000	1,634,827	5,050,797	7,857,203	39%
Best Start - Family Strengthening	26,016,000	1,915,998	15,064,346	10,951,654	58%
COUNTYWIDE STRATEGIES					
Data Systems Integration	1,745,000	59,715	511,498	1,233,502	29%
Health Access (Healthy Kids)	5,292,000	-	2,381,671	2,910,329	45%
Information Resource & Referral (211)	1,360,000	97,595	904,323	455,677	66%
Policy Advocacy Fund (PAF)	3,335,000	299,343	1,811,676	1,523,324	54%
Policy Agenda/Agency Advocacy	1,095,000	36,665	347,037	747,963	32%
Public Education	2,559,000	114,016	715,519	1,843,481	28%
Public Education - Conference Funding Grants	218,000	3,000	130,114	87,886	60%
Resource Mobilization - Early Head Start Matching Grants	-	2,202	2,202	(2,202)	0%
Resource Mobilization - ECE	443,000	8,222	178,767	264,233	40%
Resource Mobilization - Funder Partnerships	416,000	-	217,189	198,811	52%
Resource Mobilization - Health	3,794,000	1,269	1,268,293	2,525,707	33%
Resource Mobilization - Matching Grant Program	163,000	-	144,172	18,828	88%
Resource Mobilization - Organizational Capacity Building	776,000	(18,239)	482,355	293,645	62%
Resource Mobilization - Project Development	350,000	3,600	11,400	338,600	3%
Workforce Development	2,718,000	377,672	921,101	1,796,899	34%
COUNTYWIDE INITIATIVES					
At-Risk Fathers Investment	2,000	-	1,500	500	75%
Black Infant Health	1,952,000	-	522,932	1,429,068	27%
Children's Dental Care	8,451,000	1,382,588	4,047,383	4,403,617	48%
Children's Vision Care	1,342,000	13,056	844,854	497,146	63%
Data Partnership with Funders	1,000,000	170,919	637,023	362,977	64%
Early Identification and Intervention - Autism and other Developmental Delays	854,000	67,605	544,976	309,024	64%
ECE Environmental Scan	211,000	130,800	130,800	80,200	62%
Healthy Food Access	1,941,000	145,894	1,226,079	714,921	63%
Little by Little/One Step Ahead	3,647,000	167,777	1,634,684	2,012,316	45%
Parent Child Interaction Therapy	4,672,000	56,343	829,502	3,842,498	18%
Peer Support Groups for Parents	1,058,000	44,666	341,165	716,835	32%
Reducing Childhood Obesity	13,387,000	-	3,967,609	9,419,391	30%
Substance Abuse Treatment Services	4,055,000	-	-	4,055,000	0%
Tot Parks and Trails	1,934,000	42,660	944,063	989,937	49%
Universal Assessment of Newborns	7,058,000	398,404	3,819,159	3,238,841	54%
Workforce Development - ECE Career Development Policy Project	1,151,000	88,793	648,917	502,083	56%
Workforce Development - ECE Workforce Consortium	13,090,000	284,908	2,369,047	10,720,953	18%
PRIOR STRATEGIC PLAN INITIATIVES					
Baby Friendly Hospitals	1,818,000	(370,380)	670,027	1,147,973	37%
Community Opportunities Fund	142,000	10,694	108,872	33,128	77%
Family Place Libraries	124,000	1,786	9,554	114,446	8%
Family Literacy	-	(66,968)	(66,968)	66,968	0%
LAUP	54,245,000	-	25,511,619	28,733,381	47%
Neighborhood Action Councils	1,902,000	(667,511)	1,166,797	735,203	61%
Oral Health & Nutrition (OHN)	879,000	80,946	482,006	396,994	55%
Oral Health & Nutrition - Dental Home	3,600,000	-	898,809	2,701,191	25%
Oral Health & Nutrition - Safety Net	55,000	(2,570)	(2,570)	57,570	-5%
Oral Health Community Development	2,000	-	-	2,000	0%
Partnerships for Families (PFF)	5,488,000	7,161	4,673,392	814,608	85%
RESEARCH AND EVALUATION PROJECTS					
Data Development	2,275,000	199,645	1,612,621	662,379	71%
Program Evaluation	6,137,000	1,090,411	3,015,386	3,121,614	49%
Research Partnerships	198,000	40,886	128,851	69,149	65%
Results Dissemination	5,000	-	1,750	3,250	35%
2015-2020 STRATEGIC PLAN IMPLEMENTATION ACTIVITIES					
2015-2020 Strategic Plan Implementation Activities	250,000	-	-	250,000	
TOTAL	206,113,000	7,854,398	90,862,300	115,250,700	44%

* The FY 2014-15 Budget was approved by the Board of Commissioners on June 12, 2014 and amended on March 12, 2015, per agenda item #2D.

NOTES - EXPENDITURES BY FY 2014-15 BUDGET:

- (1) Resource Mobilization - Early Head Start Matching Grants ended in FY 2013-14. An adjustment was made in the amount of \$2,202 to correct a prior year accrual, and is reflected in the general ledger report.
- (2) An adjustment was made in April to account for unused sub-grant funds in the amount of \$40,093 that were unable to meet the matching funds requirements.
- (3) Expenditures from prior months were recorded to the incorrect cost center. Adjustments were made between the initiatives to correct the discrepancy.
- (4) Family Literacy ended in FY 2013-14. An adjustment was made in the amount of (\$66,968) to correct a prior year accrual, and is reflected in the general ledger.
- (5) An adjustment was made in the amount of (\$2,570) to correct a prior year accrual, and is reflected in the general ledger.

LOS ANGELES COUNTY CHILDREN AND FAMILY FIRST - PROPOSITION 10 COMMISSION (AKA FIRST 5 LA)
 EXPENDITURES - PASS-THROUGH
 APRIL 30, 2015, UNAUDITED

Attachment B

INITIATIVE/PROGRAM - PASS-THROUGH	APRIL EXPENDITURES	YEAR TO DATE EXPENDITURES
Medi-Cal Administrative Activities (MAA) - LA County Charges	-	-
Medi-Cal Administrative Activities (MAA) - Participation Payment	-	1,070
Child Signature Program (CSP)	-	3,697,106
Partnerships For Families - LA County Department of Children and Family Services (DCFS)	1,020,453	1,690,299
TOTAL	1,020,453	5,388,475

**Los Angeles County Children and Family First -
Proposition 10 Commission (aka) First 5 LA
Operating & Administrative Budget Update
April 30, 2015, Unaudited**

OPERATION AND ADMINISTRATION EXPENSE	APRIL ACTUAL	FISCAL YTD ACTUAL	FY 2014-15 BUDGET	FISCAL YTD VARIANCE	FISCAL YTD/BUDGET %
Personnel Related Expenses					
Salaries & Wages	817,790	8,118,664	11,347,496	3,228,832	72%
Fringe Benefits	270,342	2,366,503	3,409,644	1,043,141	69%
	1,088,133	10,485,166	14,757,140	4,271,974	71%
General Operating Expenses					
ADP Payroll Charges	3,108	28,692	30,000	1,308	96%
Workers Compensation Insurance	-	96,173	123,500	27,327	78%
Corporate Insurance	2,469	68,605	73,500	4,895	93%
Mileage Expense	4,176	32,629	63,150	30,521	52%
Telephones & Modems	6,838	96,133	75,650	(20,483)	127%
Printing	900	18,402	24,500	6,098	75%
Postage & Delivery	139	12,283	13,300	1,017	92%
Office Supplies	3,669	46,321	67,980	21,659	68%
Subscriptions & Publication	2,713	3,906	6,850	2,944	57%
Equipment Rental	7,614	85,951	120,000	34,049	72%
Repair & Maintenance - Furniture & Fixtures	-	126,408	195,000	68,592	65%
Repair & Maintenance - Equipment	534	3,119	59,200	56,081	5%
Rents & Lease - Offsite Storage	427	14,908	20,600	5,692	72%
Los Angeles County Overhead	-	5,585	57,000	51,415	10%
Contingency	10,255	41,235	50,000	8,765	82%
Facilities & Other Supplies	495	4,737	12,150	7,413	39%
Utilities	-	117,351	160,000	42,649	73%
Educational Supplies	-	1,593	5,600	4,007	28%
Cell Phones	3,969	34,819	70,620	35,801	49%
Hardware & Software Maintenance	5,239	76,292	166,500	90,208	46%
	52,547	915,142	1,395,100	479,958	66%
Professional Services					
Audit and Accounting Fees	-	57,306	70,056	12,750	82%
Legal Fees	13,390	122,734	175,000	52,266	70%
Membership Dues	6,960	31,154	78,140	46,986	40%
Professional Development	7,080	30,022	246,550	216,528	12%
Professional Dues First 5 Association	50,000	50,000	50,000	-	100%
Staff Recruitment	1,083	10,411	24,500	14,089	42%
Commission Stipends	-	20,414	34,000	13,586	60%
Human Resources Related Costs	2,937	16,145	40,000	23,855	40%
	81,450	338,187	718,246	380,059	47%
Consultant Services					
Consultant Fees	87,316	674,484	1,622,400	947,916	42%
Other Professional Fees	-	183,149	239,500	56,351	76%
External Reviewers	-	1,440	4,000	2,560	
	87,316	859,073	1,865,900	1,006,827	46%
Travel & Meetings					
State Prop 10 Commission Activities	-	2,113	15,000	12,887	14%
Conferences - Travel & Lodging	4,033	36,322	79,292	42,970	46%
Conference - Registration Fees	11,067	47,499	82,495	34,996	58%
Local Meeting Expenses	4,110	56,231	159,700	103,469	35%
Lodging	7,614	35,425	83,222	47,797	43%
Per Diem	3,223	21,729	39,084	17,355	56%
	30,046	199,318	458,793	259,475	43%
Capital Improvements					
Capital Outlay (Equipment Purchases)	706	46,612	160,000	113,388	29%
TOTAL OPERATING EXPENSES	1,340,197	12,843,499	19,355,179	6,511,680	66%

NOTES - OPERATING & ADMINISTRATIVE BUDGET UPDATE:

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

* The FY 2014-15 Operating Budget was approved by the Board of Commissioners on June 12, 2014 and amended on March 12, 2015 per agenda item #2D.

**Los Angeles County Children and Families First -
Proposition 10 Commission
Statement of Net Assets
APRIL 30, 2015, Unaudited**

Assets		
Current Assets:		
Cash	\$	4,071,260
Cash- Morlin Mgmt Corp		26,950
Investment:		-
Operating and Allocated funds		536,609,128 (1)
Operating Fund - SRI		-
Advance - LA Care Health Plan		9,202,303
Advance - LAUP		41,702,793
Advance - UCLA Dental Home Project		5,570,236
Interest Receivable		-
Other Receivables		271,216
Total Current Assets	\$	597,453,886
Fixed Assets:		
Land	\$	2,039,000
Building & Improvements		12,076,512
Furniture & Fixtures		627,671
Computer, Software & Accessories		1,630,221
Office Equipment		331,033
Accumulated Depreciation		(4,621,999)
Total Fixed Assets	\$	12,082,438
Total Assets	\$	609,536,324
Liabilities and Net Assets		
Current liabilities:		
Other Liabilities	\$	166,511 (2)
Total Current Liabilities	\$	166,511
Net Assets:		
Investment in capital assets	\$	12,082,438
Restricted		597,287,374
Total Net Assets	\$	609,369,812
Total Liabilities and Net Assets	\$	609,536,324

NOTES:

- (1) Operating and Allocated funds - Included within this investment account is approximately \$5.8 million intended for operating expenses for the next 3 months.
- (2) Other Liabilities include accrued expenses, accrued vacation, security deposit from La Petite Academy and related liabilities.

INITIATIVE SPENDING UPDATE
Report to the Budget & Finance Committee

1. Initiative: Information Resource and Referral (211)

2. Financial status:

	\$	% Spent
a. FY 2014-15 Funding level	\$1,250,785 * <i>*211 LA County contracted budget plus 211 Performance Based Agreement (Consulting)</i> \$1,360,000 (Budgeted)	
b. Amount spent as reported in the FY 2014-2015 Monthly Financial report	\$904,323	72% of Contracted Amount (as of April 2015)

3. Brief purpose & history of the initiative:

First 5 LA began its investment in the Information and Referral Federation of Los Angeles County (dba 211 LA County) in 2005. From 2005 to 2015, First 5 LA awarded 211 LA County a total of \$15.1 million. Currently, First 5 LA funds approximately 20% of their total budget with the balance supported by LA County General Funds. Through the support of First 5 LA funds, 211 LA County provides telephonic information, resource and referral services to pregnant women and/or families with children 0 to 5. In addition, face-to-face comprehensive information and referral is provided at the Los Angeles Family Court location. Through 211's comprehensive database, the information available and referrals given covers a broad range of issues pertinent to the 0-5 population such as concrete supports (food, shelter/housing), child care, early care and education, health care and mental health services, health insurance and parenting support.

For the period of July 2014 to April 2015, 211 LA County served 69,109 callers that were pregnant women and/or parents/primary caregivers of a child ages 0 through 5. During this same time period, 432,441 general population callers were served. 211 LA County is on track to serve approximately 500,000 general population callers in FY2014-15. 211 LA County submits monthly, quarterly and bi-yearly progress reports and also participates in monthly conference calls with First 5 LA to highlight successes and resolve challenges. Each report requires noting performance against key telephonic metrics, such as maintaining a 15% or less "Abandonment Rate" and an "Average Time to Answer" of 2 minutes or less. Based on their 3rd Quarter Report (March 2015), 211 LA County is meeting all key deliverables.

4. Implementation status/update of programs(s):

Board Action at the May 2015 Commission Meeting extended 211 LA County's contract for one additional year from July 1, 2015 to June 30, 2016. This one year extension provides staff the time needed to further explore the potential role of telephonic Information Resource and Referral in advancing the outcomes of the 2015-2020 Strategic Plan. For

example, within the First 5 LA health strategy work that is underway, staff is exploring the Help Me Grow framework which is a systems change approach aimed at improving the coordination and functioning of developmental/behavioral screening, assessment and early intervention programs. Help Me Grow includes a telephonic access point as one of its core components. 211 LA County could be a competitive partner to help advance the future work of Help Me Grow.

5. Reasons for the unanticipated rate of spending:

211 LA County's FY 2014-15 contracted budget amount totals \$1,239,535. Additional funding in the amount of \$120,465 was budgeted to provide enhancements and support to 211 LA County's website/existing technology. However, First 5 LA staff has not had the opportunity to align efforts to enhance technology with the timing and rollout of 211 LA County's new website and online search feature in FY 2014-15. Also in FY 2014-2015, 211 LA County experienced staffing changes with the resignation of their CFO in the first quarter of the fiscal year.

Information, Resource and Referral (IR+R)

Budget and Finance
Committee Meeting
June 1, 2015

1ST  LA
first 5 la
Giving kids the best start

Current IR+R: 211 LA County

- Since 2005, \$15.1 million to support comprehensive information and referral services on a broad range of issues such as child care, parenting support and health care services
- First 5 LA funds approximately 20% of total 211's agency budget (80% comes from LA County) including:
 - 9 Community Resource Advisors/4 Program staff
 - 9 Administrative staff

24

Current IR+R: 211 LA County (continued)

- Numbers Served (July 2014 to April 2015):
 - 69,109 callers-pregnant women and/or has child through age 5
 - 432,441 general population callers
 - On track to serve approximately 500,000 general population callers in FY14-15
- Key telephonic metrics are reported monthly
 - Must meet “Abandonment Rate” of 15% or less
 - Must maintain an “Average Time to Answer” at 2 minutes or less

Future IR+R

- Recent Board Action (May 2015) extended contract with 211 LA County at current funding level of \$1,239,535 for one additional year from July 2015-June 2016
- In FY15-16 informal as well as formal IR+R will be explored via the Communities and Health work groups.

26

Questions?



Memo

To: Budget and Finance Committee
 From: Kim Belshé, Executive Director
 Date: June 1, 2015
 Subject: **FIRST 5 LA FISCAL YEAR 2015-16 PROPOSED BUDGET**

Members of the Committee,

We are pleased to submit for your review the updated FY 2015-16 Proposed Budget, which includes changes since the May draft, resulting in a net increase of \$1.5 million, or 0.7%, for a total budget of \$229.7 million as presented in the table below. Initial funding requests were generated using the latest information available at the time the budget was developed and were updated to reflect new data available to inform budget development. In addition, several projects experienced a delay in current year activity that will carry over into FY 2015-16. Finally, there was one omission from the draft that required an adjustment based on a subsequently identified need for FY 2015-16.

BUDGET CATEGORY	Draft Proposed FY 2015-16 Budget (May 2015)	Final Proposed FY 2015-16 Budget (June 2015)	Variance
Program			
2015-2020 Strategic Plan: Focusing for the Future	\$ 68,047,000	\$ 68,047,000	\$ -
Legacy Investments	131,556,000	133,228,000	1,672,000
Research & Evaluation	7,914,000	7,667,000	(247,000)
Total Program	\$ 207,517,000	\$ 208,942,000	\$ 1,425,000
Operating	20,684,362	20,794,362	110,000
TOTAL BUDGET	\$ 228,201,362	\$ 229,736,362	\$ 1,535,000

These changes are outlined in Attachment A in the “Summary of Changes from the Draft Proposed Budget” schedule. Attachments A and B have also been updated to reflect the final budget figures. The materials included for review in Attachments C and D—which provide further detail on the Program and Operating components of the budget, respectively—include only those programs or internal departments that experienced changes to budget estimates from the draft FY 2015-16 Budget as reviewed in May. Finally, additional information has been included in Section IV of this memo, “Impact on Fund Balance,” with Attachment E providing further detail regarding the fund balance projections as of June 30, 2015.

COMMISSIONERS

Los Angeles County Mayor	Judy Abdo	Sandra Figueroa-Villa
Michael D. Antonovich	Nancy Haruye Au	Marvin J. Southard, D.S.W.
<i>Chair</i>	Jane Boeckmann	Joseph Ybarra Jr., Ph.D.
Philip L. Browning	Duane Dennis	
<i>Vice Chair</i>		

EX OFFICIO MEMBERS

Patricia Curry
 Cynthia A. Harding, M.P.H.
 Karla Pleitéz Howell
 Deanne Tilton

EXECUTIVE DIRECTOR

Kim Belshé

CHIEF OPERATING OFFICER

John A. Wagner

A PUBLIC ENTITY

Consistent with the First 5 LA Governance Guidelines, we presented the draft Proposed Budget to the Commission in May, and will return on June 11 for final approval.

The FY 2015-16 Budget was prepared in accordance with Generally Accepted Accounting Principles (GAAP) and in compliance with First 5 Management Guide budgeting guidelines developed by the Government Finance Officers Association. This budget represents the first to align with the 2015-2020 Strategic Plan: Focusing for the Future.

This transmittal memo is intended to provide an overview of the FY 2015-16 Proposed Budget and assumptions that inform the requests, including the following:

- I. Budget Overview
 - A. Overall Budget Summary
 - B. Program Costs Summary
 - C. Operating Costs Summary
- II. Budget Development Context
 - A. Format and Approach to the FY 2015-16 Budget
 - B. Potential Future Changes
- III. Revenue Assumptions
- IV. Impact on Fund Balance
- V. Administrative Cost Limit
- VI. Conclusion

Key budget and supporting documents are as follows:

Attachment A: FY 2015-16 Proposed Budget

- FY 2015-16 Budget Summary
- Summary of Changes from the Draft Proposed Budget (May 2015)
- Budget Request for Programs by Initiative/Program
- Operating Request Summary
- Administrative Limit Calculation
- Schedule of Authorized Positions

Attachment B: FY 2015-16 Proposed Budget – Highlights

Attachment C: Program Request – Detail by Program

Attachment D: Operating Request – Summaries & Detail Tables by Department

Attachment E: GASB 54 Fund Balance Presentation

I. BUDGET OVERVIEW

Combined efforts in recent years—including adoption of the Building Stronger Families Framework, the Listening, Learning and Leading (L3) effort, the updated Long Term Financial Projection, and the new Governance Guidelines—helped to inform the 2015-2020 Strategic Plan. The new Strategic Plan is intended to sharpen our focus, improve the impact we seek, live within our means, and strengthen internal capacity to deliver on our mission. FY 2015-16 will mark the first fiscal year under this fifth Strategic Plan, approved by the Commission in November 2014.

The 2015-2020 Strategic Plan lays out a clear path for First 5 LA to maximize its impact to strengthen families and improve outcomes for the greatest number of children prenatal to age 5 in L.A. County. Consistent with the Commission's 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 that all children in LA 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.

Based on the processes currently underway to effectively implement the strategies outlined in the Strategic Plan, the FY 2015-16 Proposed Budget represents a transitional budgeting approach. On the one hand, the budget reflects costs for roughly two dozen ongoing initiatives that will soon be either ending or ramping down. At the same time, the budget reflects recent commitments made by the Board, funding investments in priorities that continue in the new Strategic Plan—such as Welcome Baby and Select Home Visiting, the Best Start Communities, and policy efforts—and resources for more developmental activity to advance the 2015-2020 Strategic Plan. In addition, consistent with the Governance Guidelines and the Strategic Plan, we have prepared budget requests with a renewed focus on sustainability and leveraging.

The budget includes existing multi-year programs ("Legacy Investments") scheduled to conclude during the new Strategic Plan term. Any continued funding beyond the previously approved timeframe and amount will be subject to criteria approved by the Commission, such as alignment with the Strategic Plan, through the expiring initiative assessment process.

A. Overall Budget Summary

The total FY 2015-16 Proposed Budget is presented in a summary schedule in Attachment A. As shown in the following high-level table, the Proposed Budget totals \$229.7 million, an increase of \$4.3 million, or 1.9% over the FY 2014-15 revised budget of \$225.5 million. Costs are estimated to increase by 1.4% for programs and 7.4% for internal operations.

