

**FIRST 5 VENTURA COUNTY
COMMISSION MEETING
MINUTES**

May 26, 2016

Commissioners Present: Bruce Stenslie, Stan Mantooh, Kathy Long, Dr. Michael Gollub, Barry Zimmerman, Dr. Cesar Morales, Barbara Marquez-O'Neill, Dr. Robert Levin

Excused Absence: Dr. Carola Matera

Staff Present: Claudia Harrison, Jennifer Johnson, Petra Puls, Nani Oesterle, Heather Hanna, Deanna Handel

Public Present: Noemi Valdes, Lauren Arzu, Mary Linn Daehlin, Michell Henry

1. Welcome

Chair Stenslie opened the meeting at 1:04 p.m.

2. Approval of Minutes from March 17, 2016 Commission Meeting

A motion was made by Commissioner Mantooh, seconded by Commissioner Gollub, to approve the minutes from the March 17, 2016 Commission meeting. The motion passed unanimously.

3. Agenda Approval and Review of Commission Packets

Claudia Harrison provided an overview of the supplemental packet.

A motion was made by Commissioner Gollub, seconded by Commissioner Zimmerman, to approve the agenda. The motion passed unanimously.

4. Public Comments/Correspondence

There were no comments from the public.

5. Presentation – 2015 Child Care Needs Assessment

Claudia introduced Carrie Murphy of the Local Planning Council of Ventura County. Carrie provided background on the Council which operates as a united voice for early care and education in Ventura County and actively plans for access to quality child care based upon the needs of children and families.

Carrie provided an overview of the 2015 Child Care Needs Assessment, reviewing demographics and economic trends along with the cost of childcare/preschool relative to an average household budget. She noted that the cost of childcare in Ventura County is higher than the CA average. Carrie discussed the mix of subsidized child care spaces in Ventura. She stated that Ventura County has been identified as one of four counties with the highest number of unserved children. Carrie provided an overview of the Rising Stars Quality Rating and Improvement System and

commented that while quality is increasing, there are still more children who need access to subsidized care. Carrie indicated that the Local Planning Council is actively working on a strategic plan to address key issues and is working with the state to expand funding.

Commissioner Stenslie thanked Carrie for the data and information and commented on the 16% of household budget for child care. Commissioner Levin questioned why full-time care is more costly than the state average. Carrie noted that average annual incomes in Ventura are higher, about \$90,000, as compared to the state average of \$67,000. Commissioner Levin commented on the need for 6,779 subsidized spaces, noting that this represents the work we need to do. Commissioner Mantooth asked whether our designation as an underserved county would result in priority status for Ventura County if state funds become available. Carrie replied that the CA Department of Education is looking at CSPP spaces and realizes there is an uneven distribution.

CONSENT AGENDA

6. Receive and File the First 5 Ventura County Financial Reports as of March 31, 2016

A motion was made by Commissioner Long, seconded by Commissioner Mantooth, to approve the consent agenda. The motion passed unanimously.

REGULAR AGENDA

7. Public Hearing on the First 5 California (State Commission) Annual Report for FY 2014–15

Claudia Harrison briefed the Commission on First 5 California's Annual Report for Fiscal Year 2014-15. She highlighted First 5 CA policy accomplishments and key program initiatives. Claudia compared the allocations of resources by counties statewide to Ventura County's investments. Claudia stated that while generally there are similar strategies across counties, the intensity of the investment in each strategy varies by the needs in individual counties. She pointed out that a higher proportion of the children served in Ventura County are 0 – 3 year olds, about 65%, as compared to the state average of 35%. Claudia provided a summary of First 5 CA's work with the Kit for New Parents, Talk, Read, Sing campaign and Tobacco Cessation. She mentioned how important the Talk, Read, Sing campaign has been on the local level in increasing awareness for early literacy. Claudia commented on the Teacher Effectiveness focus area, highlighting the statistic that only 13% of low income children statewide are in a high quality early learning program.

Commissioner Long suggested that we utilize this tool to find best practices in other counties. Claudia agreed and mentioned that staff has looked at prior reports in this way, particularly for our strategic planning.

Chair Stenslie opened the public hearing on the First 5 California Annual Report for Fiscal Year 2014-15. There were no public comments. Chair Stenslie closed the public hearing.

A motion was made by Commissioner Long, seconded by Commissioner Marquez-O’Neill, to receive and file the First 5 California Annual Report for Fiscal Year 2014-15. The motion carried unanimously.

8. Report of Committees

a. Administration and Finance Committee

(1.) Recommendation to adopt proposed budget for Fiscal Year 2016-17

Bruce Stenslie turned it over to Jennifer Johnson to present the proposed budgets which were previously reviewed by the Administration and Finance Committee.

