



SPECIAL COMMISSION MEETING MINUTES

February 15, 2018

Commissioners Present: Dr. Michael Gollub, Barry Zimmerman

Excused Absence: Stan Mantooh (Chair), Barbara Marquez-O'Neill (Vice-Chair), Dr. Robert Levin, Kelly Long, Dr. Cesar Morales, Carola Oliva-Olson, Bruce Stenslie

Staff Present: Petra Puls, Fahim Farag, Sam McCoy

Public Present: Nancy Kreiselmeyer, Noemi Valdez, Alicia Villacana

Objective: To update Commissioners unable to attend the January 18, 2018 presentation and discussion on potential future strategic investments for FY 2019 and beyond

I. Welcome and Introductions – Staff

Petra opened the meeting at 1:01 pm and noted that no new information will be presented at this Special Commission Meeting, which is open to the public. She stated that the main goal of this meeting is to update Commissioners unable to attend the January 2018 meeting on discussions on future strategic investments for FY 2019 and beyond. Petra noted that she already met with Commissioners Long and Stenslie to recap information presented at recent Commission Meetings, and that Commissioner Oliva-Olsen will meet with staff at a later date.

Petra provided an update on recent meetings with funded partners in December to share potential funding scenarios. Staff have found that although this change has been communicated for years there is uncertainty and angst among funded partners. In the past two months staff have attended various funded partner meetings in order to share information about the Commission's decision making process and timeline, guiding principles, the impact of declining revenues, and to gain feedback from frontline staff on shared values and stakeholders as well as to explore new ideas. Petra also noted that Dr. Arthur Gross-Schafer facilitated a meeting with funded partners on February 12 to identify and reinforce who our stakeholders are and the shared values that will help us sustain outcomes for the children and families we serve. Petra noted that the open forum allowed funded partner staff to ask questions, share new ideas, express fears and motivations, and speak openly.

Commissioner Gollub asked how staff responded to the focus on outcomes for children and families rather than preserving staff positions. Petra reported that staff were able to focus on our collective impact and how we move forward to best serve children and families, although there is still fear about job loss. Petra asked funded partners in attendance for any additional feedback – Noemi Valdez, Oxnard NfL Director, concurred that the meeting helped refocus the conversation on how to

move forward doing what is best for Ventura County but that anxiety will likely continue until a decision is made.

Petra provided background for the scenario presentation to follow, noting that since November 2017 staff have worked to identify which services we will continue direct investments in and which we will shift to capacity and systems building efforts. Petra noted that many discussions have been had on who we serve, do we provide targeted or universal services, and what our service delivery model will be moving forward.

Commissioner Gollub asked about the possibility of getting revenue from Cannabis tax. Petra noted that the F5 Association is advocating for funds at a state level and we are hopeful, as a certain percentage is allocated to prevention and health education. Petra added that while First 5 is aligned with those values it will be some time before we see decisions about revenue distribution. Commissioner Zimmerman agreed and reported that there is no expectation of Cannabis tax revenue being distributed in the next 12 months. Petra added that in conversations with Supervisor Long it appears state Cannabis tax revenues may be distributed prior to local revenue.

Commissioner Gollub asked if First 5 is valued by State agencies and decision makers. Commissioner Zimmerman noted that the department of social services and many others commend First 5 and that CalWORKs is considering the “First 5 Model” in developing a home visiting program. Commissioner Zimmerman added that finance policy makers are often not aware of program outcomes. Petra reported that while we will continue to pursue additional revenues our core strategic investments for FY 2019 and beyond should be focused on Prop 10 revenue only.

II. Review of Potential Scenarios for FY 2019-21 (as presented on January 18, 2018) and discussion– Staff

Petra noted that the scenario presentation will be exactly what was presented on January 18, 2018 and introduced Sam McCoy, Director of Program and Evaluation. Sam noted staff have been working through a lens of strategic plan goals to determine investments in terms of direct services vs. capacity building and identify what services would not exist without funding from F5VC. Sam noted that identified direct service investments include PACT programming, parent support and navigation through family liaisons, parent education, Triple P, and potentially preschool scholarships. Sam also noted in systems change we are looking at staff’s role in countywide strategies such as Help Me Grow, universal screenings, parent leadership programs, and initiatives such as 2-1-1. Sam noted that Oral Health may be an area that we shift efforts from direct services to systems building and noted that most of our direct services are delivered through 26 FRCs which are structured under 11 NFLs.