BUDGET COMPONENT	FY 2014-15 Budget				Proposed		Variance	
	Original		Revised		FY 2015-16 Budget			
Program	\$ 221,203,000	92%	\$ 206,113,001	91%	\$ 208,942,000	91%	\$ 2,828,999	1.4%
Operating	19,355,179	8%	19,355,179	9%	20,794,362	9%	1,439,183	7.4%
TOTAL BUDGET	\$ 240,558,179	100%	\$ 225,468,180	100%	\$ 229,736,362	100%	\$ 4,268,182	1.9%

Given the fiscal reality of declining resources—both revenue and fund balance—on which First 5 LA can rely for both programmatic and operational spending, it is important to note the strategic rationale driving the overall budget proposal. Reflecting Commission direction and priorities, narrative highlights of the FY 2015-16 Budget are presented in Attachment B.

As we enter into the first year of the new Strategic Plan, a number of “anchor” investments are ramping up to full implementation, driving anticipated costs for FY 2015-16 higher than in previous years. Specifically, FY 2015-16 will reflect continued ramp up of implementation of the Family Strengthening investments, including the Welcome Baby and Select Home Visiting programs, as well as the community capacity building investments in the 14 Best Start communities. In addition, resources are proposed in support of key activity as outlined in the Strategic Plan, including resources to continue expanding our policy and advocacy efforts as well as strategic communications.

A number of the legacy initiatives designed to broaden the reach of First 5 LA throughout the County are also expected to continue or achieve full implementation during FY 2015-16, including: Children’s Dental Care, Children’s Vision Care, Peer Support Groups for Parents, Reducing Childhood Obesity, and Universal Assessment of Newborns.

While the strategy refinement process continues, estimated resources to support the anticipated “Year 1” activities are included as part of the Strategic Plan Implementation Fund (SPIF). Based on the intensive work conducted through the implementation process currently underway, these resources represent estimated costs for activities that we expect to advance or achieve in FY 2015-16.

B. Program Costs Summary

Program costs comprise \$208.9 million, or 91% of the total Proposed Budget, as shown in the table below. Given that FY 2015-16 represents the first year of the 2015-2020 Strategic Plan, the initiatives summarized in Attachment A and highlighted in Attachment B are organized to reflect the new Strategic Plan and the three related components of implementation activity: 1) investments and approaches reaffirmed by the Board and aligned to the Strategic Plan, 2) existing investments potentially aligned to the Strategic Plan, and 3) new investments under development, to be aligned with the Strategic Plan (Strategic Plan Implementation Fund). In addition, the budget includes resources for the 25 legacy investments and research and evaluation projects with ongoing costs in FY 2015-16. We anticipate that the program budget structure as presented in Attachment A and in the table below may require modifications in the future to best support our strategic direction based on implementation and strategic refinements that will continue to evolve and inform implementation activities.

BUDGET CATEGORY	FY 2014-15 Budget				Proposed	
	Original		Revised		FY 2015-16 Budget	
Program						
<i>2015-2020 Strategic Plan: Focusing for the Future</i>						
a. Investments/Approaches Reaffirmed by the Board and Aligned with SP	\$ 48,801,000		\$ 44,698,000		\$ 61,301,000	
b. Existing Investments Potentially Aligned with SP	7,305,000		6,652,000		3,610,000	
c. New Investments Under Development (Strategic Plan Implementation Fund)	-		250,000		3,136,000	
<i>Total 2015-2020 Strategic Plan</i>	\$ 56,106,000	23%	\$ 51,600,000	23%	\$ 68,047,000	30%
<i>Legacy Investments</i>	151,454,000	63%	143,153,000	63%	133,228,000	58%
<i>Research & Evaluation</i>	13,643,000	6%	11,360,000	5%	7,667,000	3%
Total Program	\$ 221,203,000	92%	\$ 206,113,000	91%	\$ 208,942,000	91%
Operating	19,355,179	8%	19,355,179	9%	20,794,362	9%
TOTAL BUDGET	\$ 240,558,179	100%	\$ 225,468,179	100%	\$ 229,736,362	100%

Consistent with the FY 2014-15 Budget, program costs reflect a continuation of planned implementation of initiatives and programs according to their approved timeline, actions taken by the Commission during FY 2014-15 to extend certain initiatives and programs, continued implementation of anchor investments in the Best Start Communities and Welcome Baby/Select Home Visiting activities, and estimated costs necessary to carry out Year 1 activities for the 2015-2020 Strategic Plan. Program costs largely support contract awards and grants to agencies and include all planning, implementation, evaluation and associated communications and marketing costs for services, programs and projects.

Attachment A presents the proposed budget request for programs by initiative. At this point in time, the budget includes 35 initiatives with anticipated costs to be incurred during FY 2015-16, a decrease from the 47 initiatives in FY 2014-15 due to 10 initiatives expiring by June 30, 2015 and the incorporation of two initiatives within existing initiatives in order to better reflect the overall purpose.

Program investments are presented based on the following overarching categories:

1) 2015-2020 Strategic Plan: Focusing for the Future:

- a. Investments and Approaches Reaffirmed by the Board and Aligned with the Strategic Plan – This category includes the following:
 - i. Anchor activities outlined in the Strategic Plan that represent program implementation in progress, including Welcome Baby and Select Home Visiting, as well as the community capacity building implementation activities in the 14 Best Start Communities.
 - ii. Approaches that were included as part of the 2015-2020 Strategic Plan that are key to advancing all four of the outcome areas established by the Plan, including policy and advocacy efforts, as well as communications and marketing.
- b. Existing Investments Potentially Aligned to the Strategic Plan – These investments reflect existing work that may be potentially aligned to the four outcome areas of the Strategic Plan. These investments will be subject to additional analysis and consideration of their alignment to the strategies and outcomes of the new Strategic Plan. This category includes investments that have already been presented to the Commission in

the context of the expiring initiatives process, including Information Resource and Referral and Healthy Kids.

- c. New Investments Under Development (Strategic Plan Implementation Fund) – This fund represents an estimate of resources anticipated to be needed to support new work related to the anticipated Year 1 activities of the 2015-2020 Strategic Plan, based on the strategy refinement work done to date. The overall purpose of the strategy refinement process was to continue developing the implementation requirements necessary to move forward the strategies identified in the Strategic Plan. This process was intended to inform how First 5 LA will use its resources to further the outcome areas outlined by the Plan by identifying those activities within the outcome areas that can reasonably be expected to take place during FY 2015-16, and providing realistic cost estimates needed to support these activities. The resources proposed within this category represent high-level estimates of costs related to new work only, reflecting the best thinking to date regarding the potential needs for Year 1 activities. Additional information will become available to further clarify the cost requirements as work continues to refine the activities for FY 2015-16.

2) Legacy Investments – These 25 investments represent ongoing work of the Commission that is expected to end according to the terms of the initiative or project approval. This category includes some investments that may align with the outcomes and strategies of the Strategic Plan, but which have yet to go through the assessment process because they are scheduled to end beyond FY 2015-16. These will be evaluated in the future consistent with the First 5 LA Governance Guidelines and the expiring initiatives assessment process.

3) Research and Evaluation – These include projects that align with and contribute to the outcomes and strategies of the 2015-2020 Strategic Plan, as well as ongoing projects aligned to our legacy investments. Proposed resources are based on the analysis presented to the Commission in March 2015 by the Research and Evaluation team and demonstrate First 5 LA's commitment to learning from our current and past investments. The Research and Evaluation Department is in the process of developing the Monitoring, Evaluation and Learning (MEL) Framework, which provides a comprehensive structure for organizing First 5 LA's Research and Evaluation activities. The transition to the new framework will occur during FY 2015-16 and may result in changes to how these items are categorized in the context of the fiscal year budget.

Attachment B provides narrative highlights of certain programs (investments that are large, high-profile, or Commission priorities) as well as additional information regarding SPIF. Attachment C provides additional detail on each program budget request.

The table on page 4 compares the current year budget with the FY 2015-16 Proposed Budget. As FY 2015-16 represents a transitional year as First 5 LA moves into the timeframe governed by a new Strategic Plan, the \$2.8 million increase represents a net change that encapsulates changes related to work that has ended, as well as work that is ramping down, continuing, increasing, or is in development. The primary drivers of the net \$2.8 million increase include the following:

1. Ramp-up of the Best Start direct service investments in Family Strengthening, which includes both Welcome Baby and Select Home Visitation in the 14 Best Start communities, and Universal Assessment of Newborns outside of the communities.
2. Ramp-up of implementation related to the Building Stronger Families Framework in the 14 Best Start communities, including work related to planning and execution of the Learning by Doing projects and results-focused actions.

3. Full implementation of various legacy county-wide initiatives, including the following:
 - a. Children’s Dental Care;
 - b. Children’s Vision Care;
 - c. Healthy Food Access;
 - d. Peer Support Groups for Parents; and
 - e. Reducing Childhood Obesity.
4. Expanded resources to support policy and advocacy activities, consistent with the policy priorities (ECE and home visitation) and strategies outlined in the Strategic Plan.
5. The inclusion of SPIF, which represents estimated resources to support new work under development to begin critical Year 1 activities to begin implementation of the 2015-2020 Strategic Plan.

C. Operating Costs Summary

Operating costs comprise \$20.8 million, or 9% of the total Proposed Budget, with approximately 79% of funding for First 5 LA’s internal operations supporting salaries and benefits for management and staff, as presented in the following table.

OPERATING COST CATEGORY	FY 2014-15 Budget				Proposed	
	Original		Revised		FY 2015-16 Budget	
Personnel Services	\$ 15,238,672	79%	\$ 14,757,141	76%	\$ 16,367,981	79%
General Operating Expenses	1,509,250	8%	1,395,100	7%	1,398,990	7%
Professional Services	722,846	4%	718,246	4%	714,900	3%
Consultant Services	1,394,900	7%	1,865,900	10%	1,733,500	8%
Travel & Meeting Expenses	329,511	2%	458,793	2%	458,991	2%
Capital Improvements	160,000	1%	160,000	1%	120,000	1%
Total Operating Costs	\$ 19,355,179	100%	\$ 19,355,180	100%	\$ 20,794,362	100%

An increase of \$1.4 million in operating costs from the current year is primarily due to costs related to the approval and implementation of Board-approved policy that resulted from last year’s comprehensive compensation study conducted of First 5 LA in FY 2013-14. The implementation of the compensation study recommendations approved by the Board is on track relative to the initially communicated timeframe, and the estimated FY 2015-16 fiscal impact is below the initial projections as presented to the Board in FY 2014-15. The changes included the approval of a salary structure, adjustments to bring employee compensation in alignment to the structure and new philosophy, and an enhancement to the retirement benefits offered by the organization.

In addition, various position changes during FY 2014-15 and the addition of new positions for FY 2015-16 also increased the overall cost of personnel. Attachment B provides a more detailed narrative discussion of operating cost highlights, which include:

- Staff and related support costs for program planning, design, development and management;
- Staff and related support costs for program evaluation, data collection and reporting; and
- Administration and related overhead costs associated with operating First 5 LA. Per Commission policy, an annual ceiling of administrative expenses is adopted as part of the budget process. The proposed administrative cap for FY 2015-16 is 4.95%. (Refer to Section V.)

In addition to the highlights provided in Attachment B, Attachment D provides further detail on the operating budget request by internal division and department, based on the existing organizational structure.

II. BUDGET DEVELOPMENT CONTEXT

This section highlights the context in which the budget was developed and potential modifications we may recommend in the future.

A. *Format and Approach to the FY 2015-16 Budget*

FY 2015-16 represents First 5 LA's fifth official program budget. In each of the four previous years, we have made significant changes to the format and the approach used to develop the budget. The FY 2015-16 Budget continues to encourage transparency and improve the accuracy of financial projections.

Consistent with FY 2014-15, the role of the FY 2015-16 Budget is to provide a blueprint for spending on Commission priorities, including setting outside spending parameters based on estimates. To maintain fiscal control, we define Budget Authority as a spending cap, and thus have developed the budget based on spending estimates—rather than negotiated contract amounts—so staff will have the flexibility to manage contracts within a budget unit without having to return to the Commission. We have generated program-level budget requests that include the program purpose, proposed use of funding, and the methodology used to determine the funding level.

Modifications were also incorporated into the process for mid-year adjustments to the overall budget during FY 2014-15. Per current First 5 LA policy, any change to the spending levels approved at the initiative level in the program budget requires formal approval by the Board of Commissioners via Resolution. In previous years, we requested periodic approval of augmentations to the program budget as needed during the year, but did not return to the Commission at any point to request reductions to the approved amounts. During FY 2014-15, all program budget augmentations were incorporated into a single item presented to the Commission for approval in March 2015, along with reductions to programs that were anticipated to underspend their approved budget levels by 10 percent or more. These adjustments resulted in a net decrease to the overall FY 2014-15 Budget of approximately \$15.1 million, for a revised fiscal year budget of \$225.5 million.

B. *Potential Future Changes*

This budget was prepared as the organization continues the strategy refinement process for the implementation of the 2015-2020 Strategic Plan. Because the anchor investments in Welcome Baby/Select Home Visiting and the community capacity building work of the 14 Best Start Communities are already underway, estimates were incorporated into the FY 2015-16 Budget to support these efforts. Given that much of the new work in support of the Strategic Plan outcome areas is still in development, initial cost estimates of resources required to support the anticipated Year 1 activities are less precise. In recognition of the developmental nature of these initial activities and estimated costs, staff proposes the use of SPIF, as put forward in the Board-approved mid-year budget adjustments for FY 2014-15. As the strategy refinement process continues, costs associated with initial implementation activities will become more concrete, and we will return to the Commission to provide updates on the uses of these funds as appropriate.

In addition, work is currently underway regarding the appropriate processes and structure required to effectively advance the work outlined in the strategic plan, as well as to support the work related to legacy investments that extend into the 2015-2020 Strategic Plan term. This work

is expected to evolve throughout the next fiscal year, and the impact to processes and the overall organizational operating structure may have an effect on the FY 2015-16 Budget. Any modifications to the FY 2015-16 Budget that are necessary as a result of these changes will be brought back to the Commission as appropriate.

In addition, First 5 LA continues to methodically process the remaining recommendations from the Hay Group's compensation study completed in FY 2013-14 in order to implement additional recommendations in the most effective way possible for the organization. First 5 LA's compensation philosophy is to promote competitiveness with the external market, address pay inequities, adopt best practices in compensation policy, and reward employee performance. Salary adjustments and modifications to the organizations retirement benefit were approved during FY 2014-15 with a two-phase approach, with the second phase of these changes reflected in the proposed FY 2015-16 budget. Further work is being conducted to support an approach to merit increases that both begins to address pay inequities identified by the Hay Group and provides incentives for high-performing employees. As noted above, although this process may require additional time and will likely be implemented outside of the annual budget approval process, a modest amount of resources to support merit increases have been incorporated into the FY 2015-16 operating budget.

III. REVENUE ASSUMPTIONS

First 5 LA is funded through the Proposition 10 Tobacco Tax, 80% of which is distributed to the County Commissions based on their proportion of statewide births. Los Angeles County receives the greatest share, typically approximately 26% of the total County allocations. Tobacco tax revenue, projected to be roughly \$87.8 million in FY 2014-15 and \$85.6 million in FY 2015-16, is anticipated to continue declining in future years based on the most recent estimate from the State Department of Finance (DOF), which forecasts an average 2 to 4% annual decline. The DOF revenue forecast incorporates assumptions related to the State Board of Equalization (BOE) administrative costs. First 5 LA will continue to work with other county Commissions and the State First 5 Association to track and evaluate the increasing BOE administrative costs and possible actions to address this issue.

Interest earnings, estimated at approximately \$4.1 million for FY 2014-15, are projected using an estimated 0.75% return on anticipated cash balances. Lease revenue of \$99,000 is also expected this year based on the lease agreement for the preschool occupying space in the First 5 LA building.

IV. IMPACT ON FUND BALANCE

It is important to note how the annual budget impacts First 5 LA's fund balance, particularly given the picture of the agency's financial future communicated through the updated Long Term Financial Projection approved in February 2015. Based on current policy, the annual budget is approved by the Commission via Resolution, which formally commits the resources for purposes of the initiatives as outlined in the budget document. However, the Commission has in many instances already taken formal action via Resolution to commit funds to discrete multi-year allocations for specific initiatives. Funds for these multi-year allocations are set aside in the First 5 LA committed fund balance as designated for specific purposes. The balances of these funding allocations remain in committed fund balance until the Commission takes action via Resolution to redirect the funds for other purposes. To the extent that any amounts approved for the FY 2015-16 budget do not exceed the remaining balance for these funding allocations, approval of the FY 2015-16 budget amounts for these initiatives will not commit additional dollars.

Redirection:

Staff recommends that the Commission release approximately \$6.1 million from commitments for initiatives that ended in previous fiscal years or are ending in FY 2014-15 with a projected remaining balance. This recommendation is consistent with the Governance Guidelines and in alignment with the assessment and recommendations presented to the Board through the Expiring Initiatives Assessment Process. These expired or expiring initiatives—Community Opportunities Fund, Connecting Risk and Perinatal Services, Family Friends and Neighbors, Infant Safe Sleeping, Oral Health and Nutrition (not including activities related to the Oral Health and Nutrition – Dental Home initiative), Oral Health Community Development, and Permanent Supportive Housing (evaluation activities)—are not included in Attachment E and do not have activities planned or budgeted for FY 2015-16 to continue using these resources. As part of the Commission action in June 2015, staff recommends that the \$6.1 million be released from commitment, redirecting the funds from First 5 LA's committed to assigned fund balance in support of the 2015-2020 Strategic Plan.

Reaffirmation:

In addition, Attachment E details the projected remaining allocation balances as of June 30, 2015, which will be brought to the Commission for reaffirmation in June 2015 in conjunction with the approval of the FY 2015-16 budget. This annual process provides the Commission with a regular opportunity to review and ratify existing commitment levels for specific initiatives.

Annual Appropriation:

In contrast to the multi-year allocation balances noted for specific initiatives in Attachment E, only the annual appropriation approved for a fiscal year is shown as committed for fund balance purposes for programmatic investments without an approved multi-year allocation. Any unspent funds from the previous fiscal year for these investments revert back to assigned fund balance, which represents funds available for use within the parameters set by the 2015-2020 Strategic Plan. Approximately \$81.7 million of the FY 2015-16 budget request is in support of programmatic investments without an allocation, for which funds will be drawn from assigned fund balance and designated as committed for FY 2015-16 when the budget is approved.

Funds for internal operations, \$20.8 million for FY 2015-16, are classified as unassigned fund balance for the upcoming fiscal year. In addition, based on current policy, the Commission must approve a Fund Balance Reserve, which is calculated annually as 25% of the total fiscal year budget approved in June. For FY 2015-16, the Reserve is calculated at \$57.4 million, an amount that is also classified as unassigned for fund balance purposes.

Balances for all fund balance categories will not be finalized until the completion of the FY 2014-15 year-end audit and the preparation of the Comprehensive Annual Financial Report (CAFR).

V. ADMINISTRATIVE COST LIMIT

Based on current policy and in compliance with the California Health and Safety Code (the "Code") governing the operations of First 5 LA, the Commission approves an annual administrative cost limit which is a percentage of the total budget. Although neither the Code nor the First 5 LA policy specifies a maximum percentage, historically the Commission has approved an administrative cost limit that is below 5% of the total projected organizational spending. In FY 2013-14, First 5 LA clarified the definition of administrative costs to more closely align with that of other First 5 county Commissions. This definition accounts for 100% of the following departments' proposed costs: Board of Commissioners, Executive, Chief Administrative, Contract Compliance, Facilities Management, Finance, Finance – Medi-Cal Administrative Activities, Human Resources, Information Technology, Chief Programs, Office of Strategic Planning and Implementation, and Communications & Marketing.

In addition to these department costs, the definition was expanded to include salary and employee benefit (S&EB) costs for Directors and Administrative Assistants in the following programmatic departments: Best Start Communities, Community Investments, Grants Management, Policy & Intergovernmental Affairs, Program Development, Public Affairs and Research & Evaluation.

Using this methodology (detail is provided as part of Attachment A), the administrative cost for supporting First 5 LA programs is projected to be \$11.4 million, or 4.95% of the total budget.

VI. CONCLUSION

First 5 LA enters into the first year of the 2015-2020 Strategic Plan mindful of both the fiscal reality of declining resources, our ongoing responsibility for 25 legacy investments, the strategy refinement process currently underway to implement the new Strategic Plan, and the organizational transformation process underway to ensure that First 5 LA is adequately poised to advance the work directed by the Commission. The format and the approach for the FY 2015-16 Proposed Budget represent our continued efforts to improve financial accountability and transparency, while remaining flexible in the evolving environment in which First 5 LA operates. With a new Strategic Plan that provides clear direction, focuses our investments and improves the organization's capacity to deliver, we anticipate the need for further refinements in the budget presentation, potentially during FY 2015-16 as well as during the FY 2016-17 budget development process to continue improving our financial management and reporting practices.

With First 5 LA's declining revenue and fund balance, the Commission will need to continue to refine the strategies and activities outlined in the 2015-2020 Strategic Plan, as well as assess 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.

We are grateful to the Commission for its ongoing leadership and support of First 5 LA's efforts to ensure that all children in LA County enter kindergarten ready to succeed in school and life.

