

# COUNTY OF LOS ANGELES

## Family and Social Services

FESIA A. DAVENPORT  
Chief Executive Officer



**DATE:** Wednesday, February 22, 2023  
**TIME:** 1:30 PM

**THIS MEETING WILL CONTINUE TO BE CONDUCTED VIRTUALLY TO ENSURE THE SAFETY OF MEMBERS OF THE PUBLIC AND EMPLOYEES AS PERMITTED UNDER STATE LAW.**

**TO PARTICIPATE IN THE MEETING, PLEASE CALL AS FOLLOWS:**  
**Teleconference Call-In Number: (323) 776-6996/ Conference ID: 599 009 090#**  
**[MS Teams Meeting Link](#) (Ctrl + click to follow link)**

### AGENDA

Members of the Public may address any agenda item after all Informational Items are presented. Two (2) minutes are allowed for each item.

- I. **Call to Order**
- II. **Consent Item(s)** (Any Information Item is subject to discussion and/or presentation at the request of two or more Board offices):  
-- No Items --
- III. **Presentation/Discussion Items:**
  - a. **First5 Los Angeles:** Quarterly Update.
  - b. **LA County Commission for Children & Families/ Department of Children and Families (DCFS)/ Center for Strategic Partnerships:** Los Angeles County Mandated Supporting Initiative.
  - c. **Gita Murthy Consulting/ Los Angeles County Office of Education (LACOE)/ DCFS:** Inglewood Unified School District Community Supporters Project.
- IV. **Public Comment**
- V. Standing item(s) and those continued from a previous meeting of the Board of Supervisors or from a previous FSS Agenda Review meeting:  
-- No Items --
- VI. **Adjournment**