Commissioner Zimmerman noted that information about scope of services provided and relative needs of community served would be helpful to the Commissioners moving forward, Sam concurred. Sam noted for reference that FY 17-18 direct service investments are \$11M with \$4.1M projected for FY 19-20. Sam also noted that of the scenarios presented in November, a 50% across the board funding reduction was eliminated from consideration.

Scenario 1: NFL Consolidation

Sam noted scenario 1 would consolidate existing NfLs into regions, potentially three or five across the county and continuing the current allocation formula. Potential programs delivered through NfLs would include PACT programming, parent support and education, and developmental screenings. Sam presented an example of how the four Oxnard NfLs may be consolidated, structured, and deliver services. Sam noted that benefits for this scenario include continuity of current NfL structure, limiting confusion for parents and communities, and preserving core services and contracting model. Sam also noted that this scenario may not be sustainable long-term, would require a RfP which could create competition among NfLs, consolidation may be an issue for unionized staff, savings may be offset by the need to hire additional staff for larger areas, and quality may be impacted as staff become more generalists.

Commissioner Zimmerman asked if there are financial benefits to consolidation beyond administrative savings. Sam confirmed that the savings would primarily be administrative expenses.

Commissioner Gollub asked if the NfLs would remain in place. Sam noted that in this model F5VC would contract with three to five regional NfLs to deliver services at satellite FRCs throughout a region of the county.

Commissioner Zimmerman asked if services would be structured by further modeling in each region. Petra confirmed and added that contracts would be reduced to meet budget considerations moving forward in addition reduced administrative expenses from consolidation.

Commissioner Gollub asked if NfLs receive funding other than from F5VC. Petra noted that school districts often contribute in-kind support such as facility and classroom space but we are the core cash funder for these programs.

2: Targeted High Need

Sam noted that scenario 2 would also consolidate NfLs into a regional model but would target services to “high-need” areas based on criteria such as income, a specific geography, access, or other factors. Once criteria were established, an RfP would be issued and we would focus the direct service investments to targeted high need areas only. Sam noted that benefits for this scenario include some continuity of core services and contracting/service delivery models remaining largely as they are now. Sam added that concentrating services may allow for the greatest impact in terms of return on investment. Sam also noted the considerations identified: loss of countywide reach, how we would be perceived by communities we are not concentrating services in, and that F5VC may become another largely income based program. Petra added that this model may limit the diversity of children and families served, which has always been important to F5VC.

There were no questions from Commissioner Gollub or Commissioner Zimmerman at this time.

3: (New Model) Direct Services through F5VC

Sam noted that scenario 3 eliminates the current NfL structure and contracted services and positions F5VC to deliver services directly. In this scenario, F5VC would hire staff to deliver programs countywide which would increase administrative costs and facilities may have to be rented to deliver programs. Sam noted that F5VC would seek MOUs to deliver programs on School

District sites as well as potential community sites and that it may be difficult to secure every site we currently have. Sam added that F5VC regional coordinators would continue to oversee placed-based program initiatives and community relationships.

Sam highlighted that benefits for this scenario include: greater flexibility with non-traditional hours and school calendars, greater internal control in staffing, adaptability to each region, ability to contract with multiple entities for space, and may allow for easier transition of staff from current NfLs. Sam noted this model may allow for a sliding-scale fee structure and would allow for a more rapid implementation of the new model as well as potentially streamline access to F5VC services. Sam presented considerations for this model, including: F5VC would shift from a funder to a service provider, would require additional staff and upfront work to develop service delivery model as well as have an impact on fiscal/administrative staff, we may lose some in-kind support that we leverage currently, and it may cause community/partner anger or a certain perception of F5VC if we became a service provider.

There were no questions from Commissioner Gollub or Commissioner Zimmerman at this time.

4: Countywide Service Contract

Sam noted scenario 4 is similar to scenario 3 but with F5VC contracting with a single countywide entity. Hypothetical partners include Boys & Girls Clubs, YMCA, and CDI or CDR, just to list a few. This partner would deliver core services such as PACT, and family support. F5VC staff will work with the contract partner to maintain program quality and fidelity as well as provide technical assistance. Sam noted we envision this countywide entity would have regional directors as well as administrative and program staff. Sam added that the regional directors would be sensitive to the needs of the specific communities and that family liaisons may subcontracted to organizations such as HSA or Kids and Family Together.

Sam noted the benefits of this scenario: many of these hypothetical partners have MOUs and their own community sites, this would enable greater flexibility with programs outside of traditional calendars and school hours, and partners may leverage funding through non-profit partners and fundraise in addition to implement a sliding-scale fee structure. Sam noted considerations include: ensuring countywide service delivery across all regions as well as maintaining quality and fidelity. This scenario would require considerable capacity building and oversight, may lose the current placed-based feel, and affect F5VC branding. Commissioner Morales asked whether under this scenario, F5VC would continue to exist. Commissioner Mantooth noted F5VC would be the primary funder for these services.