RESOLUTION NO. 2015-02

**A RESOLUTION OF THE LOS ANGELES COUNTY CHILDREN
AND FAMILIES FIRST PROPOSITION 10 COMMISSION:
APPROVAL OF THE FY 2015-16 BUDGET AND RELATED COMPONENTS**

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

Whereas, the Commission is authorized by statute and Los Angeles County ordinance to adopt an annual budget for operations and programs;

Whereas, the Commission has adhered to the practice of annually reaffirming the balance of Committed program allocations pursuant to GASB 54 guidelines as outlined in the revised Fund Balance Policy approved on May 16, 2013;

Whereas, the Commission is required to adopt a minimum Fund Balance Reserve, calculated at 25 percent of the annual fiscal year budget per the revised Fund Balance Policy approved on May 16, 2013; and

Whereas, the Commission has annually established a limit on administrative costs as defined by the First 5 Financial Management Guide and the First 5 LA Policy and Guidelines for Administrative Costs and Function, revised on June 14, 2012.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Resolution No. 2014-04 approved on June 12, 2014 is hereby superseded; and
2. The FY 2015-16 Proposed Budget of \$229,736,362 (Attachment A – FY 2015-16 Budget Summary) is approved. Staff is authorized to implement and incur costs on the Commission’s behalf, pursuant to Commission Policy, to achieve the objectives and goals adopted within the Budget and the Strategic Plan; and
3. Subject to the final year-end financial audit, the projected balance of previously Committed program allocations totaling \$276,649,283 as of June 30, 2015 is approved, affirming these allocations as Committed Fund Balance in adherence with GASB 54 guidelines (Attachment E); and
4. The constraints on resources previously set aside in the amounts of \$6.1 million for initiatives that have ended or are ending in FY 2014-15 are removed, redirecting these funds from First 5 LA’s Committed fund balance to the Assigned fund balance as of June 30, 2015; and
5. A Reserve of \$57,434,091 will be set aside and deemed available for use during the fiscal year only for the purposes outlined in the policy; and
6. The administrative cap for FY 2015-16 of \$11,382,637, 4.95% of the total budget, is approved, reflecting the common purpose costs and related overhead associated with operating First 5 LA (Attachment A – Administrative Limit Calculation); and
7. The executed copy of this Resolution shall be retained on file as evidence of the Commission’s actions herein.

**PASSED, APPROVED AND ADOPTED THIS 11TH DAY OF JUNE, 2015, BY THE
FOLLOWING VOTE:**

AYES: Commissioners _____

NOES: Commissioners _____

ABSTAIN: Commissioners _____

Michael D. Antonovich
Chair, First 5 LA

Kim Belshé
Executive Director

ATTACHMENT A:

FY 2015-16 BUDGET

- Budget Summary
- Summary of Changes from Draft Proposed Budget (May 2015)
- Budget Request for Programs by Initiative/Program
- Operating Request Summary
- Administrative Limit Calculation
- Schedule of Authorized Positions

BUDGET COMPONENT		FY 2014-15		FY 2015-16		VARIANCE	
2015-2020 STRATEGIC PLAN: FOCUSING FOR THE FUTURE		REVISED	DRAFT (MAY)	CHANGES	FINAL (JUNE)	\$	%
Investments and Approaches Reaffirmed by the Board and Aligned with SP							
1	Families: Place-Based - Welcome Baby/Select Home Visiting ¹	\$ 26,016,000	\$ 36,603,000	\$ -	\$ 36,603,000	\$ 10,587,000	40.7%
2	Communities: Place-Based - Community Capacity Building ²	14,810,000	17,029,000	-	17,029,000	2,219,000	15.0%
3	Policy Agenda/Advocacy	1,095,000	2,797,000	-	2,797,000	1,702,000	155.4%
4	Communications & Marketing ³	2,559,000	4,672,000	-	4,672,000	2,113,000	82.6%
5	Communications - Conference Funding ⁴	218,000	200,000	-	200,000	(18,000)	-8.3%
	Sub-Total	\$ 44,698,000	\$ 61,301,000	\$ -	\$ 61,301,000	\$ 16,603,000	37.1%
Existing Investments Potentially Aligned with SP							
6	Healthy Kids ⁵	\$ 5,292,000	\$ 2,250,000	\$ -	\$ 2,250,000	\$ (3,042,000)	-57.5%
7	Information Resource and Referral	1,360,000	1,360,000	-	1,360,000	-	0.0%
	Sub-Total	\$ 6,652,000	\$ 3,610,000	\$ -	\$ 3,610,000	\$ (3,042,000)	-45.7%
New Investments Under Development, to be Aligned with SP (Strategic Plan Implementation Fund)							
	Families	\$ -	\$ 636,000	\$ -	\$ 636,000	\$ 636,000	N/A
	Communities	-	1,093,750	-	1,093,750	1,093,750	N/A
	Early Care & Education (ECE) Systems	-	370,000	-	370,000	370,000	N/A
	Health, Mental Health & Substance Abuse Systems	-	546,250	-	546,250	546,250	N/A
	Other/Cross-Cutting Activities	250,000	490,000	-	490,000	240,000	96.0%
	Sub-Total	\$ 250,000	\$ 3,136,000	\$ -	\$ 3,136,000	\$ 2,886,000	1154.4%
	TOTAL 2015-2020 STRATEGIC PLAN: FOCUSING FOR THE FUTURE	\$ 51,600,000	\$ 68,047,000	\$ -	\$ 68,047,000	\$ 16,447,000	31.9%
LEGACY INVESTMENTS							
8	At-Risk Fathers Investment	\$ 2,000	\$ 150,000	\$ -	\$ 150,000	\$ 148,000	7400.0%
9	Baby Friendly Hospitals	1,818,000	1,245,000	-	1,245,000	(573,000)	-31.5%
10	Black Infant Health	1,952,000	1,955,000	20,000	1,975,000	23,000	0.2%
11	Children's Dental Care	8,451,000	9,260,000	1,396,000	10,656,000	2,205,000	9.6%
12	Children's Vision Care	1,342,000	1,395,000	(54,000)	1,341,000	(1,000)	3.9%
*	Community Opportunities Fund	142,000	-	-	-	(142,000)	-100.0%
13	Early Identification and Intervention - Autism and Other Developmental Delays	854,000	818,000	-	818,000	(36,000)	-4.2%
14	ECE Environmental Scan	211,000	80,000	-	80,000	(131,000)	-62.1%
*	Family Place Libraries	124,000	-	-	-	(124,000)	-100.0%
15	Healthy Food Access	1,941,000	2,064,000	-	2,064,000	123,000	6.3%
16	Little by Little/One Step Ahead	3,647,000	3,515,000	-	3,515,000	(132,000)	-3.6%
17	Los Angeles Universal Preschool	54,245,000	55,423,000	-	55,423,000	1,178,000	2.2%
*	Oral Health & Nutrition	879,000	-	-	-	(879,000)	-100.0%
18	Oral Health & Nutrition - Dental Home	3,600,000	3,904,000	-	3,904,000	304,000	0.0%
*	Oral Health & Nutrition - Safety Net	55,000	-	-	-	(55,000)	-100.0%
*	Oral Health Community Development	2,000	-	-	-	(2,000)	-100.0%
19	Parent Child Interaction Therapy	4,672,000	4,642,000	-	4,642,000	(30,000)	-0.6%
20	Partnerships for Families	5,488,000	150,000	-	150,000	(5,338,000)	-97.3%
21	Peer Support Groups for Parents	1,058,000	1,469,000	-	1,469,000	411,000	38.8%
22	Policy Advocacy Fund	3,355,000	2,194,000	-	2,194,000	(1,141,000)	-34.2%
23	Reducing Childhood Obesity	13,387,000	15,462,000	-	15,462,000	2,075,000	15.5%
24	Resource Mobilization - ECE	443,000	1,225,000	-	1,225,000	782,000	176.5%
25	Resource Mobilization - Funder Partnerships	416,000	60,000	-	60,000	(356,000)	-85.6%
26	Resource Mobilization - Health	3,794,000	1,540,000	-	1,540,000	(2,254,000)	-59.4%
*	Resource Mobilization - Matching Grants	163,000	-	-	-	(163,000)	-100.0%
27	Resource Mobilization - Organizational Capacity Building	776,000	550,000	-	550,000	(226,000)	-29.1%
28	Resource Mobilization - Project Development	350,000	-	-	-	(350,000)	-100.0%
*	Substance Abuse Treatment Services	4,055,000	-	-	-	(4,055,000)	-100.0%

BUDGET COMPONENT	FY 2014-15		FY 2015-16		VARIANCE	
	REVISED	DRAFT (MAY)	CHANGES	FINAL (JUNE)	\$	%
29 Tot Parks and Trails	1,934,000	350,000	310,000	660,000	(1,274,000)	-81.9%
30 Universal Assessment of Newborns	7,058,000	8,785,000	-	8,785,000	1,727,000	24.5%
31 Workforce Development	2,718,000	2,522,000	-	2,522,000	(196,000)	-7.2%
* Workforce Development - ECE Career Development Policy Project	1,151,000	-	-	-	(1,151,000)	-100.0%
32 Workforce Development - ECE Workforce Consortium	13,090,000	12,798,000	-	12,798,000	(292,000)	-2.2%
TOTAL LEGACY INVESTMENTS	\$ 143,153,000	\$ 131,556,000	\$ 1,672,000	\$ 133,228,000	\$ (9,925,000)	-8.1%
RESEARCH AND EVALUATION						
33 Data Development and Integration ⁶	\$ 4,020,000	\$ 2,447,000	\$ 80,000	\$ 2,527,000	\$ (1,493,000)	-39.1%
34 Data Partnership with Funders	1,000,000	900,000	-	900,000	(100,000)	-10.0%
35 Program Evaluation	6,137,000	4,567,000	(327,000)	4,240,000	(1,897,000)	-25.6%
* Research Partnerships	198,000	-	-	-	(198,000)	-100.0%
* Results Dissemination	5,000	-	-	-	(5,000)	-100.0%
TOTAL RESEARCH AND EVALUATION	\$ 11,360,000	\$ 7,914,000	\$ (247,000)	\$ 7,667,000	\$ (3,693,000)	-30.3%
INTERNAL OPERATIONS						
Administrative Costs	\$ 10,913,894	\$ 11,272,637	\$ 110,000	\$ 11,382,637	\$ 468,743	4.3%
Program Costs	8,441,285	9,411,725	-	9,411,725	970,440	11.5%
TOTAL INTERNAL OPERATIONS	\$ 19,355,179	\$ 20,684,362	\$ 110,000	\$ 20,794,362	\$ 1,439,183	7.4%
TOTAL FIRST 5 LA BUDGET	\$ 225,468,179	\$ 228,201,362	\$ 1,535,000	\$ 229,736,362	\$ 4,268,183	1.9%

Notes:

- * Initiative ends in FY 2014-15, with no anticipated spending for FY 2015-16.
 - 1 The Place-Based - Welcome Baby/Select Home Visiting initiative was previously referred to as "Best Start - Family Strengthening".
 - 2 Costs for the Neighborhood Action Councils have been incorporated into the budget for the Place-Based - Community Capacity Building initiative, formerly referred to as "Best Start - Community Funding".
 - 3 The Communications & Marketing initiative was previously referred to as "Public Education".
 - 4 The Communications - Conference Funding initiative was previously referred to as "Public Education - Conference Funding".
 - 5 The Healthy Kids initiative was previously referred to as "Health Access (Healthy Kids)".
 - 6 Programs in the Data Systems Integration and Data Development initiatives have been incorporated into a single initiative called Data Development and Integration.
- FY 2014-15 budget amounts were similarly incorporated to ensure comparability.

SUMMARY OF CHANGES FROM DRAFT PROPOSED BUDGET (MAY)

INITIATIVE	PROGRAM	DRAFT FY 2015-16 BUDGET (MAY)	CHANGE	FINAL FY 2015-16 BUDGET (JUNE)	% CHANGE	REASON FOR CHANGE	EXPLANATION OF CHANGE
1	Black Infant Health	\$ 1,455,000	\$ 20,000	\$ 1,475,000	1%	ND	Original budget estimates were too low. The final negotiated contract amount for one of the three main contractors was higher than original budget estimates.
2	Children's Dental Care	9,260,000	1,396,000	10,656,000	15%	ND	Original budget estimates were too low. The final negotiated amounts for two contractors were higher than original budget estimates based on updated data. For one contractor, the increase is due to higher than anticipated costs required to open a new pediatric dental clinic in collaboration with LA County. For the other contractor, the increase is due to revised estimates related to additional project sites and higher numbers of children, parents and providers expected to be served during FY 2015-16.
3	Children's Vision Care	1,395,000	(54,000)	1,341,000	-4%	ND	Original budget estimate was too high. Contractor negotiations came in lower than originally anticipated.
4	Data Development & Integration	28,000	80,000	108,000	286%	D	One deliverable originally due in June 2015 will not be completed until July, as data collection has taken longer than originally anticipated. This requires a shift in funds from FY 2014-15 to FY 2015-16 to account for the delay.
5	Program Evaluation	1,743,000	(242,000)	1,501,000	-14%	ND	Original budget estimate was too high. Contractor negotiations came in lower than originally anticipated.
6	Program Evaluation	360,000	(85,000)	275,000	-24%	ND	Resources were originally budgeted within this line item for 800 hours of expert consultant services. However, further analysis determined that fewer hours would be needed for FY 2015-16 than initially estimated, resulting in a reduction of \$85,000 from the original \$120,000 budgeted for expert consultant services within this program line item.
7	Tot Parks and Trails	350,000	310,000	660,000	89%	D	The FY 2015-16 budget amount will support a no-cost extension for one contractor to complete two projects that were delayed due to city and county permitting processes. The original budget estimate was too low. Revised estimates based on updated data indicate the need to shift more resources from FY 2014-15 to FY 2015-16 in order to complete the projects.
8	Operating - Information Technology	250,000	110,000	360,000	44%	D, O	Due to organizational delays, the financial system reengineering project will not begin until FY 2015-16, resulting in the need to shift \$50,000 originally budgeted for this project in FY 2014-15 into the next fiscal year. In addition, \$60,000 was inadvertently omitted from the original draft budget for completion of the SharePoint document management platform and migration.
Total			\$ 1,535,000				

KEY: Reason for Change

- ND = New data available to inform budget development
- D = Delay in current year activity
- O = Oversight led to inadvertent error in the May budget

BUDGET REQUEST FOR PROGRAMS BY INITIATIVE/PROGRAM

INITIATIVE NAME	PROGRAM NAME	FY 2014-15		FY 2015-16		VARIANCE	
		REVISED	DRAFT (MAY)	CHANGES	FINAL (JUNE)	\$	%
2015-2020 STRATEGIC PLAN: FOCUSING FOR THE FUTURE							
<i>Investments and Approaches Reaffirmed by the Board and Aligned with SP</i>							
Families: Place-Based - Welcome Baby/Select Home Visiting	Family Strengthening Oversight Entity	\$ 3,172,000	\$ 3,418,000	\$ -	\$ 3,418,000	\$ 246,000	8%
	Family Strengthening Public Education	40,000	100,000	-	100,000	60,000	150%
	Select Home Visitation Programs	9,956,000	17,183,000	-	17,183,000	7,227,000	73%
	Welcome Baby Hospitals	12,848,000	15,902,000	-	15,902,000	3,054,000	24%
	Assessing Progress	302,000	-	-	-	(302,000)	-100%
	Best Start Metro LA ¹	885,000	1,112,000	-	1,112,000	227,000	26%
	Long-Term Business Model Transition ²	153,000	28,000	-	28,000	(125,000)	-82%
	Marketing & Communications	1,775,000	1,870,000	-	1,870,000	95,000	5%
	Neighborhood Action Councils	1,902,000	-	-	-	(1,902,000)	-100%
	Partnership Capacity Building ³	2,203,000	2,933,000	-	2,933,000	730,000	33%
Communities: Place-Based - Community Capacity Building	Partnership Support ⁴	3,946,000	2,323,000	-	2,323,000	(1,623,000)	-41%
	Resident Engagement ⁵	1,820,000	3,520,000	-	3,520,000	1,700,000	93%
	Results-Focused Actions ⁶	1,824,000	5,243,000	-	5,243,000	3,419,000	187%
	Early Learning Advocacy Strategies ⁷	535,000	2,055,000	-	2,055,000	1,520,000	284%
	Federal Policy and Sustainability Advocate	127,000	127,000	-	127,000	-	0%
	Opinion Research	75,000	75,000	-	75,000	-	0%
	Policy Briefs	50,000	100,000	-	100,000	50,000	100%
	State Policy and Sustainability Advocate	308,000	440,000	-	440,000	132,000	43%
	Communications & Marketing ⁸	2,559,000	4,672,000	-	4,672,000	2,113,000	83%
	Conference Funding	218,000	200,000	-	200,000	(18,000)	-8%
Sub-Total		\$ 44,698,000	\$ 61,301,000	\$ -	\$ 61,301,000	\$ 16,603,000	37%
<i>Existing Investments Potentially Aligned with SP</i>							
Healthy Kids	Healthy Kids Insurance Coverage	\$ 600,000	\$ 250,000	\$ -	\$ 250,000	\$ (350,000)	-58%
	Healthy Kids Outreach, Enrollment, Retention, and Utilization	4,692,000	2,000,000	-	2,000,000	(2,692,000)	-57%
	211 LA County	1,340,000	1,340,000	-	1,340,000	-	0%
	Performance Based Agreement (Consulting)	20,000	20,000	-	20,000	-	0%
Sub-Total		\$ 6,652,000	\$ 3,610,000	\$ -	\$ 3,610,000	\$ (3,042,000)	-46%
<i>New Investments Under Development, to be Aligned with SP (Strategic Plan Implementation Fund)</i>							
Families Communities	Early Care & Education (ECE) Systems	\$ -	\$ 636,000	\$ -	\$ 636,000	\$ 636,000	N/A
	Health, Mental Health & Substance Abuse Systems	-	1,093,750	-	1,093,750	1,093,750	N/A
	Other/Cross-Cutting Activities	-	370,000	-	370,000	370,000	N/A
		-	546,250	-	546,250	546,250	N/A
		250,000	490,000	-	490,000	240,000	96%
Sub-Total		\$ 250,000	\$ 3,136,000	\$ -	\$ 3,136,000	\$ 2,886,000	1154%
TOTAL 2015-2020 STRATEGIC PLAN: FOCUSING FOR THE FUTURE		\$ 51,600,000	\$ 68,047,000	\$ -	\$ 68,047,000	\$ 16,447,000	32%

BUDGET REQUEST FOR PROGRAMS BY INITIATIVE/PROGRAM

INITIATIVE NAME	PROGRAM NAME	FY 2014-15		FY 2015-16		VARIANCE	
		REVISED	DRAFT (MAY)	CHANGES	FINAL (JUNE)	\$	%
LEGACY INVESTMENTS							
At-Risk Fathers Investment	At-Risk Fathers Investment	\$	\$	\$	\$	\$	
	Baby Friendly Hospital Project - Cycle 1	40,000	-	-	-	148,000	7400%
	Baby Friendly Hospital Project - Cycle 2	574,000	-	-	-	(40,000)	-100%
	Baby Friendly Hospital Project - Cycle 3	1,204,000	645,000	-	645,000	(574,000)	-100%
	Baby Friendly Hospital Project - Cycle 4	-	600,000	-	600,000	(559,000)	-46%
	Birth Outcomes and Disparities - Policy and Systems Change	500,000	500,000	-	500,000	600,000	N/A
	Black Infant Health Program	1,452,000	1,455,000	20,000	1,475,000	23,000	2%
	Children's Dental Care Program	8,451,000	9,260,000	1,396,000	10,656,000	2,205,000	26%
	Children's Vision Care	1,342,000	1,395,000	(54,000)	1,341,000	(1,000)	0%
	Capacity Building Grants	4,000	-	-	-	(4,000)	-100%
	Policy Grants	138,000	-	-	-	(138,000)	-100%
Early Identification and Intervention - Autism and Other Developmental Delays	Early Identification and Intervention - Autism and Other Developmental Delays	854,000	818,000	-	818,000	(36,000)	-4%
ECE Environmental Scan	ECE Environmental Scan	211,000	80,000	-	80,000	(131,000)	-62%
Family Place Libraries	Family Place Libraries	124,000	-	-	-	(124,000)	-100%
Healthy Food Access	Children's Garden Collaborative	1,364,000	1,389,000	-	1,389,000	25,000	2%
	Market Match	577,000	675,000	-	675,000	98,000	17%
Little by Little/One Step Ahead Program	Little by Little/One Step Ahead Program	3,647,000	3,515,000	-	3,515,000	(132,000)	-4%
Los Angeles Universal Preschool	Los Angeles Universal Preschool	54,245,000	55,423,000	-	55,423,000	1,178,000	2%
Oral Health & Nutrition	Dental Health Innovation	720,000	-	-	-	(720,000)	-100%
	Oral Health & Nutrition	159,000	-	-	-	(159,000)	-100%
Oral Health & Nutrition - Dental Home	Oral Health & Nutrition - Dental Home	3,600,000	3,904,000	-	3,904,000	304,000	8%
Oral Health & Nutrition - Safety Net	Oral Health & Nutrition - Safety Net	55,000	-	-	-	(55,000)	-100%
Oral Health Community Development	Oral Health Community Development	2,000	-	-	-	(2,000)	-100%
Parent Child Interaction Therapy	Parent Child Interaction Therapy	4,672,000	4,642,000	-	4,642,000	(30,000)	-1%
Partnerships for Families	Partnerships for Families	5,488,000	150,000	-	150,000	(5,338,000)	-97%
Peer Support Groups for Parents	Peer Support Groups Lead Agency	867,000	1,352,000	-	1,352,000	485,000	56%
	Peer Support Groups Training and Technical Assistance Provider	191,000	117,000	-	117,000	(74,000)	-39%
	Policy Advocacy Fund - I	1,460,000	805,000	-	805,000	(655,000)	-45%
	Policy Advocacy Fund - II	1,622,000	1,276,000	-	1,276,000	(346,000)	-21%
Policy Advocacy Fund	Policy Advocacy Fund Technical Assistance Provider	113,000	113,000	-	113,000	-	0%
	Policy Capacity Building Support	140,000	-	-	-	(140,000)	-100%
Reducing Childhood Obesity	Reducing Childhood Obesity	13,387,000	15,462,000	-	15,462,000	2,075,000	16%
	DonorsChoose.org	113,000	-	-	-	(113,000)	-100%
Resource Mobilization - ECE	ECE Recoverable Grant	225,000	925,000	-	925,000	700,000	311%
	Grade Level Reading Campaign	105,000	300,000	-	300,000	195,000	186%
Resource Mobilization - Funder Partnerships	Emerging Funder Collaboratives	-	30,000	-	30,000	30,000	N/A
	LA-N-Sync	25,000	15,000	-	15,000	(10,000)	-40%
	Los Angeles Partnership for Early Childhood Investment	376,000	15,000	-	15,000	(361,000)	-96%
	Los Angeles Place-Based Learning Group	15,000	-	-	-	(15,000)	-100%
Resource Mobilization - Health	Built Environments	1,000,000	-	-	-	(1,000,000)	-100%
	Early Childhood Linkages to Wellness	1,154,000	1,250,000	-	1,250,000	96,000	8%
	Freshworks Fund	1,640,000	290,000	-	290,000	(1,350,000)	-82%
Resource Mobilization - Matching Grants	211 Developmental Screening and Care Coordination	146,000	-	-	-	(146,000)	-100%
	Matching Grant Program	17,000	-	-	-	(17,000)	-100%
Resource Mobilization - Organizational Capacity Building	Challenge Grants/Social Enterprise Grants Program	226,000	-	-	-	(226,000)	-100%
	Organizational Capacity Building	550,000	550,000	-	550,000	-	0%

