



Memo

To: Commissioners, First 5 Ventura County

From: Jennifer Johnson, Director of Operations

Date: May 18, 2017

Re: Recommendation for Pleasant Valley Neighborhood for Learning to utilize current funds for prior years' salary corrections

Background

The Pleasant Valley School District (PVSD) is the contract agency for the First 5 Pleasant Valley Neighborhood for Learning (PV NfL). Staff of the PV NfL are employees of the Pleasant Valley School District and are subject to the employment practices and benefits of the school district.

Upon a transition of leadership at the Pleasant Valley School District, they identified that beginning in FY 2012/13, PV NfL employees should have been issued increases that were approved by the school board, however, they were not provided. The district determined that these NfL employees were entitled to and should have been paid these district-approved salary increases. District procedures have been modified to ensure such errors will not occur in the future.

As the PV NfL is a grant-funded project of the school district, other sources of funds do not exist to cover this prior period correction of approximately \$40,000. Demonstrating its commitment to the NfL, and in the spirit of partnership, PVSD put forth a proposal to mitigate the cost of these salary corrections by reducing their indirect cost and facility costs by a total of \$23,000 through the end of the funding cycle (FY 2016-19) and committed to continue to reduce future indirect costs by 15%.

The error was identified in FY 2016-17 and prior year funds were almost fully expended. Therefore, the amount needed for salary corrections covering the period of July 1, 2012 through June 30, 2016 would come from funds allocated to the PV NfL in the current funding cycle (FY 2016-19). Additional funds would not need to be allocated by the Commission, as the PV NfL has sufficient funds within their approved three year allocation of \$1,293,660 to cover the cost while maintaining current staffing and having a minimal programmatic impact on preschool scholarships.

Recommendation

The recommendation action would allow the Pleasant Valley Neighborhood for Learning to use funds allocated for FY 2016/17 – 2018/19 for salary increases that were not issued during FY 2012/13 – 2015/16 by the contract agency.