



COMMISSION MEETING MINUTES

October 18, 2018

Commissioners Present: Barbara Marquez-O'Neill (Vice-Chair), Dr. Michael Gollub, Kelly Long, Dr. Cesar Morales, Dr. Carola Oliva-Olson, Bruce Stenslie, Barry Zimmerman

Excused Absence: Stan Mantooth (Chair), Dr. Robert Levin

Staff Present: Petra Puls, John Anderson, Heather Davidson, Fahim Farag, Jennifer Johnson, Elizabeth Majestic, Sam McCoy, Nani Oesterle, Alex Torres

Public Present: Kelly Brown, Carizma Chapman, Kelly Cox-Quayle, Mary Linn Daehlin, Sharon Elmendorf, Rafaela Frausto, Irene Gomez, Nancy Kreiselmeyer, Sandi Lane, Mabel Munoz, Stephanie Otwell-Curtis, Cathy Puccetti, Melissa Staley, Erik Sternad, Noemi Valdes, Alicia Villicana

OPENING

1. Welcome and Introductions

Vice-Chair Marquez-O'Neill opened the meeting at 1:04 p.m.

2. Approval of Minutes from September 20, 2018 Commission Meeting

A motion was made by Commissioner Stenslie, seconded by Commissioner Oliva-Olson, to approve the minutes from the September 20, 2018 Commission Meeting. The motion passed unanimously.

3. Agenda Approval and Review of Commission Packets

Petra reported that supplemental packet materials include the final Audit and Accountability Report for fiscal year 2017-18, which accompany agenda items 5 and 7, respectively. She also detailed handouts for agenda items 8 and 9 as well as a letter received by the F5VC office. Petra noted that legal counsel has advised the letter is not required to be made public as it was submitted anonymously; however, staff felt it appropriate to share it with the Commission. She added that F5VC staff are hopeful that today's meeting positions F5VC for a successful transition. As part of the transition, Petra noted that F5VC staff will work to prioritize retention of experienced funded partner staff.

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

4. Public Comments/Correspondence

Vice-Chair Marquez-O'Neill stated that, as the requests for public comment correspond to agenda item 8, they will be heard at that time.

5. Public Hearing on Annual Audit and Year-End Report to the First 5 State Commission for FY 2017-18, in compliance with Section 130150 of the Health and Safety Code

Petra Puls noted that the public hearing for the annual report and audit are part of F5VC statutory requirements and introduced Jennifer Johnson to present an overview of the audit for fiscal year 2017-18.

Jennifer noted this year marks the 20th anniversary of the passage of proposition 10 and that fiscal year 2017-18 was the 2nd funding year of the current five-year strategic plan. She noted that the strategic plan maintained investments at prior levels with the use of our sustainability fund for years 1-3 and that strategies for year 4 and 5 will shift to systems building efforts. Jennifer reported that as all major initiatives were continued in fiscal year 2017-18 spending levels are consistent with the prior year, with additional spending for countywide preschool strategies. She noted that the Commission has adopted an investment plan with annual investments of \$6.5 million in each of the next two fiscal years.

Jennifer noted that highlights of F5VC Results Based Accountability and QRIS efforts are included in the management discussion and analysis section, as well as an overview of the PACT investments, which were evaluated to refine that model moving forward. Jennifer summarized the differences between government and fund financial statements and reviewed the governmental balance sheet as of June 30, 2018, which is down 16% year-over-year due to the planned use of the F5VC sustainability fund. She also noted that amounts due but not yet received are listed in assets, which is 43% higher due to proposition 10 distributions and interest earnings. She added that the Community Investment Loan Fund issued one loan in January 2018, which is reflected in loans receivable and offset by loan repayments received throughout the year. Jennifer noted total liabilities are up 6% year-over-year due to unearned revenue. She concluded the total fund balance as of June 30, 2018 is \$16.5 million.

Jennifer also reviewed the statement of revenues, expenditures, and changes in fund balance, noting tobacco tax revenues were \$5.8 million, down 13% year-over-year. She noted 2% is attributable to the declining birth rate in Ventura County and the balance is due to a decline in smoking believed to be from proposition 56 passage. She added that these revenues also reflect about three months of backfill (April-June 2017) from proposition 56 revenues. She noted that proposition 56 backfill revenues from fiscal year 2017-18 will be realized in the 2018-19 fiscal year. Jennifer noted additional revenues includes just over \$1 million in grant funding as well as \$68,000 in federal funding for a Pay for Success feasibility study. She added that interest earnings totaled about \$260,000 without unrealized gains of \$27,500. Jennifer concluded that total revenues are just over \$7 million, down \$485,000 year-over-year.