BUDGET REQUEST FOR PROGRAMS BY INITIATIVE/PROGRAM

INITIATIVE NAME	PROGRAM NAME	FY 2014-15		FY 2015-16		VARIANCE	
		REVISED	DRAFT (MAY)	CHANGES	FINAL (JUNE)	\$	%
Resource Mobilization - Project Development	Consulting	150,000	-	-	-	(150,000)	-100%
	Convenings	100,000	-	-	-	(100,000)	-100%
Substance Abuse Treatment Services	Strengthening Families	100,000	-	-	-	(100,000)	-100%
	Access to Substance Abuse Services	4,055,000	-	-	-	(4,055,000)	-100%
Universal Assessment of Newborns	Tot Parks and Trails	1,934,000	350,000	310,000	660,000	(1,274,000)	-66%
	Welcome Baby Hospitals	7,058,000	8,785,000	-	8,785,000	1,727,000	24%
Workforce Development	CARES Plus	2,000,000	2,000,000	-	2,000,000	-	0%
	P-5 Workforce Development Core Competencies	718,000	522,000	-	522,000	(196,000)	-27%
Workforce Development - ECE Career Development Policy Project	ECE Workforce Policy Project	1,151,000	-	-	-	(1,151,000)	-100%
	ECE Workforce Consortium	13,090,000	12,798,000	-	12,798,000	(292,000)	-2%
TOTAL LEGACY INVESTMENTS		\$ 143,153,000	\$ 131,556,000	\$ 1,672,000	\$ 133,228,000	\$ (9,925,000)	-7%
RESEARCH AND EVALUATION							
Data Development and Integration	Best Start - Family Survey	\$ 27,000	\$ -	\$ -	\$ -	\$ (27,000)	-100%
	Data consultant ⁹	10,000	8,000	-	8,000	(2,000)	-20%
Data Partnership with Funders	Data Requests	5,000	10,000	-	10,000	5,000	100%
	Dissemination	36,000	42,000	-	42,000	6,000	17%
Program Evaluation	First 5 LA Contracts and Grants Program Reporting Database ¹⁰	187,000	200,000	-	200,000	13,000	7%
	LA County Data Match	25,000	-	-	-	(25,000)	-100%
	Los Angeles County Health Survey	1,019,000	28,000	80,000	108,000	(911,000)	-89%
	Los Angeles County P-5 Asset Mapping	335,000	13,000	-	13,000	(322,000)	-96%
	Los Angeles Mommy and Baby (LAMB) Project	574,000	260,000	-	260,000	(314,000)	-55%
	Maternal Infant Hospital Assessment	-	105,000	-	105,000	105,000	N/A
	SharePoint	135,000	-	-	-	(135,000)	-100%
	Stronger Families Database	847,000	880,000	-	880,000	33,000	4%
	WIC Data Mining Research Partnership	320,000	320,000	-	320,000	-	0%
	Workforce Registry	500,000	581,000	-	581,000	81,000	16%
	Children's Data Network (CDN)	1,000,000	900,000	-	900,000	(100,000)	-10%
	Best Start Evaluation	1,105,000	285,000	-	285,000	(820,000)	-74%
Program Evaluation	Black Infant Health Evaluation	75,000	-	-	-	(75,000)	-100%
	Countywide Systems Improvement Evaluation	171,000	61,000	-	61,000	(110,000)	-64%
	Early Identification and Intervention - Autism and Other Developmental Delays Evaluation	5,000	100,000	-	100,000	95,000	1900%
	Home Visiting Evaluation	727,000	-	-	-	(727,000)	-100%
	Little by Little/One Step Ahead Evaluation	51,000	10,000	-	10,000	(41,000)	-80%
	Los Angeles Universal Preschool Evaluation - Universal Preschool Child Outcomes Study	810,000	109,000	-	109,000	(701,000)	-87%
	Medi-Cal Match Feasibility Study*	-	45,000	-	45,000	45,000	N/A
	Obesity Prevention & Nutrition Collective Impact Evaluation	228,000	720,000	-	720,000	492,000	216%
	Parent-Child Interaction Therapy Evaluation	158,000	47,000	-	47,000	(111,000)	-70%
	Peer Support Groups for Parents Implementation Evaluation	75,000	62,000	-	62,000	(13,000)	-17%
	Permanent Supportive Housing Implementation Study	85,000	-	-	-	(85,000)	-100%
	Policy/Advocacy Evaluation	70,000	-	-	-	(70,000)	-100%
Professional Development Program Evaluation ¹¹	Professional Development Program Evaluation ¹¹	2,565,000	1,743,000	(242,000)	1,501,000	(1,064,000)	-41%
	Professional Development System Study ¹²	12,000	340,000	-	340,000	328,000	2733%
Universal Screening Psychometric Study*	Universal Screening Psychometric Study*	-	170,000	-	170,000	170,000	N/A
	Welcome Baby Impact Study*	-	360,000	(85,000)	275,000	275,000	N/A
Welcome Baby Implementation and Outcomes Evaluation*		-	515,000	-	515,000	515,000	N/A

BUDGET REQUEST FOR PROGRAMS BY INITIATIVE/PROGRAM

INITIATIVE NAME	PROGRAM NAME	FY 2014-15 REVISED	DRAFT (MAY)	FY 2015-16		VARIANCE	
				CHANGES	FINAL (JUNE)	\$	%
Research Partnerships	Kindergarten Readiness Indicator Development - Early Development Index (EDI) Project	131,000	-	-	-	(131,000)	-100%
	Oral Health Study	42,000	-	-	-	(42,000)	-100%
	Research Advisory Committee	25,000	-	-	-	(25,000)	-100%
Results Dissemination	Research Briefs	5,000	-	-	-	(5,000)	-100%
TOTAL RESEARCH AND EVALUATION		\$ 11,360,000	\$ 7,914,000	\$ (247,000)	\$ 7,667,000	\$ (3,693,000)	-33%
TOTAL FIRST 5 LA PROGRAM BUDGET		\$ 206,113,000	\$ 207,517,000	\$ 1,425,000	\$ 208,942,000	\$ 2,829,000	1%

Notes:

* These projects were budgeted within the Home Visiting Evaluation program in FY 2014-15, but were separated as discrete programs for FY 2015-16.

1. This program was referred to as "Best Start LA Pilot Community" in FY 2014-15.
2. This program was referred to as "BSFF Alignment: Capacity Development" in FY 2014-15.
3. This program was referred to as "LBD: Partnership Capacity Building and Planning" in FY 2014-15.
4. This program was referred to as "LBD: Community Convenings" in FY 2014-15.
5. This program was referred to as "LBD: Resident Engagement" in FY 2014-15.
6. This program was referred to as "LBD: Results-Focused Actions" in FY 2014-15.
7. This program was referred to as "Sustainability and Leveraging Support" in FY 2014-15.
8. This program was referred to as "Public Education - Marketing & Communications" in FY 2014-15.
9. This program was referred to as "Consent and Confidentiality" in FY 2014-15.
10. This program was referred to as "Getting Better Data Database" in FY 2014-15.
11. This program was referred to as "Professional Development Evaluation" in FY 2014-15.
12. This program was referred to as "Workforce Systems Improvement Evaluation" in FY 2014-15.

OPERATING REQUEST SUMMARY

OPERATING COSTS SUMMARY FY 2015-16						
	FY 2014-15		FY 2015-16			
	Revised Budget	Estimated Expenditures	Variance	Draft Proposed Budget (May 2015)	Final Proposed Budget (June 2015)	Variance from FY 2014-15
Personnel Services	11,347,496	10,147,754	1,199,742	12,387,038	12,387,038	1,039,542
Total Salaries	3,409,644	2,546,197	863,447	3,980,943	3,980,943	571,299
Total Employee Benefits	14,757,140	12,693,951	2,063,189	16,367,981	16,367,981	1,610,841
General Operating Expenses						
6131 ADP Payroll Charges	30,000	27,000	3,000	31,000	31,000	1,000
6132 Workers' Compensation Insurance	123,500	96,173	27,327	100,000	100,000	(23,500)
6202 Utilities	160,000	153,000	7,000	155,000	155,000	(5,000)
6203 Corporate Insurance	73,500	66,136	7,364	76,000	76,000	2,500
6205 Mileage and Parking	63,150	37,203	25,947	61,850	61,850	(1,300)
6206 Telephones and Modems	75,650	75,888	(238)	65,000	65,000	(10,650)
6207 Cell Phones and Mobile Devices	70,620	32,896	37,724	52,250	52,250	(18,370)
6208 Outside Printing	24,500	7,808	16,692	19,200	19,200	(5,300)
6209 Other Supplies	12,150	-	12,150	12,150	12,150	-
6210 Postage and Delivery	13,300	13,248	52	13,300	13,300	-
6211 Educational Supplies	5,600	2,175	3,425	5,300	5,300	(300)
6212 Office Supplies	67,980	35,831	32,149	83,980	83,980	16,000
6214 Subscriptions and Publications	6,850	1,068	5,782	10,060	10,060	3,210
6218 Equipment Rental	120,000	120,000	-	118,200	118,200	(1,800)
6220 Building Repairs and Maintenance	195,000	147,129	47,871	180,000	180,000	(15,000)
6221 Equipment Repairs and Maintenance	59,200	780	58,420	32,000	32,000	(27,200)
6222 Offsite Storage	20,600	12,110	8,490	23,700	23,700	3,100
6223 Hardware and Software Maintenance	166,500	124,160	42,340	258,000	258,000	91,500
6230 Miscellaneous Service Charges	57,000	12,000	45,000	27,000	27,000	(30,000)
6231 Miscellaneous/Contingency	50,000	-	50,000	75,000	75,000	25,000
Total General Operating Expenses	1,395,100	964,605	430,495	1,398,990	1,398,990	3,890
Professional Services						
6502 Audit	70,056	33,120	36,936	70,000	70,000	(56)
6504 Legal	175,000	157,000	18,000	175,000	175,000	-
6507 Professional Dues	78,140	28,584	49,556	82,100	82,100	3,960
6508 First 5 California Association	50,000	50,000	-	50,000	50,000	-
6509 Professional Development	246,550	23,701	222,849	210,800	210,800	(35,750)
6512 Staff Recruitment	34,000	12,072	21,928	25,000	25,000	500
6514 Commission Stipends	34,000	34,000	-	34,000	34,000	-
6606 Human Resources Related Costs	40,000	18,612	21,388	68,000	68,000	28,000
Total Professional Services	718,246	357,089	361,157	714,900	714,900	(3,346)
Consultant Services						
6601 Consultant Fees	1,622,400	804,437	817,963	1,381,000	1,491,000	(131,400)
6602 Other Professional Fees	239,500	238,246	1,254	237,500	237,500	(2,000)
6603 External Reviewers	4,000	4,000	-	5,000	5,000	1,000
Total Consultant Services	1,865,900	1,046,683	819,217	1,623,500	1,733,500	(132,400)
Travel and Meeting Expenses						
6701 Airfare	79,282	32,776	46,506	86,242	86,242	6,950
6702 Program Events	15,000	4,893	10,107	40,000	40,000	25,000
6703 Lodging	83,222	46,985	36,237	84,876	84,876	1,654
6704 Conference Registration	82,485	67,477	15,008	89,485	89,485	6,990
6706 Local Meetings	159,700	144,845	14,855	115,900	115,900	(43,800)
6707 Per Diem	39,084	21,616	17,468	42,488	42,488	3,404
Total Travel and Meeting Expenses	458,793	318,592	140,201	458,991	458,991	198
Capital Improvements						
6216 Capital Outlay	160,000	95,535	64,465	120,000	120,000	(40,000)
6302 Capital Improvements	-	-	-	-	-	-
Total Capital Improvements	160,000	95,535	64,465	120,000	120,000	(40,000)
Total Operating Expenses	19,355,179	15,476,455	3,878,724	20,684,362	20,794,362	1,439,183

First 5 LA FY 2015-16 BUDGET Administrative Limit Calculation		
Departmental Budgets		
Board of Commissioners	\$	116,850
Executive		1,313,289
Chief Administrative		323,553
Contract Compliance		789,994
Facilities Management		809,600
Finance		1,243,463
Finance - MAA		173,027
Human Resources		921,217
Information Technology		1,559,405
Chief Program		385,269
Communications and Marketing		1,638,054
Office of Strategic Planning & Implementation		530,545
Salary & Benefits*		
Best Start Communities		348,271
Community Investments		250,215
Grants Management		228,916
Policy and Intergovernmental Affairs		235,640
Program Development		208,066
Research & Evaluation		307,263
Total FY 2015-16 Administrative Budget	\$	11,382,637
Total FY 2015-16 Operating Budget		20,794,362
Total FY 2015-16 Program Budget		208,942,000
Total FY 2015-16 Budget	\$	229,736,362
Administrative Cost Percentage		4.95%
* Directors and Administrative Assistants Only		

SCHEDULE OF AUTHORIZED POSITIONS

SCHEDULE OF AUTHORIZED POSITIONS						
Division/Department	FY 2014-15			Filled Positions as of April 1, 2015	FY 2015-16	
	Authorized Positions ¹	Amended Positions	Amended Authorized Positions		Baseline	New Positions
Executive Operations	4.5	0.5	5	5	0	5
Administration						
Chief Administrative	2	0	2	1	0	2
Contract Compliance	6	0	6	4	1	7
Facilities Management	0	0	0	0	0	0
Finance Operations	9	0	9	7	0	9
Medi-Cal Administrative Activities (MAA)	1	0	1	1	0	1
Grants Management	9	0	9	8	0	9
Human Resources	2.5	0	2.5	2.5	1	3.5
Information Technology	5	0	5	5	0	5
Office of Strategic Planning and Implementation	0	1	1	1	0	1
Programs						
Chief Program	1.5	0.5	2	1	0	2
Best Start Communities	34	0	34	32	-2	32
Community Investment	8	0	8	7	0	8
Policy and Intergovernmental Affairs	8	0	8	6	4	12
Program Development	17	0	17	15	0	17
Communications and Marketing	14	0	14	11	2	16
Research and Evaluation	19	0	19	15	0	19
	140.5	2	142.5	121.5	6	148.5

1) Based on approval of the Operating Budget for FY 2014-15 in June 2014.

ATTACHMENT B:

FY 2015-16

**PROPOSED BUDGET –
HIGHLIGHTS**

ATTACHMENT B: FY 2015-16 PROPOSED BUDGET – HIGHLIGHTS

The FY 2015-16 Proposed Budget represents a transitional budgeting approach. On the one hand, the budget proposes support for a number of programs that will soon be either ending or ramping down. At the same time, the budget proposes investments in priorities that continue in the new Strategic Plan—such as Welcome Baby and Select Home Visiting, the Best Start Communities, and policy efforts—and resources for more developmental activity to advance the 2015-2020 Strategic Plan.

Historically, the Commission approves the budget at the initiative level, with each initiative including one or more programs. These highlights include a summary of budget requests at the initiative level, specifically calling out investments that are large, high-profile, or Commission priorities. These highlights also include a high-level discussion of the estimated resources proposed for Year 1 activities related to the implementation of the 2015-2020 Strategic Plan. The highlights are organized according to the following investment areas:

1. 2015-2020 Strategic Plan: Focusing for the Future
 - a. Investments and Approaches Reaffirmed by the Board and Aligned with the Strategic Plan
 - b. Existing Investments Potentially Aligned with the Strategic Plan
 - c. New Investments Under Development, to be Aligned with the Strategic Plan (Strategic Plan Implementation Fund)
2. Legacy Investments
3. Research and Evaluation
4. Internal Operations

Further detail on each program budget request is provided in Attachment C, with the exception of the estimated resources proposed for Year 1 activities related to the implementation of the 2015-2020 Strategic Plan (Strategic Plan Implementation Fund). Further detail on the operating budget request by internal division and department—based on the existing organizational structure—is provided in Attachment D. While the budget document is intended to provide broad parameters around programmatic spending, it is important to note that much of the information included is subject to change, as funding requests were generated using the latest information available at the time the budget was developed. In addition, activities or funding estimates for contracts that have yet to be negotiated may be revised as appropriate.

1. 2015-2020 STRATEGIC PLAN: FOCUSING FOR THE FUTURE

a. Investments and Approaches Reaffirmed by the Board and Aligned with the Strategic Plan

This category includes those anchor activities outlined in the Strategic Plan that represent work already in progress, including the direct service Welcome Baby and Select Home Visiting programs, as well as the community capacity building work in the 14 Best Start Communities. This is consistent with the Commission’s dedication in the 2015-2020 Strategic Plan to promoting the Protective Factors, which encompass the skills and supports that families need to help their children succeed. The Strategic Plan demonstrates this commitment by affirming that “the Commission will continue to support family strengthening and community capacity-building in the 14 Best Start Communities,

consistent with First 5 LA's 2013 Building Stronger Families Framework (BSFF)", highlighting the critical nature of community environments to the advancement of the Protective Factors.

The category also includes approaches that were included as part of the 2015-2020 Strategic Plan that are key to advancing all four of the outcome areas established by the Plan, including policy and advocacy efforts, as well as communications and marketing.

Families: Place-Based – Welcome Baby/Select Home Visiting (\$36,603,000)

The place-based investments in Welcome Baby and Select Home Visiting represent ongoing programs that the Commission affirmed as core to advancing the Families outcome area defined in the 2015-2020 Strategic Plan. These activities directly support Strategy 1 of the Families outcome area, and begin with engaging families through Welcome Baby, a home visitation program designed to serve as an outreach to families at strategic points in time during pregnancy, birth, and post-natally. Welcome Baby provides parenting education and health promotion information, and invites families into an array of services and supports in their community. In addition, families receive information and support during each visit on topics such as breastfeeding, health, safety, postpartum depression and other issues.

All families delivering at participating hospitals, regardless of place of residence, will receive a Welcome Baby hospital visit at the time of their baby's birth. Families residing within a Best Start Community and identified as having a great risk for poor child outcomes will be eligible for referral to an intensive Select Home Visitation Program (Healthy Families America, Parents as Teachers or Triple-P).

Although other, less intensive parent education and support services may be available, the goal is to develop a network of high quality, evidence-based models to serve as the primary resource for high risk pregnant women and new parents. Families residing within a Best Start Community are eligible for up to nine Welcome Baby engagements: three prenatal, at the hospital, and up to five postpartum engagements. Families living outside Best Start communities and facing serious challenges in caring for their newborn due to such factors as lack of social supports or limited knowledge on infant care will receive up to three Welcome Baby postpartum home visits, as needed.

The components of this anchor investment are reflected in the table below, representing 17.6% of the overall program budget. FY 2015-16 reflects further ramp up of implementation of the Welcome Baby and Select Home Visiting programs, including an increased number of providers and increased enrollment, resulting in higher costs relative to FY 2014-15. For further information and detail on the budget amounts and activities anticipated to occur during FY 2015-16, please refer to Attachment C. Additional funding to support new components of the work within the Families outcome area will be requested as part of the Strategic Plan Implementation Fund (SPIF).

INITIATIVE/PROGRAM	Revised FY 2014-15 Budget		Proposed FY 2015-16 Budget	
Families: Place-Based - WB/SHV				
Welcome Baby Hospitals	\$ 12,848,000	49%	\$ 15,902,000	43%
Select Home Visitation Programs	9,956,000	38%	17,183,000	47%
Family Strengthening Oversight Entity	3,172,000	12%	3,418,000	9%
Family Strengthening Public Education	40,000	0%	100,000	0%
Total Families: Place-Based - WB/SHV	\$ 26,016,000	100%	\$ 36,603,000	100%

Communities: Place-Based – Community Capacity Building (\$17,029,000)

The place-based investments in the 14 Best Start Communities represent ongoing activities that the Commission affirmed as core to advancing the Communities outcome area defined in the 2015-2020 Strategic Plan. Most of the activities within this initiative support Strategies 1 and 2 of the Communities outcome area, including training and technical assistance for the Community Partnerships, seed funding to build social capital and promote civic engagement, and seed funding for efforts to bring organizations and members of the larger community together to improve coordinated service delivery.

The components of this anchor investment are reflected in the table below, representing 8.2% of the overall program budget. A key component of the initiative are the Results-Focused Actions (RFAs), which are designed to build community capacity as Community Partnerships implement actions to address their core results. First 5 LA began funding RFAs during FY 2014-15 as Community Partnerships developed strategies and activities through the Learning by Doing (LBD) process, although these activities were delayed in FY 2014-15 due to the additional time necessary to conduct the LBD process. Because of this delay, the FY 2014-15 funding for this line item was decreased at mid-year, and spending for these activities is expected to ramp up in FY 2015-16. The RFAs that will continue in FY 2015-16 will be based on the decisions that have been made throughout the LBD process, and will be provided to organizations based on criteria established in conjunction with the Community Partnerships. As the Partnerships ramp up their activity

For further information and detail on the budget amounts and activities anticipated to occur during FY 2015-16, please refer to Attachment C. Additional funding to support new aspects of the work within the Communities outcome area will be requested as part of SPIF.