Jennifer noted that FY 2016-17 represents the first funding year of the new strategic plan. She indicated that \$6.9 million is projected in Prop 10 tax distributions, based on an estimated 4% decline from the current year, commenting that distributions were higher than projected in our prior financial plan. She reviewed leveraged funds included in the budget and noted that we are utilizing our fund balance and the Sustainability Fund to maintain program services, utilizing an anticipated \$4.5 million for FY 2016-17. She reported on proposed expenditures of \$12.4 million, which includes the previously approved funded partner allocations as well as \$100,000 for Challenge Grants, an initiative identified in the new strategic plan. Jennifer reported that the Community Investment Load Fund budget includes loan disbursements of \$750,000 for FY 2016-17. She stated that the loan administration costs are anticipated to be fully offset by interest earnings. Based on the overall operating budget, Jennifer reported that the projected administrative rate is 4.87%.

Jennifer reviewed the budget assumptions for the internal budgets, pointing out that the Community Initiatives area has been combined with the Program Management budget improve budget/financial reporting. She advised that overall cost estimates are very similar to last year’s budget, with most line items having minor rate increases. Jennifer noted that the budget contemplates an upward adjustment to 7% for the employee retirement plan, to allow for a change in the plan and adjustments that are in closer alignment with other First 5 Commissions, but that this will be reviewed in detail by the Administration and Finance committee. She provided an overview of the methodology for allocating costs between cost centers.

Jennifer reviewed the staffing pattern changes and the reallocation of staff between cost centers, based on alignment with 2016-17 duties. Jennifer turned to the Administration budget, noting that the proposed budget amount of \$640,000 reflects a 10% reduction from last year. Jennifer presented Program Management and Community Initiatives budget, the Results Based Accountability & Quality Assurance budget, and the Equipment Budget.

Jennifer noted that our ordinance requires the Board of Supervisors and the Community Commission review and have an opportunity to provide input before adopting a final budget. The budget will be brought back to the Commission at the June meeting for final approval.

Commissioner Mantooth asked if loan rates were fixed or variable and Jennifer advised that they are fixed.

Commissioner Zimmerman asked about the average term of loans, and was informed that it is 7 years. Commissioner Zimmerman asked about the reserve balance; Jennifer replied that it will be \$14 million at the end of this year and it will be depleted by FY 2018-19.

A motion was made by Commissioner Zimmerman, seconded by Commissioner Levin, to approve the budgets for Fiscal Year 2016-17. The motion passed unanimously.

(2.) Recommendation to approve updated financial plan, FY 2015-21, in compliance with Health and Safety Code Section 130151

Commissioner Stenslie stated that Prop 10 revenues are doing better than expected since the last update to the plan in May 2015 and turned it over to Jennifer Johnson to present the plan.

Jennifer Johnson reviewed the updates made to the plan to reflect the FY 2014-15 audited actuals and the forecast of revenues and expenditures for FY 2015-16. She stated that the plan forecasts Prop 10 revenues at a 4% rate of decline per year, with projected interest earnings at 0.53%. She indicated that the plan proposes \$52.3 million in total funding dollars for FY 2016-17 thru FY 2020-21. Jennifer reported that the plan utilizes \$2 million from the updated forecast of Prop 10 distributions and interest earnings and proposes these available resources be utilized to increase from a \$6 million to a \$7 million spending level annually for years four and five. The proposed plan also allocates \$400,000 to Challenge Grants, beginning in FY 2016-17.

A motion was made by Commissioner Gollub, seconded by Commissioner Long, to approve the updated financial plan for FY 2015-21, in compliance with the Health and Safety Code Section 130151. The motion passed unanimously.

(3.) Recommendation to maintain targeted administrative cap at 5.5% of total operating budget for FY 2016-17

Jennifer Johnson noted that county commissions are required to adopt a policy establishing a limit on the percentage of the commission's operating budget that may be spent on administrative functions. She reported that the FY 2015-16 targeted cap was maintained at 5.5% and is forecasted to come in at 5.25%. She stated that the recommendation from the Administration and Finance Committee is to maintain the targeted administrative cap at 5.5% of total operating budget for FY 2016-17. She said that after a review of the policy, no changes were recommended at this time.

Commissioner Mantooth thanked Jennifer for consistently maintaining the budget below the maximum.

A motion was made by Commissioner Zimmerman, seconded by Commissioner Morales, to approve the recommendation to maintain the targeted administrative cap at 5.5% of total operating budget for FY 2016-17.

(4.) Recommendation to approve adjustment to Commission salary schedule

Commissioner Stenslie stated that salary ranges were reviewed not long ago and that we are moving closer to recovering from the recession.

Jennifer reported that the current Commission salary ranges were established in 2014. She noted that new salary range information was collected from First 5 commissions of a similar size and geography and also from community agencies in Ventura County. She referenced Attachment 1 where the ranges for the Commission's current classifications are compared to the median ranges of those surveyed. She stated that the proposed adjustments to the ranges are based on the overall median for both the beginning and top of the range. She noted that the proposed change would take effect on July 1, 2016.

Commissioner Stenslie noted that the Administration and Finance Committee looked at the data quite extensively. Commissioner Mantooth asked how this information would impact current staff salaries. Jennifer indicated that it would impact two staff individuals with a minor adjustment.

A motion was made by Commissioner Gollub, seconded by Commissioner Levin, to approve the adjustment to the Commission salary schedule. The motion carried unanimously.