Jennifer reported total operating expenditures were \$10.8 million, with program evaluation expenses totaling \$231,000 and administrative expenses at 5.36%, below the 5.5% cap. She noted that transfers of \$4.9 million from the sustainability fund and \$1,300 from the Community Investment Loan fund are reflected to maintain capital for services in the operating fund. Jennifer summarized the notes section, which details accounting policies, disclosures, and reference notes. She pointed out changes to how our

lease will be calculated as of fiscal year 2020-21, as well as sections on retirement plan details, interfund transfers, related party transactions, and amount of active fixed assets/infrastructure costs.

Jennifer reviewed the operating fund detail, noting total revenue was below budget at \$7 million. She added that grant revenue not realized will roll over to the current fiscal year. She also noted the sustainability fund shows a final transfer of \$4.8 million to the operating fund. Jennifer reported that actual expenditures were \$10.7 million, 81% of the budgeted amount. She noted the variance is due to carry over of funds not utilized by funded partners, conversion of F5VC funded preschool spaces to state funding sources, some staff vacancies, and delayed implementation of challenge grants. Jennifer reported that programs have until December to request prior year unspent funds be rolled over and have until June 30, 2019 to use such funds. Jennifer also reported that the sustainability fund shows interest earnings of \$93,000, which exceeded budget projections due to improved interest rates.

Jennifer reported the Community Investment Loan Fund had a \$620,000 allocation, with \$590,000 for loans. She added that one loan was issued in fiscal year 2017-18, which was used to renovate facilities for 75 new preschool spaces in Oxnard. She added these Commission funds are leveraged with funds from the Department of Commerce. As of the end of fiscal year 2017-18 six loans have been issued totaling \$1.2 million and creating over 340 new licensed spaces throughout the county.

Jennifer concluded her report by noting that the auditors issued unmodified and unqualified opinion, also referred to as a clean opinion, and that the enclosed expanded audit also received a clean opinion. She added that as federal expenditures were under \$750,000 a single audit was not required and that the Administration and Finance Committee received this presentation from the Auditors in October 2018.

There were no questions from the Commission.

Vice-Chair Marquez-O'Neill introduced Sam McCoy to present the annual report to the State Commission. Sam noted that state reporting categories do not reflect how we would describe our service delivery systems or capture participants served and that the state report is detailed in three sections: revenue detail and expenditures by result area, demographics of population served, and evaluation and improved systems. Sam detailed that each contractor can only be selected for a single program/result area, which diminishes data details for NfL services. He added that the state reporting system results in duplication for numbers served and First 5 Ventura County data is better illustrated in the F5VC evaluation report. Sam also summarized that the section on evaluation and improved systems includes strict character limits and this does not fully allow staff to provide as much detail as preferred.

Commissioner Long asked if the duplication assessment reported at 44% is accurate. Sam reported that this number was an estimate provided by F5VC staff. Commissioner Long asked about ethnicity tracking, Sam noted that some activities, such as public health events, do not collect demographic information for individuals such as ethnicity or language. Petra added that those statistics include community resource and referral in which demographic data is not collected.

Vice-Chair Marquez-O'Neill opened up the meeting for public comments at 1:35 pm.

There were no comments from the public.

Vice-Chair Marquez-O'Neill closed the public hearing at 1:36 pm.

A motion was made by Commissioner Morales, seconded by Commissioner Stenslie, to receive and file the Annual Audit and approve the Year-End Report to the First 5 State Commission for FY 2017-18, in compliance with Section 130150 of the Health and Safety Code. The motion passed unanimously.

REGULAR AGENDA

6. Administration and Finance Committee **a) Progress Report**

Vice-Chair Marquez-O'Neill introduced Jennifer Johnson to provide a progress report. Jennifer noted that at the most recent meeting the administration and finance committee conducted a review of the fiscal year 2017-18 audit as well as a program spending analysis. She added that budget variances are due to conversion of preschool spaces and staff vacancies and upcoming agenda items include a review of the policy platform and transition planning.

7. Review and discussion of Annual Accountability Report

Vice-Chair Marquez-O'Neill introduced Sam McCoy to present the annual accountability report. Sam noted this accountability report focuses on targets set and benchmarks achieved for contracted services. Sam reviewed investment areas as they align with strategic plan goals. Goal 1 (ready to learn) investment areas: quality preschool, PACT programs, and developmental surveillance. Goal 2 (children are healthy) investment areas: oral health and obesity prevention. Goal 3 (families have knowledge and resources) investment areas: parent education and service coordination/case management. Sam reviewed targets for each investment area and noted that information from the prior two years is included for reference. He noted preschool spaces funded were 718, with a target of 732, and detailed that 14 spaces in the Rio School District were converted to state funding, which aligns with the three year trend of transitioning spaces to sustainable funding sources. Sam added that QRIS participation and rating tier goals were met and the Community Investment Loan Fund goal was nearly met.

Sam reported that PACT classes served 2,716 (goal was 2,988) and that 87% of children were age 0-3 (goal was 80%). He noted that the numbers served were impacted due to staff vacancies among funded partners.