INITIATIVE/PROGRAM	Revised		Proposed		
	FY 2014-15 Budget		FY 2015-16 Budget		
Communities: Place-Based - Community Capacity Building					
Best Start Metro LA	\$	885,000	6%	\$ 1,112,000	7%
Long-Term Business Model Transition		153,000	1%	28,000	0%
Assessing Progress		302,000	2%	-	0%
Marketing & Communications		1,775,000	12%	1,870,000	11%
Neighborhood Action Councils		1,902,000	13%	-	0%
Partnership Capacity Building		2,203,000	15%	2,933,000	17%
Partnership Support		3,946,000	27%	2,323,000	14%
Resident Engagement		1,820,000	12%	3,520,000	21%
Results-Focused Actions		1,824,000	12%	5,243,000	31%
Total Communities: Place-Based - Community Capacity Building	\$	14,810,000	100%	\$ 17,029,000	100%

Policy Agenda/Advocacy (\$2,797,000)

First 5 LA has invested in key activities to support its work in Home Visiting (HV), Early Care and Education (ECE) and to develop/explore issues related to the 2015-2020 Strategic Plan. The Policy Agenda/Advocacy initiative includes multiple components, including resources funding opinion research, policy briefs, and the work of both the federal and state policy advocates that broadly support First 5 LA priority policy and sustainability issues, aligned with the Strategic Plan. In addition, resources are included to support early learning advocacy strategies, with anticipated work during FY 2015-16 on policy technical assistance to support the HV and ECE coalitions in Sacramento, LA County Early Childhood Education Local Control Funding Formula Coalition, the LA County Home

Visiting Consortium, establishment of ECE policy activities in LA County related to the 2015-2020 Strategic Plan and parent advocacy efforts in the county.

Communications & Marketing (\$4,672,000)

The 2015-2020 Strategic Plan places an emphasis on policy and systems change across the goal areas of Families, Communities, Early Care and Education and Health-systems. During FY 2015-16, the Communications and Marketing Department will work collaborative across the organization to develop and execute communications strategies that advance the new plan's outcomes and priority focus areas. With the Strategic Plan's shift in emphasis, the work will seek to leverage opportunities that demonstrate the impact our investments are having and to illustrate what policy and systems change can mean for children prenatal to age 5 and their families. This will be accomplished through the implementation of public education, social marketing and strategic communications efforts. In addition, in-house marketing and communications support will be provided to develop, enhance or promote First 5 LA's overall programmatic efforts.

The proposed FY 2015-16 budget includes resources for ongoing public education and social marketing efforts, strategic communications, public relations, maintenance of the First 5 LA website, community event participation and sponsorships, the development and distribution of promotional and collateral materials, and the ongoing development of messages and the training for staff and First 5 LA representatives on their use, all in service of a more effective implementation of our Strategic Plan outcomes for young children and families.

b. Existing Investments Potentially Aligned with the Strategic Plan

This category includes two investments that have already been presented to the Commission in the context of the expiring initiatives process, for which FY 2015-16 activities and costs may be modified during the fiscal year to align with the Strategic Plan. These investments will be subject to additional analysis and consideration of their alignment to the strategies and outcomes of the new Strategic Plan. Other investments that went through the expiring initiatives assessment process during FY 2014-15 are reflected in the Legacy Investment category because the work to be conducted during FY 2015-16 reflects a continuation of ongoing work, with no anticipated alignment of FY 2015-16 activities to the new Strategic Plan.

Information Resource and Referral (\$1,360,000)

Since the Information Resource and Referral (IR&R) approach is relevant to achieving the outcomes of the Strategic Plan, staff recommended through the expiring initiatives assessment process that the existing relationship with the Information and Referral Federation of Los Angeles County, Inc. ("211 LA County") be continued through June 2016 at the current level, while additional work will be conducted during FY 2015-16 to align the current work with the 2015-2020 Strategic Plan as the strategy refinement process continues and the potential alignment opportunities become apparent.

Currently, 211 LA County provides services to more than 600,000 clients each year and covers the following components: 1) efficient and timely response to pregnant women and parents/primary caregivers of children ages 0-5; 2) Community Resource Advisors (CRAs) provide accurate and knowledgeable information to the target population; and 3) face-to-face comprehensive information and referral is provided at the Los Angeles Family Court location. Through 211's comprehensive database, the information available and referrals given covers a broad range of issues pertinent to

the 0-5 population such as health insurance, child care, health care providers, and parenting support. While this current work will continue during FY 2015-16, it is anticipated that modifications to activities will be made during the fiscal year to better align the current activities with the 2015-2020 Strategic Plan strategies.

Healthy Kids (\$2,250,000)

Through the expiring initiatives assessment process, staff recommended that the existing relationships with LA Care and the Department of Public Health (DPH) be continued through December 2015. This six-month extension will support the transition of children insured by LA Care to alternative coverage and services. Support for DPH is recommended for six months to assist LA Care in the transition of Healthy Kids children to alternative coverage. In addition, DPH and its subcontractors recently provided First 5 LA information regarding the potential alignment of their work with the new Strategic Plan. First 5 LA staff is reviewing this information to inform a final recommendation to the Commission at its May meeting. The six-month extension for DPH will be funded through the approximately \$2 million remaining of their original allocation.

LA Care has a significant balance remaining of the approximately \$12.9 million that was initially advanced in FY 2012-13. While this contract was approved at a level of \$250,000 through December 2015, additional work will be conducted to determine whether there are potential uses for these remaining funds that align with the 2015-2020 Strategic Plan. Further budget authority will be requested in this area to spend down these resources during FY 2015-16 depending on the outcome of this alignment process.

c. New Investments Under Development, to be Aligned with the Strategic Plan (Strategic Plan Implementation Fund)

The Strategic Plan Implementation Fund (SPIF) represents an estimate of resources anticipated to be needed to support new work related to the anticipated Year 1 activities of the 2015-2020 Strategic Plan, based on the strategy refinement work done to date. As discussed at the Program and Planning Committee meeting on April 30, 2015, the overall purpose of the strategy refinement process was to continue developing the implementation requirements necessary to move forward the strategies identified in the Strategic Plan. This process was intended to inform how First 5 LA will use its resources to further the outcome areas outlined by the Plan by identifying those activities within the outcome areas that can reasonably be expected to take place during FY 2015-16, and providing realistic cost estimates needed to support these activities. This refinement process was accomplished by addressing the following questions:

- 1) What work is required to implement the strategies?
- 2) Who are the key partners needed to successfully implement this work?
- 3) How will the work be integrated, sequenced and coordinated across the outcomes and with ongoing work?
- 4) What are the Year 1 resources required to begin implementation?

This refinement process was also approached based on the following criteria:

- 1) How does the proposed work align to the investment guidelines?
- 2) Is the proposed work critical to achieving impact as shown by evidence or best practice?
- 3) Is First 5 LA uniquely positioned to add value given the current landscape?

- 4) To what extent does the proposed work contribute to sustainability of the system?
- 5) Is the proposed work feasible, given personnel and funding realities?

While the refinement process provided a comprehensive look into the anticipated activities for FY 2015-16, it also yielded a number of critical considerations to keep in mind. Most importantly, it became clear that the proposed work within the four outcome areas are at very different stages of development. For example, the organization’s Welcome Baby and Select Home Visiting and the community capacity building work within the Best Start Communities, within the Families and Communities outcome areas, respectively, represent ongoing work already in progress, while much of the proposed work in the ECE and Health Systems outcome areas are still in the early stages of development.

Similarly, the refinement process identified that systems change efforts require time and effort to effectively develop the partnerships necessary to achieve the desired goals. It will also be necessary for partnership engagement and management to be coordinated for effective and successful collaboration across the planned activities. In addition, monitoring, evaluation and learning (MEL) activities are critical to assessing First 5 LA’s impact and to inform necessary mid-course corrections.

The refinement process also identified that some of the emerging work has the potential to advance more than one outcome area, and as such, implementation will be coordinated across strategies as appropriate. The work will also be sequenced and paced to support First 5 LA’s organizational transformation to a new internal structure.

The resources proposed within this category represent *costs related to new work only*. It is important to note that costs reflected below are approximate, reflecting the best thinking to date regarding the potential needs for Year 1 activities. As the scope of tasks for FY 2015-16 is clarified through continued refinement work, additional information to further define the use of funds will be provided through standard operating procedures. Ongoing work currently underway is reflected in other areas of the FY 2015-16 program budget.

2015-2020 STRATEGIC PLAN OUTCOME AREA	Proposed FY 2015-16 Budget	
Families	\$ 636,000	20%
Communities	1,093,750	35%
Early Care & Education (ECE) Systems	370,000	12%
Health, Mental Health & Substance Abuse Systems	546,250	17%
Other/Cross-Cutting Activities	490,000	16%
Total Strategic Plan Implementation Fund	\$ 3,136,000	100%

Families (\$636,000)

Much of the planned FY 2015-16 work in the Families outcome area represents ongoing work related to First 5 LA’s investments in Welcome Baby and Select Home Visiting. These costs are detailed under item 1.a. above.

New work for FY 2015-16 related to the Families outcome area includes further work around program implementation and research to build the evidence base of Abriendo Puertas and Project Dulce, as well as the integration of the family protective factors in county- and community-based

agency programs via strategic communications on the family protective factors and coordination with prevention and aftercare networks. This includes tasks such as:

- Developing an advocacy strategy to support parent engagement programs (\$140,000);
- Developing an implementation plan for a pilot of Project Dulce (\$150,000);
- Convening the Abriendo Puertas design and implementation team (\$196,000);
- Conducting a landscape of family protective factor measurement tools (\$100,000); and
- Developing an action plan with the Prevention and Aftercare Networks workgroup (\$50,000).

Communities (\$1,093,750)

Much of the planned FY 2015-16 work in the Communities outcome area represents ongoing capacity building work in the 14 Best Start Communities. Those costs are detailed under item 1.a. above.

Resources to support new work for FY 2015-16 related to the Communities outcome area includes funding for consultant expertise in Information Resource and Referral (IR&R) to establish a funding process and appropriate capacity building assistance to strengthen processes within the Best Start Communities (\$35,000). In addition, resources are included to support the coordination between Community Partnerships and advocacy organizations to improve places and spaces by building relationships between governmental and non-governmental coalitions and Community Partnerships to advocate for investments in built environments (\$1,057,750). Examples of tasks include:

- Providing training and technical assistance to advocacy groups to increase knowledge surrounding the specific needs relative to built environments for children ages 0-5; and
- Providing capacity building to Community Partnerships that have identified built environments as a priority; and
- Supporting community participation in a countywide comprehensive park needs assessment.

Early Care and Education (ECE) Systems (\$370,000)

New work for FY 2015-16 related to the ECE outcome area includes work around coordinating advocacy to increase public funding for quality ECE, supporting a Quality Rating Improvement System (QRIS), and improving ECE professional development systems. Resources are included to support the following tasks:

- Identification and funding of systems-level collaborative efforts aligned with the ECE strategies to advance policy and systems-level change (\$225,000);
- Joint planning and relationship building with key QRIS partners and collaborative work to track state QRIS work and determine strategies to advance QRIS support locally, regionally and statewide (\$80,000);
- Presenting findings from the landscape analysis of Kindergarten Readiness Assessments used by all school districts in the County (\$40,000); and
- Conducting a study of best practices for communication about quality ECE to parents, including the use of technology to inform child care choices (\$25,000).

Health, Mental Health & Substance Abuse Systems (\$546,250)

New work for FY 2015-16 related to the Health outcome area includes work primarily around Help Me Grow and knowledge and practice of trauma-informed care. Resources are included to support the following tasks:

- Conducting an environmental scan to support the identification of partners to participate in broader Help Me Grow learning, including identification of platforms for provider training, regional focus for initial efforts, local partnerships and philanthropic organizations (\$150,000);
- Establishing and convening an initial partner collaborative to support learning around Help Me Grow (\$100,000);
- Conducting an environmental scan and identifying policy issues related to trauma-informed care (\$240,000);
- Engage experts, partners and funders to participate in a learning community on trauma-informed care (\$26,250); and
- Identifying additional knowledge gaps and conducting supplementary scans or research as needed (\$30,000).

Other/Cross-Cutting Activities (\$490,000)

Resources are also included in SPIF for anticipated activities that outside the four outcome areas that broadly support the implementation of the 2015-2020 Strategic Plan. This includes resources to support the following tasks:

- Building internal knowledge and capacity and supporting emerging needs of grantees and contractors around Welcome Baby, QRIS, developmental delays and trauma-informed care (\$100,000);
- Development of a contact relationship database to track partnership development contacts, interactions, and other business process improvements (\$140,000);
- Coordinating with consultant experts as necessary to support First 5 LA's work around emerging leveraging opportunities and to provide technical assistance for innovative investments (e.g., Pay for Success) to support the implementation of strategies across the four outcome areas (\$150,000); and
- Convening public and private funders and other external stakeholders to coordinate and align investments across the outcome areas to achieve maximum long-term impact, such as convening stakeholders to educate and engage on the Local Control Funding Formula, Kindergarten Readiness Assessments, Quality Rating Improvement Systems, home visitation, capacity building and parent engagement (\$100,000).

2. LEGACY INVESTMENTS

These investments represent ongoing work of the Commission that is expected to end according to the terms of the project approval. This includes investments that have gone through the expiring initiatives assessment process and were recommended to end according to schedule based on insufficient alignment of the work relative to the 2015-2020 Strategic Plan, or for which the alignment of activities to the Strategic Plan is expected to take place in a future fiscal year. This category also includes investments that may align with the outcomes and strategies of the Strategic Plan, but

which have yet to go through the assessment process. These will be evaluated in the future consistent with the First 5 LA Governance Guidelines and the expiring initiatives assessment process.

Children's Dental Care (\$10,656,000)

The Children's Dental Care initiative represents a continuing five-year investment to address the challenges facing pediatric dental health in LA County by focusing on providing services to children in greatest need of dental care. The initiative was designed as a collaborative, integrated effort with three dental schools in the County—the University of California, Los Angeles (UCLA), University of Southern California (USC) and Western University—working together to create collective impact. FY 2015-16 will be the third year of the initiative, and will focus on providing direct oral health services to children ages 0-5, parent education and provider training. The collaboration activities between the three schools will continue through quarterly meetings focused on program evaluation and sustainability.

Healthy Food Access (\$2,064,000)

The Healthy Food Access initiative is intended to increase families' access to fresh fruits and vegetables by providing funding to construct, operate and/or maintain local community gardens for low-income children and their families and to promote the purchase of healthy fruits and vegetables for low-income children through a "fruit and veggie voucher" subsidy. The currently funded programs under this initiative are the Children's Garden Collaborative and Market Match, both of which encompass goals that are broadly aligned with the strategy within the Communities outcome area that communities have physical places and spaces that promote healthy living and encourage interaction.

The Children's Garden Collaborative focuses on designing and constructing community gardens to provide families with space to grow fresh fruits and vegetables. During FY 2015-16, two additional gardens are expected to be completed, each serving a minimum of 30 families. Garden members also receive gardening and nutrition classes supported by leveraged funds. Each garden will have a network of support to rely on for sustainability purposes that includes community members and local stakeholders, including elected officials. This is the fourth year of a five-year partnership, expected to end in FY 2016-17.

Market Match leverages an existing fruit and veggie voucher program to increase the purchase and consumption of fresh fruit and vegetables by families with children ages 0-5. Market Match is a voucher system that matches a family's purchase amount when using certain purchasing methods at 19 farmers' markets in LA County. The families receive a dollar-for-dollar match up to \$10 that can only be spent on fruits and vegetables at the farmers' markets. This is the third year of a five-year partnership, expected to end in FY 2017-18.

Little by Little/One Step Ahead (\$3,515,000)

The Little by Little/One Step Ahead initiative is a continuing investment intended to improve health, developmental and safety outcomes for newborns in low-income communities for families receiving services through the Women, Infants and Children (WIC) in LA County. The initiative seeks to provide resources that the target population may not otherwise be able to afford, including early literacy and safety awareness education or counseling, along with vouchers for age appropriate

books, toys and safety items. To date, the program has been delivered in ten WIC sites across the County, eight of which are located either within or adjacent to one of the 14 Best Start Communities. The investment is anticipated to continue through September 2019.

Los Angeles Universal Preschool (\$55,423,000)

FY 2015-16 represents the final year of the Los Angeles Universal Preschool (LAUP) Master Agreement. Based on the recommendation from the expiring initiatives assessment process, this initiative was approved to continue beyond FY 2015-16 in order to spend the funds remaining from the original allocation, dependent on the alignment of activities to the 2015-2020 Strategic Plan. LAUP is reflected in the Legacy Investment category because the work to be conducted during FY 2015-16 reflects a continuation of ongoing work, with no anticipated alignment of FY 2015-16 activities to the new Strategic Plan.

The LAUP initiative provides access to quality early childhood education programs for children in Los Angeles County. Quality services are demonstrated through the 5-Star Quality Rating and Improvement System, which serves as a model for a statewide rating system. This system improves the effectiveness of classrooms and the overall educational experience through its intensive coaching model. LAUP is working towards creating new preschool spaces efficiently, making preschool more affordable, giving preschools the funding they need, continuously improving quality, providing families with the option of choosing from a wide range of LAUP preschool programs, and connecting programs to their communities.

Activities in FY 2015-16 will support Phase II implementation of the LAUP Business Plan, which include: planning and developing new business activities related to their QRIS (including a fee-for-service model), formalized communication with providers and families about the future of LAUP, development of a plan to reduce services, meeting current objectives outlined in the master agreement, and development of an internal reorganization.

Oral Health & Nutrition – Dental Home (\$3,904,000)

The Oral Health & Nutrition – Dental Home initiative reflects a continuing investment expected to end in June 2016. The overall goal of the initiative is to increase access to dental care for 13,000 children ages 0-5 and perinatal women by establishing dental homes in 12 Federally Qualified Health Centers (FQHCs) countywide. It is intended to be a comprehensive sustainable model that uses integrated service delivery to link local healthcare providers, childcare providers and families of children 0-5. In FY 2015-16, the FQHCs will continue capacity building activities and will fully implement systems/infrastructure improvements needed to improve the quality and efficiency of dental services and operations and to integrate medical and dental services so that children can receive more comprehensive services. Funds for this initiative were advanced to the contractor, UCLA, the balance of which is anticipated to be fully spent by the end of FY 2015-16.

Parent Child Interaction Therapy (\$4,642,000)

The overall goal of the Parent Child Interaction Therapy (PCIT) initiative is to utilize an evidence-based behavioral family intervention model, PCIT, to reduce risk of abuse in families with young children with serious disruptive behavior disorders by expanding access for young children and their families' to PCIT services. This is being accomplished by increasing the number of PCIT-certified mental health providers in LA County and expanding the number and capacities of clinical programs

to provide PCIT services. Capacity will be developed within the workforce and service delivery organizations throughout Los Angeles County to provide PCIT services for families with children 0-5 specifically by providing training opportunities to mental health professionals on the PCIT model. This five-year initiative is anticipated to end in FY 2016-17, with approximately 20 new agencies and four mental health professionals at each agency expected to be trained each year. FY 2015-16 activities are geared at improving workforce development and service delivery for 2-5 year olds' with disruptive behaviors and their caregiver/parents, with training offered for both new and advanced providers.

Policy Advocacy Fund (\$2,194,000)

The Policy-Advocacy Fund (PAF) initiative is a continuing investment designed to support a variety of strategies in the policy and advocacy arena that help advance the First 5 LA Policy Agenda. Grantees vary in size and strategic approach, such as community based organizing, administrative advocacy, legislative advocacy. PAF funding has been implemented over two cycles, with grant awards ranging from three to five years in length. In FY 2015-16 there will be eight Cycle I and ten Cycle II grantees active that employ a variety of strategies and activities to support their advocacy projects, such as administrative advocacy and implementation support, policy issue identification and development, policy education and advocacy, and community engagement.

Reducing Childhood Obesity (\$15,462,000)

The Reducing Childhood Obesity initiative represents a continuing four-year investment intended to address the growing epidemic of childhood obesity that impacts children and their families. The project aims to contribute to the adoption, implementation, and strengthening of policies, and systems and environmental changes in multiple sectors including government agencies, businesses, health care, and other community settings. These changes will benefit large segments of the county population and, in particular, will reach deeply into communities most severely impacted by the obesity epidemic. It was determined through the expiring initiatives assessment process that this initiative does not align with the strategies outlined in the 2015-2020 Strategic Plan. However, it was recommended that the initiative be extended for one year through FY 2016-17 in order to spend the balance of the funding allocation to achieve the project objectives, with no expectation that modifications will be made to align activities with the Strategic Plan. FY 2015-16 resources will support costs related to various direct services, public education, provider capacity building, community skill-building and policy/environmental change strategies.

Universal Assessment of Newborns (\$8,785,000)

The Universal Assessment of Newborns initiative aims to identify families at greatest risk/need and link them to supportive services by implementing a universal risk screening of all new parents at the birth of their child and providing up to three home visits, as needed, to offer basic supports and ensure linkages to needed services. This initiative is integrated with the Welcome Baby program implementation, with services delivered by the same hospital providers participating in Welcome Baby, and is an integral component of the 2015-2020 Strategic Plan and in alignment with the Families outcome, with a focus on increasing family protective factors. The target population for this initiative is the estimated 112,000 annual LA County births outside of First 5 LA's 14 Best Start communities. Program costs are anticipated to be higher in FY 2015-16 due to the addition of additional providers and expected increases in program enrollment.

Workforce Development (\$2,522,000)

The Workforce Development initiative is comprised of the continuing Comprehensive Approaches to Raising Education Standards (CARES) Plus and the Prenatal to Five (P-5) Workforce Development Core Competencies programs. CARES Plus is a professional development program designed to increase the quality of early learning programs for children 0 to 5 and their families by supporting the education and preparation of an effective, well-compensated and diverse early learning workforce. FY 2015-16 represents the final year of CARES Plus funding.

P-5 Workforce Development Core Competencies seeks to expand the Prenatal to Three Core Competencies to reflect content for professionals serving expectant parents and children 0-5. The Cross-sector Core Competencies identify the knowledge, skills and attitudes needed by professionals across the early care and education, early intervention, mental health, physical health and social services sectors. FY 2015-16 represents the third year of a five-year project spanning from 2013 to 2018. While the project does not have a multi-year allocation, the contractor was awarded an overall amount based on the expected five-year lifespan of the project. The decrease in funding needed for FY 2015-16 relative to the prior year is because there were greater needs in FY 2014-15 due to the development of online training.