# Evolving Fiscal Context for First 5s

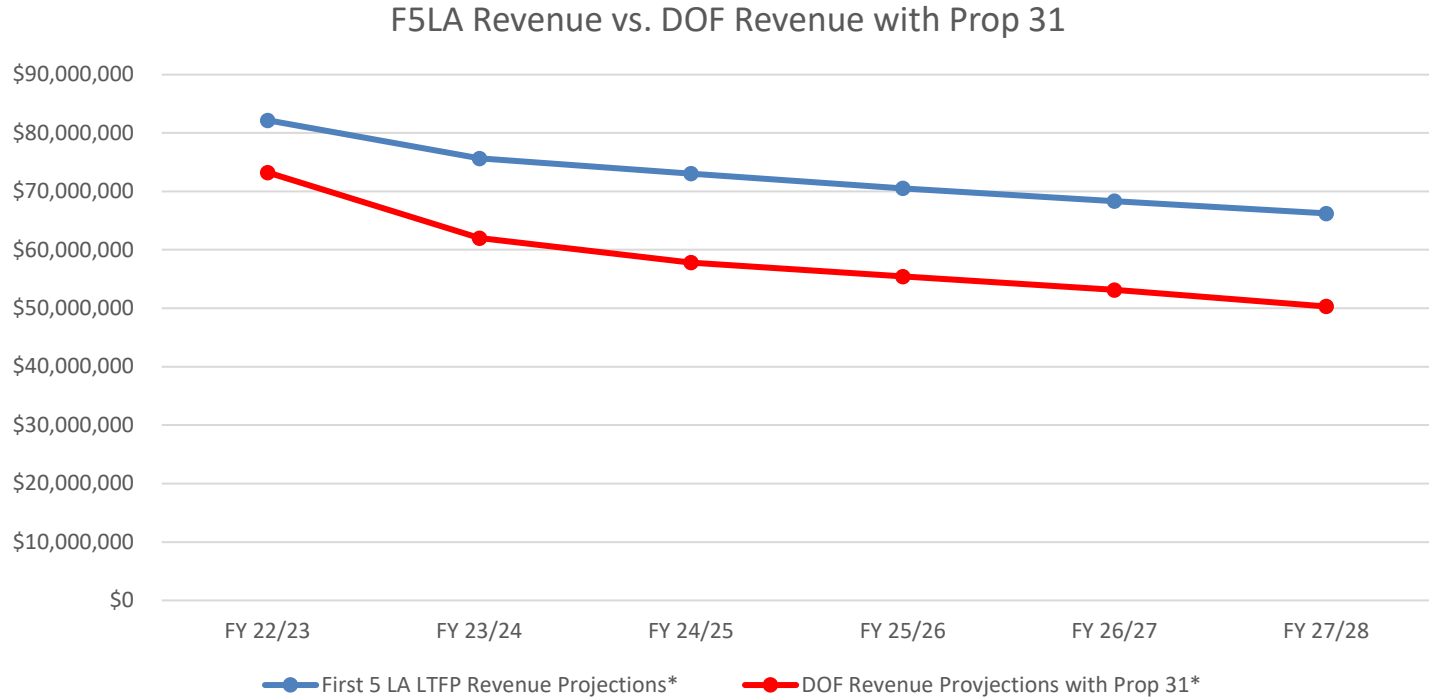
February 22, 2023



# Background and Proposition 31

- California Department of Finance (DOF) and California Department of Tax and Fee Administration (CDTFA)
  - Provide Proposition 10 revenue projections for all First 5s every year (May-June).
  - Revenues have been historically decreasing by approximately 3-5%.
- Proposition 31 (Prop 31)
  - Bans the sale of flavored tobacco products.
  - Passed by California voters in November 2022 and is effective January 2023.
  - Puts additional downward pressure on Proposition 10 revenues for all First 5s.
  - DOF and CDFTA provided updated revenue projections with the impact of Prop 31 in November 2022.

# Magnitude of Impact on First 5 LA Revenue – “Big Picture”

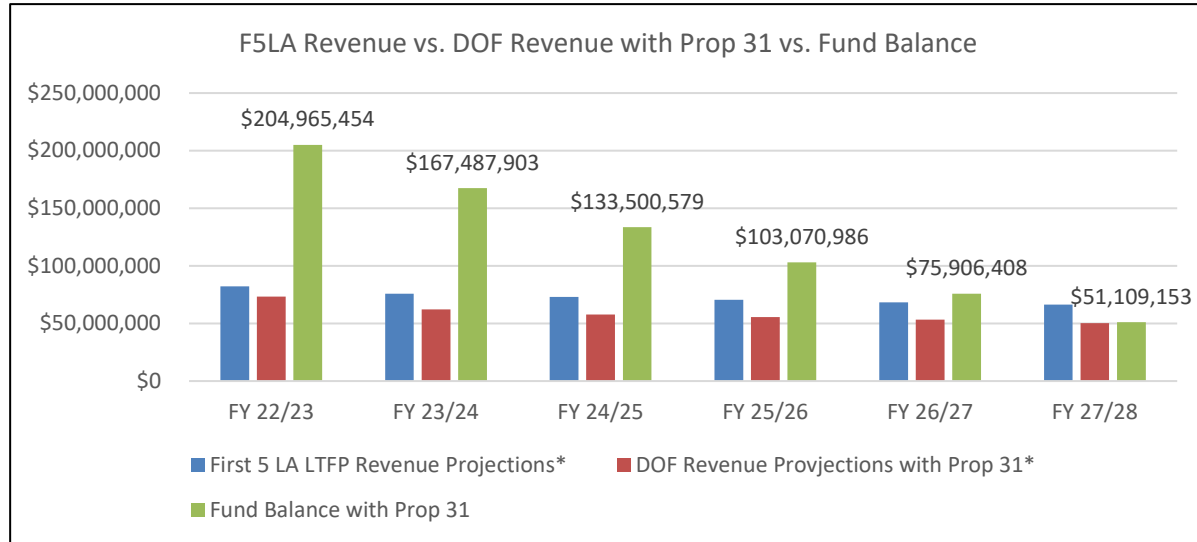


\*Includes First 5 CA revenues and First 5 LA interest earnings.

# Magnitude of Impact on Fund Balance

	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28
First 5 LA LTFP Revenue Projections*	\$82,169,797	\$75,642,645	\$73,049,711	\$70,530,345	\$68,332,717	\$66,237,070
DOF Revenue Projections with Prop 31*	\$73,236,030	\$62,023,558	\$57,811,179	\$55,429,546	\$53,139,476	\$50,311,126
Difference between F5LA LTFP Revenue Projections and DOF Revenue with Prop 31	(\$8,933,767)	(\$13,619,087)	(\$15,238,532)	(\$15,100,799)	(\$15,193,241)	(\$15,925,944)
% decrease between F5LA LTFP Revenue vs. Revenue with Prop 31	-10.87%	-18.00%	-20.86%	-21.41%	-22.23%	-24.04%
Fund Balance with Prop 31	\$204,965,454	\$167,487,903	\$133,500,579	\$103,070,986	\$75,906,408	\$51,109,153
*Includes F5CA revenue and First 5 LA interest earnings.						

- Although First 5 LA fund balance can help support the additional decrease in First 5 LA revenue because of Prop 31, overtime the fund balance will have significant decreases year over year at the current expenditure rate.
- There will be year over year decreases in the fund balance ranging from 18-33%.
- The fund balance will be reduced by \$154M by FY 27/28 at the current expenditures.



# Key Takeaways

- Prop 31 reduces revenue more than expected.
- Dependency on the fund balance at the current expenditure rate is not sustainable long term.