(5.) Recommendation to Update Policy for Delegated Authority to Executive Director

Jennifer explained that the proposed change delegates authority to the Executive Director to determine how to best allocate external funding resources to Commission initiatives in a manner that maximizes the use of funds, complies with any restricted funding requirements, and is in compliance with approved Commission budgets.

Commissioner Zimmerman asked for an example of one of the external funding resources; Jennifer replied that the First 5 CA IMPACT grant would be one example.

A motion was made by Commissioner Long, seconded by Commissioner Marquez-O'Neill, to approve the recommendation to update the policy for delegated authority to the Executive Director to include the allocation of external funding resources. The motion carried unanimously.

(6.) Progress Report

Commissioner Stenslie reported that the Committee will be reviewing retirement plans at the next meeting to identify alternatives to the current SIMPLE IRA plan which limits the employer contribution to 3%.

9. Recommendation to Continue Contract with Economic Development Collaborative - Ventura County to Manage and Implement the Community Investment Loan Fund

Commissioners Stenslie and Long recused themselves from this item and left the room. Commissioner Mantooh assumed the duties of Chair.

Petra Puls provided background on the Community Investment Loan Fund and the partnership with the Economic Development Collaborative of Ventura County (EDC-VC) for implementing the Community Investment Loan Fund. Petra reported that the projected administrative costs are \$28,570 for FY 2016-17. She reviewed the overall allocation and loans previously made, stating that the result has been 220 new preschool spaces.

Commissioner Mantooh commented that the number is fairly exact and wondered if it would be appropriate to give more flexibility and approve a threshold of \$30,000. Petra stated that the original draft had contemplated \$30,000 but that in working EDC-VC, the agreed upon final number was \$28,570.

A motion was made by Commissioner Morales, seconded by Commissioner Zimmerman, to continue the contract with the Economic Development Collaborative - Ventura County (EDC-VC) to administer and implement the Community Investment Loan Fund for FY 2016-17, not to exceed \$28,570. The contract would provide funds for EDC-VC to issue up to \$750,000 in loans to eligible Community Investment Loan Fund applicants under the previously approved loan guidelines. The motion carried unanimously.

Commissioner Mantooh invited Commissioners Stenslie and Long back to the room and turned the duties of Chair back to Commissioner Stenslie.

10. Recommendation to modify existing Preschool Expansion Program Contracts

Petra Puls explained that our contracts for the Preschool Expansion initiative are modeled after State Preschool guidelines and rates. She explained that the Commission has adjusted these contracts when State Preschool guidelines change. Subsequent to the Commission's approval of FY 2016-19 allocations, the State adjusted rates to \$23.87 per space per day.

A motion was made by Commissioner Mantooh, seconded by Commissioner Gollub, to approve an increase of the daily reimbursement rate for existing Preschool Expansion programs to align with revised State Preschool reimbursement rates. The recommended action would approve revised FY 2016-19 allocations for existing Preschool Expansion contracts. The increased allocation would be funded by unspent funds from FY 2015-16. The motion carried unanimously.

11. Report from Executive Director

Claudia Harrison provided an update on Commission staffing, announcing the hiring of Amy Schroeder as our new office coordinator. She also commented on the current recruitment for a Special Projects Coordinator position and commended First 5 staff for their excellent teamwork during these staffing transitions.

Claudia noted the tremendous work that the Neighborhoods for Learning are doing with community collaboration and meeting the needs of their communities. She reported on Results Based Accountability training efforts and the successful learning communities for Parent and Child Together teachers and for family support workers. Claudia provided an overview of accomplishments realized through our Countywide Strategies initiative, including Help Me Grow, Triple P, 2-1-1, Regional Health Professionals and oral health. She commented on the Op-Ed piece on oral health co-authored by Supervisor Kathy Long, Eric Harrison (United Way of Ventura County), and Claudia Harrison.

Claudia reported that new State Preschool dollars will result in an additional 323 new preschool spaces in the county. She also noted that we are still challenged by the lack of facilities and are facing a loss of approximately 130 existing spaces. She indicated that First 5 is working closely with collaborative partners to address the issue. Claudia reported on the work of the newly formed Assessment Committee to help guide work with Netzel Grigsby in developing a resource development plan for F5VC.

Claudia provided an update on County, Regional and National events, noting the well-attended Partner Appreciation Event and special screening of “The Raising of America”. Claudia commented on the Celebrity Reader “Take 5 and Read to Kids” events and extended a major thanks to Commissioners Long, Mantooth, Stenslie and Levin for their participation as celebrity readers. Claudia updated the Commission on the State Budget and legislative discussions, calling attention to the State Budget summary attached to the report. Claudia commented on the Tobacco Legislation bills recently signed into law, and the initial projections for impact on First 5 revenues.

She concluded her report with an update on upcoming events and provider anecdotes.

12. Commissioner Comments

Commissioner Mantooth distributed the Focus on Education issue which highlights early education.

13. Next Meeting:

The next meeting will be held on Thursday, June 16, 2016, at the Ventura County Office of Education, at 1:00 p.m.

The meeting was adjourned at 2:21 p.m.