Workforce Development – ECE Workforce Consortium (\$12,798,000)

The ECE Workforce Consortium creates an opportunity for collaboration among stakeholders across LA County to provide and improve available training and professional development to a wide spectrum of the current and potential ECE workforce. The project aims to increase the quality of early learning programs for young children by supporting the recruitment, education, preparation and retention of a diverse, high quality workforce. As the lead agency, LAUP ensures the continuation of collaborative efforts and promote recruitment and retention. Although FY 2015-16 represents the final year of the original project timeframe, this initiative was approved through the expiring initiatives assessment process to continue beyond FY 2015-16 in order to spend the funds remaining from the original allocation, dependent on the alignment of activities to the 2015-2020 Strategic Plan. The ECE Workforce Consortium is reflected in the Legacy Investment category because the work to be conducted during FY 2015-16 reflects a continuation of ongoing work, with no anticipated alignment of FY 2015-16 activities to the new Strategic Plan

3. RESEARCH AND EVALUATION

These include projects that align with and contribute to the outcomes and strategies of the 2015-2020 Strategic Plan, as well as ongoing projects aligned to our legacy investments. Proposed resources are based on the analysis presented to the Commission in March 2015 by the Research and Evaluation team and demonstrate First 5 LA's commitment to learning from our current and past investments. The Research and Evaluation Department is in the process of developing the Monitoring, Evaluation and Learning (MEL) Framework, which provides a comprehensive structure for organizing First 5 LA's Research and Evaluation activities. The transition to the new framework will occur during FY 2015-16 and may result in changes to how these items are categorized in the context of the fiscal year budget.

Data Development & Integration (\$2,527,000)

The Data Development & Integration initiative is a combination of the programs from FY 2014-15 that comprised the Data Systems Integration and the Data Development initiatives. For FY 2015-16, the costs for this initiative are driven by the following:

- Los Angeles Mommy and Baby (LAMB) Project (\$260,000) – This project is a mail-in survey, conducted by the Los Angeles County Department of Public Health (DPH), that is used to collect data on mothers and children in Los Angeles County. Its main objectives are to better understand the causes of poor birth outcomes in L.A. County, identify areas where help and resources are needed the most and improve the health and human services of future mothers and babies in the county. First 5 LA provides partial funding for the survey administration and analysis to increase our knowledge of new mothers in L.A. County and to improve the way we support that population. Specifically, since the new Strategic Plan places an emphasis on the use of data, the LAMB data can be mined to answer population level questions about LA County mothers.
- Stronger Families Database (\$880,000) – The Stronger Families Database is the administrative structure to track the clients served by the Welcome Baby and Select Home Visiting programs, which are a critical component of the 2015-2020 Strategic Plan. The FY 2015-16 budget will support and continue the build-out of the Database, which includes client-level data on services, screening, and assessments.
- WIC Data Mining Research Partnership (\$320,000) – In an effort to collect critical data about low-income families with children aged 0–5 in LA County, First 5 LA partnered with PHFE-WIC (WIC) to create the Data Mining Project. Since the new Strategic Plan places an emphasis on the use of data, this partnership can provide both county-level and community-specific data to inform the strategic planning implementation process.
- Workforce Registry (\$581,000) – This project continues to support the Child Care Alliance of Los Angeles (CCALA) to operate the offices of the Early Care and Education (ECE) Workforce Registry, which is aligned with the 2015-2020 Strategic Plan and is a proposed strategy within the ECE outcome area in an effort to strengthen the professional development system for ECE providers. CCALA will monitor and manage Registry data, provide technical support to Registry users, outreach to potential Registry users, support the ongoing development and refinement of the data system and pursue data sharing agreements with state and county agencies to expand the Registry to an increased number of users.

Program Evaluation (\$4,240,000)

Program Evaluation is the largest of the Research and Evaluation initiatives and is focused on both accountability and learning. The purpose and focus of the evaluations differ depending on the scale of the program being evaluated, the maturity of the program, as well as the capacity and resources of the grantees/contractors implementing the program to support evaluation and learning. Evaluation activities range from collecting and reporting common data from all grantees and contractors on services that were implemented as well as data on the recipients of those services to designing highly rigorous implementation and outcome evaluations of First 5 LA's flagship projects. For FY 2015-16, the costs for this initiative are driven by the following:

- Best Start Evaluation (\$285,000) – This project consists of two components, the completion of the developmental evaluation—which will describe the ongoing development and evolution of Best Start as related to the core results in the BSFF—and preparation for a separate comprehensive evaluation of Best Start.
- Obesity Prevention & Nutrition Collective Impact Evaluation (\$720,000) – First 5 LA partnered with a contractor to evaluate the collective impact of our nutrition and physical activity investments to help reduce early childhood obesity in LA County. The funds will be used to finalize the evaluation plan, obtain IRB approval, recruit and enroll participants, collect data, generate dissemination plans, and general project management. While the 2015-2020 Strategic Plan did not identify obesity prevention as a priority, the focus of this evaluation is on learning from the strategies that do align with the refined strategic approach (i.e., systems and policy change and community capacity building). Additionally, the Strategic Plan has identified moving forward with Collective Impact approaches to the work of First 5 LA, and this evaluation represents an initial effort to examine our investments using this approach.
- Professional Development Program Evaluation (\$1,501,000) – This evaluation is related to and will inform the ECE outcome area of the 2015-2020 Strategic Plan, specifically the strategy to “strengthen the professional development system for early care and education providers.” Findings from this evaluation will provide information about the ECE workforce and professional development system in LA County as well as evidence to support potential activities.
- Professional Development System Study (\$340,000) – This study seeks to gain an understanding of the current state of the ECE professional development system in the County to inform First 5 LA's professional development system improvement efforts in the Strategic Plan. FY 2015-16 funds will be used to finalize the evaluation plan, convene an advisory group, develop data collection protocols, gain IRB approval, collect data, conduct a literature review, conduct preliminary data analyses, and disseminate preliminary findings.
- Welcome Baby Impact Study (\$275,000) – The purpose of the Welcome Baby Impact Study is to determine if participation in Welcome Baby leads to changes in expected maternal and child variables. The study is expected to provide information to a variety of stakeholders about the effectiveness of Welcome Baby and is an integral part of the portfolio of evaluations being used to build an evidence-base to support sustainability efforts.
- Welcome Baby Implementation & Outcomes Evaluation (\$515,000) – This evaluation seeks to generate implementation and participant outcome findings that can be used by a broad array of Welcome Baby stakeholders when making decisions and mid-course corrections related to the program. As with the Welcome Baby Impact Study, this evaluation is part of the portfolio of evaluation efforts being used to improve and better understand Welcome Baby and to help support sustainability efforts.

4. INTERNAL OPERATIONS

Based on an analysis of historical spending for the past three fiscal years and projected expenditures through June 2015, as well as anticipated needs for FY 2015-16, the Proposed Budget includes approximately \$20.8 million for First 5 LA operating costs.

The \$20.8 million represents an increase of \$1.4 million, or 7.4% from the FY 2014-15 budget primarily due to the approval during FY 2014-15 of management recommendations related to the comprehensive compensation study of First 5 LA, including adjustments to bring employee compensation in alignment to the new compensation structure and philosophy and an enhancement to the retirement benefits offered by the organization. In addition, various position changes during FY 2014-15 and the addition of new positions for FY 2015-16 also increased the overall cost of personnel.

OPERATING COST CATEGORY	FY 2014-15 Budget				Proposed	
	Original		Revised		FY 2015-16 Budget	
Personnel Services	\$ 15,238,672	79%	\$ 14,757,141	76%	\$ 16,367,981	79%
General Operating Expenses	1,509,250	8%	1,395,100	7%	1,398,990	7%
Professional Services	722,846	4%	718,246	4%	714,900	3%
Consultant Services	1,394,900	7%	1,865,900	10%	1,733,500	8%
Travel & Meeting Expenses	329,511	2%	458,793	2%	458,991	2%
Capital Improvements	160,000	1%	160,000	1%	120,000	1%
Total Operating Costs	\$ 19,355,179	100%	\$ 19,355,180	100%	\$ 20,794,362	100%

During the L3 process as we “listened and learned,” we undertook important activities to identify ways to strengthen internal capacity, and thus, ensure First 5 LA is positioned to deliver on its mission and advance the Commission’s priorities. Based on the findings of L3, the employee engagement survey, and the ongoing organizational alignment work, staff and leadership have identified a number of priorities to support staff development and organizational capacity to execute:

- Staff training professional development: A clear and consistent finding of L3 and the employee engagement survey is the need for organization-wide staff training and development. To that end, resources are included to support professional development activities in relevant content and skills-based training opportunities, conference attendance and educational materials. As First 5 LA transitions to new investment priorities and undergoes an expected organizational realignment during FY 2015-16, these resources will be critical to ensure that staff are well equipped to perform the key job functions needed to advance the desired outcomes outlined in the Strategic Plan.
- Consulting services for continued organizational development and implementation of strategic planning efforts: As the strategy refinement process continues, we will maintain though scale back our existing relationships with strategic planning and organizational development consultants. These resources support the agency’s ability to coordinate, align, and sequence the strands of activity—strategy, staffing, business processes and structure—to effectively execute the new Strategic Plan.
- Position changes: Given the shift in organizational emphasis, the FY 2015-16 operating budget includes several position changes and additions, determined by management as essential to effective implementation of the new Strategic Plan. Additional changes are expected as the organizational transformation process evolves. These changes will be informed by organizational development processes underway and incorporated into mid-year budget adjustment recommendations to the Board.
- Implementation of compensation study recommendations: First 5 LA’s leadership commissioned a compensation study as directed by the Commission in 2012. Management

recommendations—informed by the results of this study and by a Commission-approved compensation philosophy to ensure internal equity in job content and pay, external competitiveness to attract and retain strong talent, alignment with competitive and best-practice compensation methods, and incentives for high-performing employees—were approved by the Commission during FY 2014-15. As approved by the Board, the resources to implement the second phase of salary compensation adjustments, as well as other components of the approved recommendations are reflected in the FY 2015-16 operating budget request

Attachment D provides further detail on the operating budget request by internal division and department, based on the existing organizational structure.

Highlights and Assumptions:

The total \$1.4 million net increase is driven by an increase in Salaries and Employee Benefits (S&EB), offset by decreases primarily in Consultant Services. As shown in the summary tables and departmental budgets in Attachment D, the budget includes many increases and decreases within individual departmental budgets, and the following are highlights of the major spending categories.

Salaries and Employee Benefits

Approximately \$16.4 million, or 78.7%, of the total \$20.8 million in operating costs is for S&EB. This represents an increase of about \$1.6 million, or 10.9% over the current fiscal year. A complete schedule of authorized positions may be found in Attachment A. Of the increase, approximately \$292,000 is due to the inclusion of resources to support a potential 3% merit pool based on ongoing work surrounding one of the remaining recommendations from the compensation study. The overall application of this merit pool will evolve as the organizational transformation process continues into FY 2015-16. In addition, we accounted for anticipated employee turnover by incorporating an estimated 3% attrition rate into the budgeted S&EB figures.

The remainder of the change is primarily related to the second phase of the salary adjustments approved during FY 2014-15 based on the compensation study recommendations (approximately \$211,000), the approved modification to the retirement benefits offered by First 5 LA (approximately \$379,000), and new positions included as part of the FY 2015-16 budget, as detailed in the table below (approximately \$620,000). Management asserts that position changes made during the course of the fiscal year are appropriate based on identified business need, to the extent that the organization expects to remain within the overall approved budget amount for the fiscal year. New and vacant positions are budgeted at 92.5% of the mid-range salary for the applicable classification level for a given position.

FY 2015-16 BUDGET: NEW POSITIONS		
Department	Position	Estimated Fiscal Impact
Policy & Intergovernmental Affairs	Policy Analyst II	\$ 77,000
	Program Officer II	77,000
	Senior Policy Analyst	85,000
	Senior Policy Program Officer	85,000
Communications & Marketing	Communications Officer II	70,000
	Social Media Coordinator	63,500
Contract Compliance	Contract Compliance Officer III	85,500
Human Resources	Human Resources Generalist	77,000
Total Estimated Fiscal Impact of New Positions		\$ 620,000

General Operating Expenses

General operating expenses comprise \$1.4 million, or 6.7% of the total proposed operating costs of \$20.8 million. This is a net increase of approximately \$93,000 related to an increase in costs related to hardware and software maintenance, as well as the reinstatement of a contingency that was reduced during the FY 2014-15 mid-year adjustment process, offset by additional decreases in other areas.

Professional Services

The budget includes approximately \$715,000 to support Professional Services, representing 3.4% of total proposed operating costs and a small decrease from the FY 2014-15 funding level. Consistent with FY 2014-15, these resources include funds related to findings from the employee engagement survey and L3 pointing to the need for more workforce professional development and training. As noted previously, these resources will be critical to ensure that staff are well equipped to perform the key job functions needed to advance the new work in order to achieve desired outcomes as First 5 LA transitions to a refined strategic focus and undergoes an anticipated organizational realignment during FY 2015-16.

Consultant Services

The budget includes approximately \$1.7 million for Consultant Services, representing 8.3% of total operating costs and a decrease of approximately \$132,000, or 7.1% from FY 2014-15. Major components of this budget include the following:

- Office of Strategic Planning and Implementation: The budget includes funding for consultant needs related to continued implementation efforts for the 2015-2020 Strategic Plan, including organizational alignment activities.
- Human Resources: The budget includes resources to support the current work underway to support the organizational development efforts, including the development of and training for a performance management system, a long-term needs assessment to support internal capacity, and executive recruitment, as well as the ongoing needs of the department.
- Information Technology: Resources will support improvements to First 5 LA's financial system, budget system and SharePoint, as well as ongoing programming needs.

Travel and Meeting

Travel and Meetings costs comprise 2.2% of the proposed operating costs at approximately \$459,000, representing a minor increase from the revised funding level for FY 2014-15.

Capital Improvements

The budget includes \$120,000 for purposes of capital improvements, a decrease of \$40,000, or 25.0% from FY 2014-15. This decrease is because funding in the FY 2014-15 was for anticipated one-time projects that are no longer applicable for FY 2015-16.

ATTACHMENT C:

PROGRAM REQUEST –
DETAIL BY PROGRAM
(change pages only)

Proposed Budget Fiscal Year: 2015 - 2016

Initiative	Investment Category.
Black Infant Health	Legacy Investments

Program Name	Prior Year Revised Budget	Revised Budget	Variance
Black Infant Health Program	\$1,452,000	\$1,475,000	0.0158

Program Summary

The Black Infant Health (BIH) Program is a state program of the California Department of Public Health to address the large and persistent disparities in maternal and infant health that affect the African American community. Programs are at local health jurisdictions where more than three quarters of African-American births occur in California. First 5 LA has been supporting three BIH Programs in Los Angeles County since 2009: Los Angeles County Department of Public Health (LAC DPH), the City of Pasadena, and the City of Long Beach. In November 2013, the Commission approved an allocation of \$7,262,415 to the BIH Program for five years beginning in FY 14-15.

The goal of the BIH Program is to improve the health of African American mothers and infants in California and decrease Black:White health disparities by empowering pregnant and parenting women to make healthier choices for themselves and their children. The City of Pasadena and the City of Long Beach are implementing the new model of the state BIH Program which includes a group-based approach (10 prenatal sessions and 10 postpartum sessions) with complementary client-centered case management to help women develop life skills, learn strategies for reducing stress, and build social support through a life-course perspective. Eligible clients for the new model include pregnant or parenting (up to 3 months postpartum) African American women who are 18 years of age or older. LAC DPH subcontracts with five community-based organizations to implement the old model of the state BIH program, which includes prenatal care outreach (home visits, referrals to family supportive services, health education, and cultural activities) and voluntary social support and empowerment group intervention (eight sessions). Eligible clients for the old model include pregnant or parenting African American women of children 15 months old or younger. LAC DPH will be transitioning to the new model of the state BIH Program in FY 16-17.

Spending Plan and Funding Methodology

First 5 LA is one of multiple funding streams needed to run the BIH Program. The BIH Program is supported by Title V State General Funds (reinstated in FY 14-15), Title XIX matching funds, and First 5 LA funds. The First 5 LA funding level for BIH was determined based on negotiations and estimates provided by each BIH grantee as follows:

1. The City of Long Beach is implementing the new model of the state BIH model. Major costs include supporting core staff to implement the program to fidelity: BIH coordinator, family health advocates (case managers), group facilitator, and mental health professional (social worker). Along with other program costs, funds are needed to recruit and enroll eligible clients into the program which uses a group-based approach with complementary client-centered case management to help women develop life skills, learn strategies for reducing stress, and build social support. The estimated budget for the City of Long Beach is \$217,000.
2. The City of Pasadena will also be implementing the new model of the state BIH model as mentioned above for the City of Long Beach. The estimated budget for the City of Pasadena is also \$217,000.
3. The Los Angeles County Department of Public Health (LAC DPH) is implementing the old model of the state BIH model. Major costs include subcontracting with five community-based organizations to implement the program. Funds are needed to conduct outreach and enroll eligible clients into the program which includes prenatal care outreach (home visits, referrals to family supportive services, health education, and cultural activities) and social support and empowerment group intervention. The estimated budget for LAC DPH is \$1,021,000.

The total FY 15-16 funding level requested for BIH is estimated to be approximately \$1,455,000.

UPDATE: For the updated June budget, this estimate was revised upward by \$20,000 to account for a final negotiated contract amount for LAC DPH that was higher than original budget estimates.

Change from Prior Year (if >+-20%)

Proposed Budget Fiscal Year: 2015 - 2016

Initiative	Investment Category
Children's Dental Care	Legacy Investments

Program Name	Prior Year Revised Budget	Revised Budget	Variance
Children's Dental Care Program	\$8,451,000	\$10,656,000	0.2609

Program Summary

The Children's Dental Care Program (CDCP) funds three Strategic Partnerships with the University of California Los Angeles (UCLA), University of Southern California (USC) and Western University (additional programmatic detail for each is provided below), with a total allocation of \$38 million across 5 years. FY 14-15 was the second year of the project, with the majority of the activities related to direct services as well as planning and setting up the infrastructure. FY 15-16 will focus on providing direct oral health services to children ages 0-5, parent education and provider training. The program also requires collaboration across the three schools. FY 15-16 will continue these collaboration activities through quarterly meetings focused on program evaluation and sustainability.

In addition, by the end of the 5-year contract period, CDCP aims to:

- 1) Increase knowledge and behavior change among parents and primary caregivers;
- 2) Increase knowledge and behavior change among community organizations;
- 3) Increase knowledge, skill level and practice change among dental providers;
- 4) Increase access to quality preventative and treatment services provided to children ages 0-5; and
- 5) Improve organizational/delivery systems.

UCLA: expands the 21st Century Dental Home Project model to 10 community clinics to serve as quality dental homes for children 0-5 and pregnant women. The program will provide preventative and treatment services at the clinics, conduct clinical and ECE provider training, and support capital improvements for the UCLA -Venice Family Clinic Mar Vista to provide services and serve as a service-learning site.

USC: expands access to oral health services in LA County, by providing preventative dental care to children from birth through age five, with a referral to a dental home. The project utilizes a case management model that consists of interns from the USC School of Social Work, an oral health promotora and a Benefits Enrollment Specialist to address access to oral health care for underserved children.

Western: provides preventative and treatment dental services for children ages 0-5 in school-based settings. In addition, dental students will be exposed to pediatric populations in non-traditional settings providing necessary preventative and comprehensive services.

Spending Plan and Funding Methodology

Main activities during this period will include providing direct services to children, provider training and technical assistance, capital costs for office and dental space and other infrastructure needed to provide direct services. It is expected that in FY 15-16, the majority of the costs will be associated with program implementation (personnel, dental equipment/supplies, training and contracted services).

The funding level for the year was estimated based on cost projections submitted by each of the universities as well as historical data for actual expenditures for the year. The estimated budgets are based on actual costs to provide services which include staff, supplies, dental equipment, training, etc. In addition, the projected budget assumes that all programs will be operating at full capacity and there are no-delays in programming/operating. Estimates are as follows:

UCLA: \$3,400,000
 USC: \$4,394,000
 Western: \$1,466,000

UPDATE: For the updated June budget, these estimates were revised upward by \$1,396,000 to account for final negotiated contracts that were higher than original budget estimates. For USC, the increase (\$188,000) was due to higher than anticipated costs required to open a new pediatric dental clinic in collaboration with LA County. For Western University, the increase (\$1,208,000) was due to revised estimates related to additional project sites and higher numbers of children, parents and providers expected to be served during FY 2015-16.

Proposed Budget Fiscal Year: 2015 - 2016

Initiative	Investment Category.
Children's Vision Care	Legacy Investments

Program Name	Prior Year Revised Budget	Revised Budget	Variance
Children's Vision Care	\$1,342,000	\$1,341,000	-0.0007

Program Summary

The Children's Vision Care Program aims to improve the vision and school readiness of preschool children. Services include vision screening and eye examinations at preschool, community events, and youth service organizations. Children receive free prescription eyeglasses if needed. The program started in FY 12-13 with University of California Los Angeles (UCLA) serving as the sole grantee. The program was expanded in FY 13-14 to fund two additional grantees, Vision to Learn and Junior Blind of America. A total of \$5.6 million has been allocated to the Children's Vision Care Program.

Spending Plan and Funding Methodology

The requested funding level was determined based on a cost-per-child, which varies by grantee. Each project provides a varying degree of vision services which affects the total cost per child. The following highlights each project's cost-per-child and what contributes to that cost.

1. UCLA provides vision care services to preschool children that include vision screenings at preschool sites, eye examinations on the UCLA Mobile Eye Clinic, referrals to specialists, and prescription eyeglasses if needed. The project anticipates to screen 21,800 children at \$45.40/child for a total estimate of \$989,720, rounded up to \$990,000.
2. Vision to Learn (VTL) provides vision care services to children ages 2-5 that include vision screenings, eye examinations on the Vision to Learn mobile eye clinic, referrals to specialists, and prescription eyeglasses if needed. For the initial vision screening, VTL provides vision screenings for children at youth service organizations, parochial schools, and community events. VTL subcontracts with LAUSD to perform vision screenings for children in preschool and transitional kindergarten. The project anticipates to screen 6,600 children at \$45.40/child for a total estimate of \$299,640, rounded up to \$300,000.
3. Junior Blind of America (JBA) provides vision care services to children ages 2-5 that include vision screenings at preschools and health fairs, eye examinations, referrals to specialists, and prescription eyeglasses/patching if needed. JBA subcontracts for eye examinations. The project anticipates to screen 3,075 children at \$34/child for a total estimate of \$104,550, rounded up to \$105,000. JBA's rate/child is less than VTL and UCLA because the eye exam is sub-contracted to another entity.

