RESOLUTION NO. 2020-06

A RESOLUTION OF THE LOS ANGELES COUNTY CHILDREN
AND FAMILIES FIRST PROPOSITION 10 COMMISSION
APPROVING THE FY 2020-21 BUDGET, ESTABLISHING AN ADMINISTRATIVE COST CAP, AND
AFFIRMING FUND BALANCE ALLOCATIONS

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 50 percent of the annual fiscal year budget, increased from the previous 25 percent, per the revised Fund Balance Policy proposed for approval on July 9, 2020;

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 Resolution No. 2019-03 approved on June 13, 2019 is hereby superseded; and

2. The FY 2020-21 Proposed Budget of $124,256,493 as presented to the Commission (Attachment B – FY 2020-21 Budget Summary, incorporated herein by this reference) is approved. Staff is authorized to implement and incur costs on the Commission’s behalf, subject to Commission Policy, to achieve the objectives and goals adopted within the Budget and the current Strategic Plan; and

3. The administrative cost cap for FY 2020-21 of $14,247,528, 11.47% of the total budget, is adopted, reflecting the common purpose costs and related overhead associated with operating First 5 LA (Attachment B – Administrative Cost Limit Calculation, incorporated herein by this reference); and

4. Subject to the final year-end financial audit, the projected balance of previously Committed program allocations totaling $144,078,784 as of June 30, 2020 is approved, affirming these allocations as Committed Fund Balance in adherence with GASB 54 guidelines (Attachment H, incorporated herein by this reference); and

5. The constraints on resources previously set aside by Commission action in the unexpended amounts of $2,546,460 for initiatives that have ended or are ending in FY 2019-20 are removed, redirecting these funds from First 5 LA’s Committed fund balance to the Assigned fund balance as of June 30, 2020 (Attachment H, incorporated herein by this reference); and

6. The Fund Balance Policy update (Policy# A-2301, incorporated herein by this reference) is approved, increasing the minimum reserve policy from 25% to 50% of the total annual budget; and

7. A Fund Balance Reserve amount of $62,128,247 is approved and available for use during the 2020-21 fiscal year only for the purposes outlined in the Fund Balance Policy; and

8. Future funds through June 30, 2028 will be formally assigned through the Long-Term Financial Plan and will be formally committed as part of the annual budget process; and

9. The executed copy of this Resolution shall be retained on file as evidence of the Commission’s actions herein.
PASSED, APPROVED AND ADOPTED THIS 9TH DAY OF JULY 2020, BY THE FOLLOWING VOTE:

AYES: Commissioners ______________________________________________________

NOES: Commissioners _____________________________________________________

ABSTAIN: Commissioners _________________________________________________

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Sheila James Kuehl
Chair, First 5 LA

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Kim Belshé
Executive Director