Commissioner Gollub asked if such a countywide entity exists. Sam noted that hypothetical partners such as Interface, CDI and CDR have some capacity but there have been no conversations with potential partners. Commissioner Zimmerman noted it may be difficult to find a countywide organization that aligns with F5VC values and strategic plan goals and to add that to the list of considerations. Sam concurred.

III. Consideration of Next Steps – Commissioners

Commissioner Gollub asked how efficient and effective NfLs are and if costs are in line with services provided. Petra noted that NfLs generally utilize their funding allocations annually with the

exception of last year due to funded preschool spaces being converted to state funded spaces. In terms of performance, all NfLs generally meet or exceed performance targets. Petra added that costs to deliver a specific service vary across NfLs, depending on the contract agency.

Commissioner Gollub asked what staff prefer. Petra was cautious to speak for all F5VC or NfL staff but reported that scenario 2, targeted services, seems to be least popular across the board. Petra also noted that in January, the Commissioners shared a similar view about scenario 2 and noted that we should focus on desired outcomes for children and families, not necessarily the criteria that our service population needs to meet. Petra also noted that staff is concerned about scenario 4 in terms of finding the right partner, the potential loss of momentum, and the impact on F5VC branding.

Commissioner Gollub asked if the cost savings would be significant if we contract with an agency vs with existing NfLs. Petra noted it depends largely on the agency and their existing infrastructure. Commissioner Zimmerman noted that leveraging a partner's infrastructure would provide additional savings but F5VC would need to invest in capacity building to deliver these programs if they are not already core programs.

Petra noted that there are consistently fewer considerations for scenarios 1 and 3 than for scenarios 2 and 4. She added that scenario 3 would change the nature and culture of F5VC as an organization. Petra added that Prop 10 revenues will continue to decline; we are currently projecting \$5.5M in revenues for FY 21-22 with further declines moving forward. Petra reported staff are currently working on cost modeling for all scenarios and not asking the commission for any decisions at this time.

Commissioner Zimmerman asked if a decision has been made about core F5VC services moving forward. Petra noted that our categorization of investments presented today reflects what the Commission identified in November but no formal decisions have been made.

Commissioner Gollub asked where the savings will be if we consolidate NfLs but still have FRCs. Petra reported we currently have 26 FRC sites with a wide range of variance in terms of hours of operation and programs and that we may have to reduce FRC locations. Exact numbers would depend on the level of in-kind and leveraged resources we could secure.

Commissioner Zimmerman noted hard questions include if a 50% funding reduction would mean a 50% reduction in FRC locations, if it is feasible to have local services of value in every community, what is the cost of having a presence in every community, and would we better serve the county by having more intense services in areas of higher need. Petra concurred that these are all tough questions to answer.

Commissioner Zimmerman noted that contracting with a countywide organization does not change our scope or provide real savings and it would be more efficient to do in house programs. He added consolidation would be a half-step that may not be enough long term when competition for Prop 10/64/etc. funding is so intense. Commissioner Zimmerman also noted we may consider reducing investments sooner rather than later in order to maintain reserves for as long as possible and provide greater value for the community. This would also help to create a sense of urgency for increased community support.

Commissioner Gollub asked if it anticipated that First 5 will go away and all funding will dry up. Petra feels First 5 will continue to exist in some capacity but revenue projections can vary as much as 30% month to month. Long term projections still show a 4% annual decline and our Prop 64 backfill will not be received until next fiscal year. Petra noted that staff are looking at financial planning scenarios that would potentially reduce investments for years 4 and 5 in order to smooth transition into subsequent years and increase sustainability of core services moving forward.

Commissioner Zimmerman commended staff for the work done and expressed a comfort with establishing some hard assumptions to use to move forward. He prefers establishing a new normal to ensure long-term stability rather than constantly shifting to respond to given circumstances.

Commissioner Gollub asked if there is any expectation of cities stepping up to support F5VC. Commissioner Zimmerman replied cities tend to focus on planning and safety issues and will follow lead of Counties of social issues. Commissioner Zimmerman added a city may work on a targeted program but it is hard to get them to take the lead on larger social change issues.

Petra reported that staff will continue to work on cost modeling and projections moving forward and will present updates at the March Commission Meeting.

The meeting was adjourned at 2:09 p.m.