The total FY 15-16 funding level requested for Children's Vision Care is estimated to be approximately \$1,395,000.

UPDATE: For the updated June budget, this estimate was revised downward by \$54,000 to account for final contract negotiations that came in below original budget estimates.

Change from Prior Year (if >+-20%)

Proposed Budget Fiscal Year: 2015 - 2016

Initiative	Investment Category.
Data Development and Integration	Research & Evaluation

Program Name	Prior Year Revised Budget	Revised Budget	Variance
Los Angeles County Health Survey	\$1,019,000	\$108,000	-0.8940

Program Summary

Given the 2015-2020 Strategic Plan's emphasis on the importance of using data to inform the work of First 5 LA, the Los Angeles County Health Survey (LACHS) data can be mined to answer population level questions about LA County children and families in an effort to support the work and outcomes defined by the Strategic Plan. LACHS functions as a primary vehicle for gathering population-based information about access to health care, health care utilization, health behaviors, health status, and knowledge and perceptions of health-related issues among the LA County population. Along with other funders, First 5 LA funds the LACHS for as a way to obtain population-based data on the health and well-being of children 0-5 and their families in LA County.

Spending Plan and Funding Methodology

One deliverable from FY 14-15 was not completed during the fiscal year and is being carried over into FY 15-16. Approximately \$28,000 is the amount originally allocated for that deliverable in the negotiated contract. For this deliverable, a Quantitative Modeler will analyze survey data and produce brief(s) of interest to First 5 LA.

UPDATE: For the updated June budget, this estimate was revised upward by \$80,000 to account for an additional deliverable originally due in June 2015 that will not be completed until July, as data collection has taken longer than originally anticipated. This requires a shift in funds from FY 2014-15 to FY 2015-16 to account for the delay.

Change from Prior Year (if >+-20%)

FY 14-15 was a data collection year, resulting in a high budget. The contractor completed data collection in FY 14-15, with the exception of one deliverable that will carry over into FY 15-16.

Proposed Budget Fiscal Year: 2015 - 2016

Initiative	Investment Category.
Program Evaluation	Research & Evaluation

Program Name	Prior Year Revised Budget	Revised Budget	Variance
Professional Development Program Evaluation	\$2,565,000	\$1,501,000	-0.4148

Program Summary

This evaluation is related to and will inform the Early Care and Education (ECE) outcome area of the 2015-2020 Strategic Plan, specifically the strategy to “strengthen the professional development system for early care and education providers.” Findings from this evaluation will provide information about the ECE workforce and professional development system in LA County as well as evidence to support potential activities. Results from the study can be used by numerous stakeholders, including policy makers and other funders. In addition, results will provide information about outcomes for early educators related to their participation in First 5 LA-funded professional development programs, personal characteristics, aspects of the workplace, etc.

The Professional Development Evaluation will continue to fund Mathematica Policy Research to conduct a longitudinal evaluation of the effectiveness of five professional development (PD) programs in First 5 LA’s ECE Workforce Development Portfolio. Four of the five programs are implemented through subcontract with LAUP through the ECE Workforce Consortium and are part of First 5 LA’s overall investment in the ECE workforce. The five PD programs that are a part of the evaluation include:

- (1) Child Development and Education Workforce Initiative (CDWFI)
- (2) A Stipend Program for Early Educators (ASPIRE aka CARES Plus)
- (3) Family Child Care Higher Education Academy (aka Project Vistas)
- (4) Gateways for Early Educators
- (5) Early Childhood and Education Professional Learning Communities (ECEPLC)

Spending Plan and Funding Methodology

The funding level requested for FY 15-16 was determined by using the estimated cost per deliverable (for those deliverables expected for FY 15-16) as detailed in the complete 3-year, 7-month Scope of Work submitted for the original project proposal. Major activities include:

PARTICIPANT RECRUITMENT: \$130,000
 DATA COLLECTION (e.g., instrument development, participant incentives, travel): \$1,160,000
 DATA ANALYSIS: \$90,000
 DISSEMINATION OF FINDINGS (e.g., interim reports, study briefs, presentations): \$205,000
 PROJECT MANAGEMENT (e.g., bi-weekly calls, monthly progress reports): \$75,000
 Contingency, in case costs differ slightly from what is anticipated = 5%

 \$1,743,000

UPDATE: For the updated June budget, this estimate was revised downward by \$242,000 to account for final contract negotiations, which came in below original budget estimates.

Change from Prior Year (if >+-20%)

The most expensive evaluation activity (sample recruitment) took place in FY 14-15. The budget for FY 15-16 is therefore lower compared to the previous year.

Proposed Budget Fiscal Year: 2015 - 2016

Initiative	Investment Category.
Program Evaluation	Research & Evaluation

Program Name	Prior Year Revised Budget	Revised Budget	Variance
Welcome Baby Impact Study		\$275,000	0.0000

Program Summary

Welcome Baby and Select Home Visiting are key strategies in the Families Outcome Area of the 2015-2020 Strategic Plan. The Welcome Baby Impact Study is an integral part of the portfolio of evaluations being used to build an evidence-base for Welcome Baby to help support sustainability efforts.

The purpose of the Welcome Baby Impact Study is to determine if participation in Welcome Baby leads to changes in expected maternal and child variables. The Impact Study is expected to provide information to a variety of stakeholders about the effectiveness of Welcome Baby and to support sustainability efforts (e.g. Pay for Success). This evaluation was included in the Home Visiting Evaluation line item budget in FY 14-15. The original amount included in the previous budget was \$5,000 for reviewer costs but was reduced to \$0 during the mid-year adjustments since the project did not begin during the fiscal year.

Spending Plan and Funding Methodology

Anticipated contractor activities for FY 15-16 include orientation and planning meetings, hospital engagement, instrument piloting, travel and general project management.

The program costs for the Welcome Baby Impact Study were estimated by identifying potential tasks the contractor will engage in during FY 15-16 and making educated assumptions about the hours required to complete those tasks. Direct costs (e.g. participant incentives) and travel costs were also included in the estimates. Breakdown of tasks and hours are listed below:

- RFP Reviewer Costs: \$4,500 (assuming 6 applications, 3 reviewers, with a payment of \$250 per application)
- Contractor Labor Costs: \$202,500 (approximately 2,025 hours at a rate of \$100/hr)
- Travel: \$33,000 (assumes contractor is not local - will be cheaper for local evaluators)
 - 6 trips @ \$5,000 = \$30,000
 - \$500/month for local traveling x 6 months = \$3,000
- Expert Consultant: \$120,000 (800 hours @ \$150/hour)

UPDATE: For the updated June budget, this estimate was revised downward by \$85,000 based on further analysis determining that fewer hours would be needed for FY 2015-16 than initially estimated, resulting in a reduction from the \$120,000 originally budgeted for expert consultant services.

Change from Prior Year (if >+-20%)

After the mid-year adjustments, the Welcome Baby Impact budget estimate for FY 14-15 was \$0, hence the increase in expected costs for FY 15-16. The project did not get started in FY 14-15 because the program was not deemed mature enough to warrant an impact study at the time.

Proposed Budget Fiscal Year: 2015 - 2016

Initiative	Investment Category.
Tot Parks and Trails	Legacy Investments

Program Name	Prior Year Revised Budget	Revised Budget	Variance
Tot Parks and Trails	\$1,934,000	\$660,000	-0.6587

Program Summary

This initiative will expire as scheduled by the end of FY 14-15 with the exception of one contractor remaining past June 30, 2015 to complete construction of two park projects (via a three-month no-cost extension).

Approved in November 2010, the three-year Tot Parks and Trails project seeks to create sustainable changes in communities to support increased physical activity and shifting to healthy and active living communities. More than 30 projects are to be implemented by public/private partnerships with a high level of community support. Examples of projects include: parks, sidewalks, trails, schools, workplaces, playgrounds, walkable neighborhoods, and indoor recreational facilities. Inclusion of projects in Best Start Communities is a component of the design of this investment with approximately half of the proposed projects to be completed in Best Start Communities.

The project has two main objectives:

1. Expand the number of play spaces for all young children including those with special needs and families residing in park-deficient communities; and
2. Improve play space safety for all young children and families in park-deficient communities.

Spending Plan and Funding Methodology

This initiative will expire by the end of FY 14-15 with the exception of one contractor continuing past June 30, 2015 to complete construction of two park projects (via a three-month no-cost extension). The FY 15-16 funding amount represents the estimated amount remaining as of June 30, 2015, which will be used to complete the two park projects.

UPDATE: For the updated June budget, this estimate was revised upward by \$310,000 based on updated data indicating the need to shift more resources from FY 14-15 to FY 15-16 to complete the two projects noted above that were delayed due to city and county permitting processes.

Change from Prior Year (if >+-20%)

The estimated FY 15-16 budget represents an 82% decrease because although this initiative will expire by the end of FY 14-15, one contractor will continue beyond June 30, 2015 to complete construction of two park projects (via a three-month no-cost extension).

ATTACHMENT D:

OPERATING REQUEST –
SUMMARIES AND
DETAIL TABLES
BY DEPARTMENT
(change pages only)

OPERATING COSTS SUMMARY FY 2015-16

	FY 2014-15		FY 2015-16			Variance from FY 2014-15
	Revised Budget	Estimated Expenditures	Variance	Draft Proposed Budget (May 2015)	Final Proposed Budget (June 2015)	
Personnel Services						
Total Salaries	11,347,496	10,147,754	1,199,742	12,387,038	12,387,038	1,039,542
Total Employee Benefits	3,409,644	2,546,197	863,447	3,980,943	3,980,943	571,299
Total Personnel Services	14,757,140	12,693,951	2,063,189	16,367,981	16,367,981	1,610,841
General Operating Expenses						
6131 ADP Payroll Charges	30,000	27,000	3,000	31,000	31,000	1,000
6132 Workers' Compensation Insurance	123,500	96,173	27,327	100,000	100,000	(23,500)
6203 Utilities	160,000	153,000	7,000	155,000	155,000	(5,000)
6202 Corporate Insurance	73,500	66,136	7,364	76,000	76,000	2,500
6205 Mileage and Parking	63,150	37,203	25,947	61,850	61,850	(1,300)
6206 Telephones and Modems	75,650	75,888	(238)	65,000	65,000	(10,650)
6207 Cell Phones and Mobile Devices	70,620	32,896	37,724	52,250	52,250	(18,370)
6208 Outside Printing	24,500	7,808	16,692	19,200	19,200	(5,300)
6209 Other Supplies	12,150	-	12,150	12,150	12,150	-
6210 Postage and Delivery	13,300	13,248	52	13,300	13,300	-
6211 Educational Supplies	5,600	2,175	3,425	5,300	5,300	(300)
6212 Office Supplies	67,980	35,831	32,149	83,980	83,980	16,000
6214 Subscriptions and Publications	6,850	1,068	5,782	10,060	10,060	3,210
6218 Equipment Rental	120,000	120,000	-	118,200	118,200	(1,800)
6220 Building Repairs and Maintenance	195,000	147,129	47,871	180,000	180,000	(15,000)
6221 Equipment Repairs and Maintenance	59,200	780	58,420	32,000	32,000	(27,200)
6222 Offsite Storage	20,600	12,110	8,490	23,700	23,700	3,100
6223 Hardware and Software Maintenance	166,500	124,160	42,340	258,000	258,000	91,500
6230 Miscellaneous Service Charges	57,000	12,000	45,000	27,000	27,000	(30,000)
6231 Miscellaneous/Contingency	50,000	-	50,000	75,000	75,000	25,000
Total General Operating Expenses	1,395,100	964,605	430,495	1,398,990	1,398,990	3,890
Professional Services						
6502 Audit	70,056	33,120	36,936	70,000	70,000	(56)
6504 Legal	175,000	157,000	18,000	175,000	175,000	-
6507 Professional Dues	78,140	28,584	49,556	82,100	82,100	3,960
6508 First 5 California Association	50,000	50,000	-	50,000	50,000	-
6509 Professional Development	246,550	23,701	222,849	210,800	210,800	(35,750)
6512 Staff Recruitment	34,000	12,072	21,928	25,000	25,000	500
6514 Commission Stipends	34,000	34,000	-	34,000	34,000	-
6606 Human Resources Related Costs	40,000	18,612	21,388	68,000	68,000	28,000
Total Professional Services	718,246	357,089	361,157	714,900	714,900	(3,346)
Consultant Services						
6601 Consultant Fees	1,622,400	804,437	817,963	1,381,000	1,491,000	(131,400)
6602 Other Professional Fees	239,500	238,246	1,254	237,500	237,500	(2,000)
6603 External Reviewers	4,000	4,000	-	5,000	5,000	1,000
Total Consultant Services	1,865,900	1,046,683	819,217	1,623,500	1,733,500	(132,400)
Travel and Meeting Expenses						
6701 Airfare	79,292	32,776	46,516	86,242	86,242	6,950
6702 Program Events	15,000	4,893	10,107	40,000	40,000	25,000
6703 Lodging	83,222	46,985	36,237	84,876	84,876	1,654
6704 Conference Registration	82,485	67,477	15,018	89,485	89,485	6,990
6706 Local Meetings	159,700	144,845	14,855	115,900	115,900	(43,800)
6707 Per Diem	39,084	21,616	17,468	42,488	42,488	3,404
Total Travel and Meeting Expenses	458,793	318,592	140,201	458,991	458,991	198
Capital Improvements						
6216 Capital Outlay	160,000	95,535	64,465	120,000	120,000	(40,000)
6302 Capital Improvements	-	-	-	-	-	-
Total Capital Improvements	160,000	95,535	64,465	120,000	120,000	(40,000)
Total Operating Expenses	19,355,179	15,476,455	3,878,724	20,684,362	20,794,362	1,439,183

INFORMATION TECHNOLOGY

	Revised FY 2014-15 Budget	Estimated FY 2014-15 Expenditures	Draft Proposed FY 2015-16 Budget (May 2015)	Changes	Final Proposed FY 2015-16 Budget (June 2015)	Variance From FY 2014-15
Personnel Services						
Total Salaries	518,620	511,473	530,410	-	530,410	11,790
Total Employee Benefits	159,039	123,398	168,869	-	168,869	9,830
Total Personnel Services	677,659	634,871	699,279	-	699,279	21,620
General Operating Expenses						
6131 ADP Payroll Charges	-	-	-	-	-	-
6132 Workers' Compensation Insurance	-	-	-	-	-	-
6202 Utilities	-	-	-	-	-	-
6203 Corporate Insurance	-	-	-	-	-	-
6205 Mileage and Parking	1,000	288	1,000	-	1,000	-
6206 Telephones and Modems	75,000	75,000	65,000	-	65,000	(10,000)
6207 Cell Phones and Mobile Devices	45,000	16,737	20,000	-	20,000	(25,000)
6208 Outside Printing	-	-	-	-	-	-
6209 Other Supplies	-	-	-	-	-	-
6210 Postage and Delivery	-	-	-	-	-	-
6211 Educational Supplies	-	-	-	-	-	-
6212 Office Supplies	15,000	9,873	15,000	-	15,000	-
6214 Subscriptions and Publications	-	-	-	-	-	-
6218 Equipment Rental	-	-	-	-	-	-
6220 Building Repairs and Maintenance	-	-	-	-	-	-
6221 Equipment Repairs and Maintenance	20,000	780	10,000	-	10,000	(10,000)
6222 Offsite Storage	4,500	-	4,500	-	4,500	-
6223 Hardware and Software Maintenance	160,000	124,112	250,000	-	250,000	90,000
6230 Miscellaneous Service Charges	-	-	-	-	-	-
6231 Miscellaneous/Contingency	-	-	-	-	-	-
Total General Operating Expenses	320,500	226,790	365,500	-	365,500	45,000
Professional Services						
6502 Audit	-	-	-	-	-	-
6504 Legal	-	-	-	-	-	-
6507 Professional Dues	500	-	500	-	500	-
6508 First 5 California Association	-	-	-	-	-	-
6509 Professional Development	20,000	-	10,000	-	10,000	(10,000)
6512 Staff Recruitment	-	-	-	-	-	-
6514 Commission Stipends	-	-	-	-	-	-
6606 Human Resources Related Costs	-	-	-	-	-	-
Total Professional Services	20,500	-	10,500	-	10,500	(10,000)
Consultant Services						
6601 Consultant Fees	175,000	18,857	250,000	110,000	360,000	185,000
6602 Other Professional Fees	-	-	-	-	-	-
6603 External Reviewers	-	-	-	-	-	-
Total Consultant Services	175,000	18,857	250,000	110,000	360,000	185,000
Travel and Meeting Expenses						
6701 Airfare	792	-	792	-	792	-
6703 Lodging	926	-	926	-	926	-
6704 Conference Registration	1,000	-	1,000	-	1,000	-
6706 Local Meetings	1,000	1,000	1,000	-	1,000	-
6707 Per Diem	408	-	408	-	408	-
Total Travel and Meeting Expenses	4,126	1,000	4,126	-	4,126	-
Capital Improvements						
6216 Capital Outlay	160,000	100,000	120,000	-	120,000	(40,000)
6302 Capital Improvements	-	-	-	-	-	-
Total Capital Improvements	160,000	100,000	120,000	-	120,000	(40,000)
Total Department Expenses	1,357,785	981,518	1,449,405	110,000	1,559,405	201,620

Information Technology Budget Detail

Personnel Services

Salaries

Provides compensation for full-time and temporary employees.

Employee Benefits

Provides for employee benefits including retirement, Medicare, unemployment insurance, medical coverage, deferred compensation, employee assistance and parking.

General Operating Expenses

6205 Mileage and Parking

Provides for mileage reimbursement and parking expenses when private vehicles are used in the course of conducting Commission business.

6206 Telephone and Modems

Provides for monthly telecom services for the entire organization. These services include telephone lines (local, long distance, and analog lines for emergencies), fax lines, and T-1 (Internet access). IT is expecting a decrease of \$10,000 in FY 15-16 due to restructuring of the AT&T contract to be executed before June, 2015.

6207 Cell Phones and Mobile

Provides for monthly phone and data usage on smart phones and tablets issued to First 5 LA staffs and monthly fees for hotspots used by staffs to access internet while on the field. IT expects \$25,000 reduction due to shifting of the cell phone fees to the departmental budget.

6212 Office Supplies

Provides for general computer related supplies for all First 5 LA departments in addition to IT needs for office supplies. Most of the funds will be spent on technology expenditure such as power surge units, various computer cables, toner cartridges for HP network printers and plotters, batteries for commission Pods, keyboards, mouse, and other related items. IT plans to stay with the current budget allocation.

6221 Equipment Repairs and Maintenance

Provides for repairs of infrastructure components such as servers, storage units, switches, Network printers, plotters, Uninterrupted Power Supply (UPS), and others. IT is requesting a decrease of \$10,000 based on current projections.

6222 Offsite Storage

Offsite storage cost for the organization's backup tapes.

6223 Hardware and Software Maintenance

Provides for the annual support contract and licenses associated with the core legacy applications (GIFTS, Financial Edge, ECM), support contracts for infrastructure components, business software licenses used by R&E, and projected additional software licenses to enhance SharePoint platform. IT is projecting an increase in monthly license costs for the FY 15-16, and is requesting a budget of \$250,000 based on the following assumptions:

1. ECM maintenance platform: **\$5K**. We restructured the current contract in anticipation of migrating to SharePoint, reducing the cost by \$22K.
2. Office 365 for 160 Outlook and SharePoint licenses: **\$12**
MSDN subscription provides a wide range of resources that help IT on Microsoft platforms. With a huge library of both current and previous editions of Microsoft software, you have the tools and information you need to support the entire development process: **\$2K**
3. Spiderlink for Firts5LA Web page hosting: **\$10K**
4. Citrix – GotToMeeting/GotTo Webinar/OpenVoice: **\$40K**
5. Infrastructure Maintenance (Mainline/IBM): **\$10K**
6. ITD ticket system (SysAid) and AntiVirus (Symantec): **\$1K**
7. SharePoint platform support:
 - a. ShareSquared Support: **\$25K**
 - b. KnowledgeLake: **\$5K**
 - c. Colabware: **\$12K**
 - d. Content Commander: **\$5K**
 - e. K2 Workflow: **\$12K**
 - f. CRM - Customer Relationship Management: **\$70K**
8. BlackBaud's Financial Edge reconfiguration and potential purchase of additional module is estimated to increase annual cost to **\$18K**.
9. GIFTS, including BluePrint: **\$6K**
10. R&E specific software:
 - a. ArcGIS license maintenance: **\$3.2K**
 - b. ArcGIS online subscription: **\$2.8K**
 - c. Tableau: **\$2.4K**
 - d. American Digital Cartography Here data for geocoding: **\$4K**

Professional Services

6507 Professional Dues

Provides funds for industry publications for IT staff.

6509 Professional Development

The fund provides for professional training of IT staff to keep up with the new technology trends, new releases of software and hardware used by First 5 LA, and network security. In FY 15-16, IT is requesting a decrease of \$10,000. IT expects to train department staff in Microsoft SharePoint and related tools. Other infrastructure training may include systems such as Telecome, Microsoft Server Operating System, VMware (virtualization of the infrastructure assets), Network Security, and other related concepts. The IT Director may be attending technology forums & seminars in SharePoint, Cloud technology, and others related to First 5 LA business.

Consultant Services

6601 Consulting Fees

Provides for consulting fees associated with IT activities in technical areas where staff does not have the expertise or resources to perform such tasks. Such areas include network, telecommunication, storage, programming, data modeling, workflow development, and other related services. IT has identified the following projects for such services:

1. **\$100K** to purchase, configure, design, and develop workflow automation plug-in tool to SharePoint platform. SharePoint Out of the box has limited capabilities to automate multi-level workflow. Using plug-in software such as K2 significantly enhances these capabilities. Workflow automation streamlines business processes and eliminates paper intensive manual processes. The automation also helps with proper status tracking of a task, accountability for approval, and search capabilities for audit tracking and historical references.
2. **\$50K** to enhance First5LA budget system with Operating budget development and other functionalities. This includes analysis and data modeling.
3. **\$100K** Estimated consulting charges for Financial Edge reconfiguration and developing training material for the staff.
4. **\$50K** for developing an Enterprise Application Integration (EAI) platform to integrate various First5LA systems.
5. **\$60K** to support the completion of the SharePoint document management platform and migration.

Travel and Meeting Expenses

IT plans to attend 2 technology seminars within California and at least one outside of California.

Attendee: Information Technology Director or an alternate

- 6701 Airfare
Provides for airfare to and from professional conferences outside of the Los Angeles area.
- 6703 Lodging
Provides for lodging at multi-day professional conferences outside of the Los Angeles area.
- 6704 Conference Registration
Provides for registration expenses for professional conferences.
- 6706 Local Meetings
Provides for expenses related to meetings attended by Commissioners, legal counsel, staff and guests.
- 6707 Per Diem
Provides for various daily expenses incurred while attending professional conferences outside of the Los Angeles area.

Capital Improvements

- 6216 Capital Outlay
Provide funds for purchase of workstation replacements (laptops, tablets, monitors, small printers, keyboards, and mouse) enterprise servers, enterprise storage devices, network appliances, and other hardware upgrades. Plans for FY 15-16 may include the following:
1. **\$40K** for New Virtual Machine (VM) server for redundancy.
 2. **\$80K** to Replace aging storage and add to the capacity as we increase utilization of the SharePoint.
 3. **\$40K** to replace 20 to 30 aging workstations with laptops and tablets.
 4. **\$10K** to improve wireless access point throughout the building. The current server is not meeting the capacity because of increased usage of smart devices.
 5. **\$30K** Purchase of six audio visual kits including projectors, screens, public address systems for the Best Start Communities Department.

ATTACHMENT E:

**GASB 54 FUND BALANCE
PRESENTATION**

FIRST 5 LA

GASB 54 Presentation of Projected Fund Balance at June 30, 2015

Cash Fund Balance as of April 30, 2015 (unaudited)¹	\$ 598,385,188
Plus: Projected Revenue (May 1 - June 30, 2015) ²	29,873,514
Less: Projected Program Expenditures (May 1 - June 30, 2015) ³	91,341,939
Less: Projected Operating Expenses (May 1 - June 30, 2015) ⁴	2,568,700
Projected Fund Balance as of June 30, 2015	\$ 534,348,063

Committed Program Allocations (Multi-year Allocations)	Balance as of June 30, 2014 ⁵	Projected FY 2014-15 Expenditures ⁶	Projected Balance as of June 30, 2015	Committed	Assigned ¹⁸	Unassigned	Nonspendable
At-Risk Fathers Investment	\$ 600,000	\$ 1,500	\$ 598,500				
Baby Friendly Hospitals/Family Place Libraries ⁷	25,984,655	1,076,930	24,907,725				
Black Infant Health	7,783,841	1,452,000	6,331,841				
Children's Dental Care	34,398,009	8,451,000	25,947,009				
Children's Vision Care	4,249,172	1,342,000	2,907,172				
Data Partnership with Funders	4,181,228	938,623	3,242,605				
Early Identification & Intervention - Autism & Other Developmental Delays	2,338,968	754,000	1,584,968				
Family Education ⁸	-	-	-				
Healthy Food Access	4,987,848	1,677,000	3,310,848				
Healthy Kids ⁹	6,780,025	4,692,219	2,087,806				
Little by Little/One Step Ahead	27,140,959	3,647,000	23,493,959				
Los Angeles Universal Preschool (LAUP) ¹⁰	142,227,905	55,983,406	86,244,499				
Parent-Child Interaction Therapy	15,233,770	2,341,000	12,892,770				
Peer Support Groups for Parents ¹¹	2,192,608	723,608	1,469,000				
Reducing Childhood Obesity	32,612,283	13,387,000	19,225,283				
Research & Evaluation - Early Learning (LAUP)	3,476,586	701,657	2,774,929				
Substance Abuse Treatment Services ¹²	4,054,873	4,054,873	-				
Tot Parks and Trails	1,933,243	1,224,384	708,859				
Uninterrupted Care for Prenatal to Postpartum ⁸	-	-	-				
Universal Assessment of Newborns	51,632,773	6,890,200	44,742,573				
Workforce Development - ECE Career Development Policy Project	1,150,401	1,150,401	-				
Workforce Development - ECE Workforce Consortium	26,689,737	12,510,800	14,178,937				
Total Committed Program Allocations/Estimated Program Demands	\$ 399,648,884	\$ 122,999,601	\$ 276,649,283	\$ 276,649,283			
FY 2015-16 Appropriations for Investments without a Multi-Year Allocation¹³							
2015-2020 Strategic Plan: Focusing for the Future ¹⁴				\$ 65,797,000			
Legacy Investments				8,321,000			
Research & Evaluation ¹⁵				7,558,000			
Estimated Balance Remaining on Advances at June 30, 2015¹⁶						\$ 12,973,739	
FY 2015-16 Operating					\$ 20,794,362		
First 5 LA Fund Balance Reserve¹⁷						57,434,091	
Total Fund Balance by Category				\$ 358,325,283	\$ 84,820,589	\$ 78,228,453	\$ 12,973,739
Total Projected Fund Balance as of June 30, 2015				\$ 534,348,063			

Notes to GASB 54 Presentation of Projected Fund Balance at June 30, 2014:

1. Cash Fund Balance excludes fixed assets and liabilities, and was obtained from the monthly financial statements as of April 30, 2015.
2. Revenue was projected on an annual basis for the Long Term Financial Projection. This figure was calculated using the annual amount less the total revenue received through April 30, 2015, including tobacco tax, interest, and income received in rental payments.
3. Projected program expenditures for the last two months of the fiscal year were calculated based annual projections using the best available data at the time, less program expenditures through April 30, 2015.
4. Projected operating expenditures for the last two months of the fiscal year were calculated based on the rate of operating expenditures through April 30, 2015.
5. The remaining balances for all allocations as of June 30, 2014 were obtained from the Comprehensive Annual Financial Report (CAFR) for FY 2013-14. Balances were adjusted as appropriate based on actions taken by the Commission during FY 2014-15 or other updated information as specifically noted below.
6. FY 2014-15 expenditures were estimated using the best information available at the time of this analysis.
7. The allocation for the Baby Friendly Hospitals and Family Place Libraries initiatives was previously known as Best Start LA.
8. The constraints on resources previously set aside in the amounts of \$13.1 million for Family Education and \$2.8 million for Uninterrupted Care for Prenatal to Postpartum were removed per Resolution 2014-06, moving these funds from First 5 LA's Committed to Assigned Fund Balance.
9. This figure for the Healthy Kids initiative does not include the estimated remaining balance of the amount advanced to LA Care Health Plan, which is accounted for separately in Nonspendable Fund Balance (see also #24).
10. The LAUP allocation balance at June 30, 2014 was adjusted upward to account for pass-through expenditures based on a comprehensive analysis conducted during FY 2014-15. Projected FY 2014-15 expenditures for LAUP include expenditures related to the Child Signature Program, which are considered pass-through costs.
11. The allocation balance at June 30, 2014 for the Peer Support Groups for Parents initiative was adjusted upward by \$46,230 to account for expenditures reflected in a previous fiscal year that should not have drawn down from the allocation balance.
12. Based on a reconciliation performed by the Los Angeles County Department of Public Health, the Substance Abuse Treatment Services allocation balance at June 30, 2014 of \$3,657,129 as reported in the CAFR was adjusted upward by \$397,744 to account for lower spending through FY 2013-14 than previously reported, resulting in a revised allocation balance of \$4,054,873.

13. Annual appropriations for all investments without a multi-year allocation will be reflected as Committed when the Commission approves the FY 2015-16 Budget in June 2015.

14. This figure represents investments without a multi-year allocation only; the annual appropriation for Healthy Kids has been subtracted, as this initiative has a Committed multi-year allocation and a Nonspendable advance provided to one of the contractors.

15. This figure represents investments without a multi-year allocation only; the annual appropriation for the LAUP Evaluation has been subtracted, as this program has a Committed multi-year allocation.

16. This figure reflects an estimated balance remaining as of June 30, 2015 on advances to LA Care Health Plan (Healthy Kids initiative) and the University of California, Los Angeles (Oral Health & Nutrition - Dental Home initiative).

17. Per Board-approved policy, the Fund Balance Reserve is calculated annually as 25% of the total annual budget. The Reserve is a self-imposed restriction and requires Commission action to change. This amount is considered Unassigned for Fund Balance purposes.

18. The use of all Assigned funds is dedicated to support activities related to the 2015-2020 Strategic Plan. This also includes approximately \$6.1 million that staff recommends be released from commitment through Commission action in June.

FY 2015-16 Proposed Budget

Budget & Finance
Committee

June 1, 2015



Agenda

- Budget context and observations
- Changes since the draft Proposed Budget presented on May 14, 2015
- Projected Fund Balance and GASB 54 Commitments
- Request for approval
- Board engagement and next steps

96

Board Engagement

- May 4, 2015 – Budget & Finance Committee
- May 14, 2015 – Commission
 - Informational Item: Presented for Discussion
- May 21, 2015 – Executive Committee
 - Discussion of FY 2015-16 proposed operating costs
- May 28, 2015 – Program & Planning Committee
 - Discussion of FY 2015-16 proposed programmatic costs, focusing on resources for the 2015-2020 Strategic Plan
-  • June 1, 2015 – Budget & Finance Committee
 - Review changes to the FY 2015-16 Proposed Budget
- June 11, 2015 – Commission
 - Action Item: Presented for Commission Approval

97

Budget Context

The FY 2015-16 Budget represents a *transitional budget*

- Reflects costs for ongoing legacy initiatives that continue into the new Strategic Plan timeframe
- Reflects funding for work associated with the new Strategic Plan
 - Priority anchor investments
 - Evolving and new work under development

98

Key Observations

- Legacy Investments continue to represent nearly 60% of the First 5 LA budget
- Anchor Investments of new Strategic Plan reaching full implementation
 - Welcome Baby/Select Home Visiting
 - Best Start Community Capacity Building
- New resources needed to advance the Strategic Plan
 - Policy and Advocacy
 - Strategic Communications
 - Developmental Activity (Strategic Plan Implementation Fund)
- Workload demands are multi-faceted, requiring continued dedication of staff time
- Estimated FY 2015-16 tobacco tax revenue = \$85.6 million → Demand on fund balance = \$144.2 million

99

Budget Overview

BUDGET CATEGORY	Draft Proposed FY 2015-16 Budget (May 2015)	Final Proposed FY 2015-16 Budget (June 2015)	Variance
Program			
<i>2015-2020 Strategic Plan: Focusing for the Future</i>			
a. Investments/Approaches Reaffirmed by the Board and Aligned with SP	\$ 61,301,000	\$ 61,301,000	\$ - ¹⁰⁰
b. Existing Investments Potentially Aligned with SP	3,610,000	3,610,000	-
c. New Investments Under Development (Strategic Plan Implementation Fund)	3,136,000	3,136,000	-
<i>Total 2015-2020 Strategic Plan</i>	\$ 68,047,000	\$ 68,047,000	\$ -
<i>Legacy Investments</i>	131,556,000	133,228,000	1,672,000
<i>Research & Evaluation</i>	7,914,000	7,667,000	(247,000)
Total Program	\$ 207,517,000	\$ 208,942,000	\$ 1,425,000
Operating	20,684,362	20,794,362	110,000
TOTAL BUDGET	\$ 228,201,362	\$ 229,736,362	\$ 1,535,000

Budget Changes

Reasons for budget changes fall under three categories:

1. New data available to inform budget development (\$1.04 million increase)
2. Delay in current year activity (\$440,000 increase)
3. Inadvertent omission in the May budget (\$60,000 increase)

101

Budget Changes

INITIATIVE	PROGRAM	DRAFT FY 2015-16 BUDGET (MAY)	CHANGE	FINAL FY 2015-16 BUDGET (JUNE)	% CHANGE	REASON FOR CHANGE
LEGACY INVESTMENTS						
Black Infant Health	Black Infant Health Program	\$ 1,455,000	\$ 20,000	\$ 1,475,000	1%	ND
Children's Dental Care	Children's Dental Care Program	9,260,000	1,396,000	10,656,000	15%	ND
Children's Vision Care	Children's Vision Care	1,395,000	(54,000)	1,341,000	-4%	ND
Tot Parks and Trails	Tot Parks and Trails	350,000	310,000	660,000	89%	D
RESEARCH AND EVALUATION						
Data Development & Integration	Los Angeles County Health Survey	28,000	80,000	108,000	286%	D
Program Evaluation	Professional Development Program Evaluation	1,743,000	(242,000)	1,501,000	-14%	ND
	Welcome Baby Impact Study	360,000	(85,000)	275,000	-24%	ND
INTERNAL OPERATIONS						
Information Technology	Consultant Fees	250,000	110,000	360,000	44%	D, O
TOTAL FIRST 5 LA			\$1,535,000			

102

GASB 54 Commitments

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

Fund Balance Categories

As defined by the Fund Balance Policy:

Nonspendable: Funds that have been advanced to a contractor or grantee for services to be provided in the future and are considered to be an asset of the Commission.

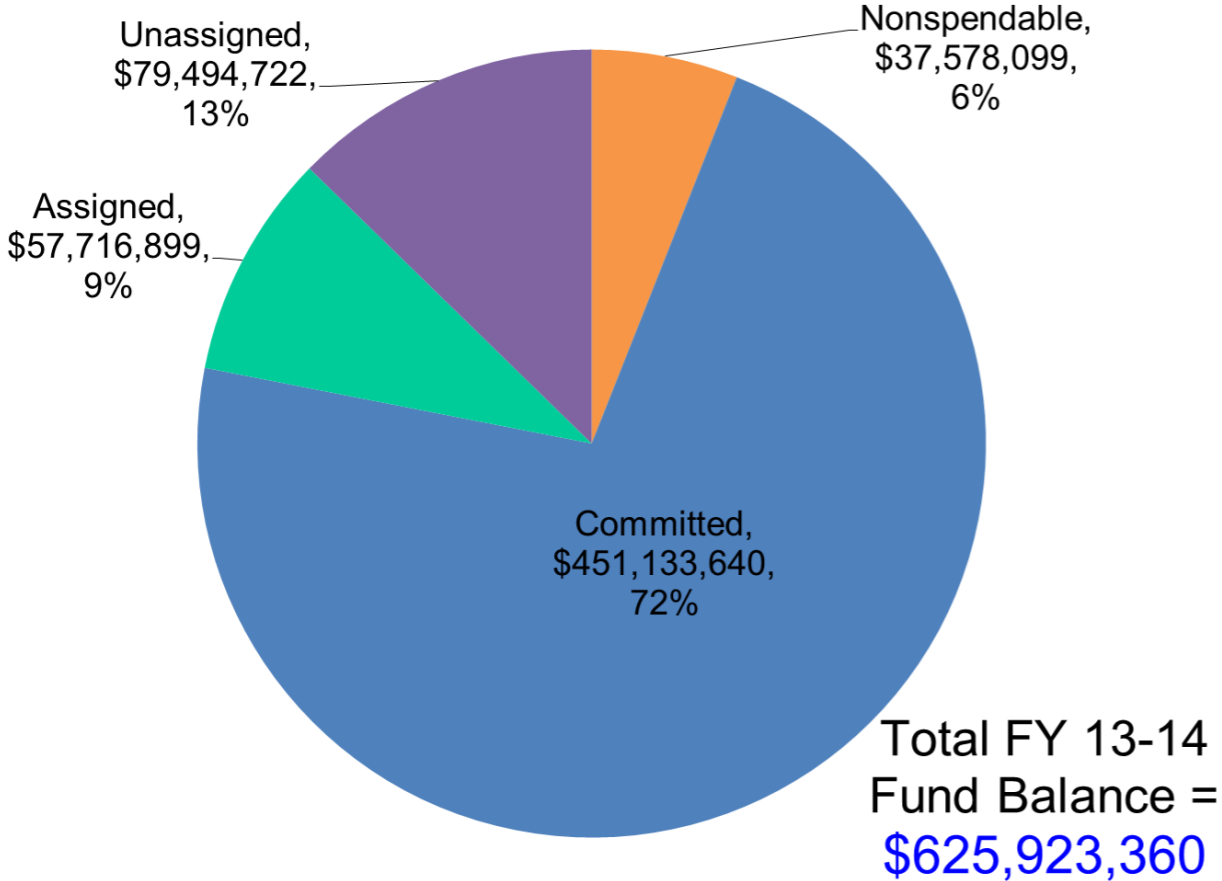
Committed: Funds allocated for a specified purpose and directed by the Commission via Resolution. The Commission must adopt another Resolution to reappropriate these funds for other purposes.

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

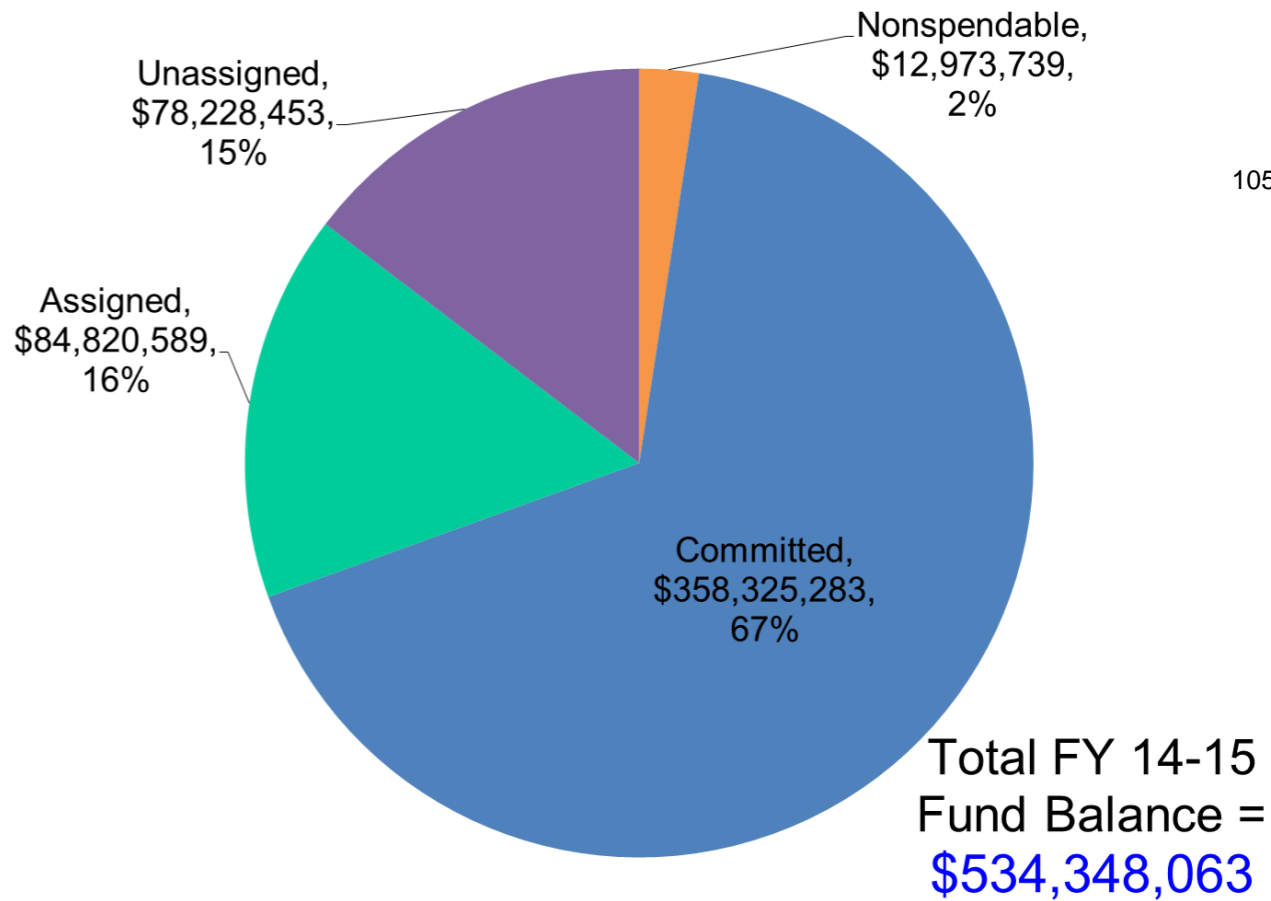
Unassigned: Funds designated for the Operating Budget and Reserve.

Fund Balance Projections

Fund Balance at June 30, 2014*



Projected Fund Balance at June 30, 2015



105

* These figures were used in the presentation of the Long Term Financial Projection in January 2015.


Request for Approval – Resolution

For approval by the Commission in June 2015:

1. Total FY 2015-16 Budget of \$229.7 million
 - Attachment A – FY 2015-16 Budget Summary
2. Reaffirmation of GASB 54 Commitments
 - Attachment E – GASB 54 Fund Balance Presentation
3. Redirection to Assigned Fund Balance
 - \$6.1 million projected remaining balances related to ended/ending initiatives
4. Fund Balance Reserve
 - 25% of the total FY 2015-16 Budget (\$57,434,091)
5. Administrative Limit for FY 2015-16
 - Attachment A – Administrative Limit Calculation (4.95%)

106

Board Engagement

- May 4, 2015 – Budget & Finance Committee
- May 14, 2015 – Commission
 - Informational Item: Presented for Discussion
- May 21, 2015 – Executive Committee
 - Discussion of FY 2015-16 proposed operating costs
- May 28, 2015 – Program & Planning Committee
 - Discussion of FY 2015-16 proposed programmatic costs, focusing on resources for the 2015-2020 Strategic Plan
-  • June 1, 2015 – Budget & Finance Committee
 - Review changes to the FY 2015-16 Proposed Budget
- June 11, 2015 – Commission
 - Action Item: Presented for Commission Approval

107

QUESTIONS?