Sam reported on developmental screening investments – noting goals were met for number of children receiving screenings and percentage referred for follow-up services after a screening. Sam added only 40% (goal was 60%) of screenings accounted for by VCPH were for children age 2 or younger and that these only reflect a portion of developmental screenings conducted as they only include referrals from NfLs.

Commissioner Zimmerman asked why the developmental screening age target was not met. Petra noted that over the past few years VCPH has shifted its focus from conducting individual screenings to building provider capacity in the community, including preschool providers for 3 and 4 year olds and PACT programs for 2 and 3 year olds, thus having less control over the age group reached.

Sam reported on oral health and obesity prevention investments, noting every goal was met with the exception of the number of children receiving oral health screenings and treatment. He added that the Thomas Fire forced events at multiple sites to be cancelled and that completion of more intensive treatments was a focus.

Vice-Chair Marquez-O'Neill asked how we are serving children with high oral health needs. Sam noted these numbers are reflected in benchmark 4b, number of children receiving oral health screenings and treatment.

Sam concluded his report by noting that all goal 3 investment area benchmarks were achieved.

Petra thanked funded partners for collecting data and entering into our data systems so that we can accurately capture our work and impact. Commissioner Long commended F5VC and funded partner staff for all their work and complimented staff on how many of our benchmarks have been met. Petra agreed and added that goals not being met is seen as a learning and improvement opportunity.

8. Recommendation to Approve Selected Contractor(s) to Administer Place-Based Services for FY 2019-21

Vice-Chair Marquez-O'Neill asked members of the public to deliver their comments.

Sandi Lane introduced herself and her background working with the Moorpark/Simi Valley NfL for almost 15 years. She detailed the history of the NfL establishing partnerships, recruiting volunteers, developing relationships, and the lesson learned that First 5 must be an organization for all families. Sandi asked the Commission to postpone a decision to allow the Moorpark/Simi Valley NfL to be interviewed, as well as asking the Commissioners to come visit sites to see how they work.

Stephanie Otwell-Curtis introduced herself and her role as the Moorpark/Simi Valley NfL scholarship coordinator for 15 years. She noted that the majority of the MSV NfL staff have over ten years' experience of delivering programs, such as PACT. Stephanie noted that local staff best understand community needs and characteristics and staff have lived and grown along with the families F5VC serves. She concluded such relationships and knowledge cannot be recreated without years of experience. Stephanie asked the Commissioners to read all three proposals prior to making a decision.

Mary Linn Daehlin, director of the Moorpark/Simi Valley NfL, noted that the NfL has maintained over 60% of countywide PACT participants primarily due to the dedication of NfL staff. Mary Linn noted that staff have been dealing with uncertainty for past two years which has negatively impacted morale and new staff positions will require staff to compete against each other. She added 2 of 3 applicants have experience delivering place-based services and asked the Commission to review the all applications prior to making a decision.

Cathy Puccetti, director of the Ventura NfL, asked the Commission to consider what experience the applicant has in early childhood development. Cathy noted that the NfL name was deliberate to reflect the need to have programs located in the communities they serve and that these are relationship based

services and not just programs. Cathy asked the Commission to consider how a countywide applicant can deliver services reflective of local communities prior to making a decision.

Nancy Burkhart introduced herself and noted she had been involved with the Moorpark/Simi Valley NfL for over 14 years. She noted staff work diligently to serve families and maximize resources and that 14 staff members, along with their families, will be impacted, as will the families they serve. Nancy noted that the MSV NfL proposal submitted exceeds what F5VC requested and that she does not understand the desire to change service providers at the current time.

Vice-Chair Marquez-O'Neill thanked the members of the public for their comments and introduced Elizabeth Majestic to present the recommendation. Elizabeth provided background on the NfL structure, services provided, and the impact to children and families. Elizabeth noted the redesigned NfL system will prioritize services for ages 0-3, focus on PACT and parent education, and leverage lessons learned from current efforts.

Elizabeth summarized the desired qualifications sought when requesting responses to the RfQ, including knowledge and expertise of core programs and local communities, the ability to coordinate and leverage resources, and partnerships with key stakeholders.

Elizabeth noted that F5VC received two regional applications and one countywide application. She noted that the available funding is \$2.9 million annually for two years, with a contract term of 7/1/2019-6/30/2021, and reviewed regional allocation amounts approved by the Commission in August 2018. Elizabeth also reviewed strategic transition planning activities over the past 14+ months, noting that meetings have included funded partner leadership and staff.

Elizabeth reviewed the RfQ application timeline and review process, noting five independent readers scored each application, and scores and feedback were provided to a separate five member review committee. She noted the review committee consisted of three current NfL directors as well as experts in child development and early childhood education. Elizabeth reported that the review committee made the decision to not invite either regional applicant for an interview and only follow-up with the countywide applicant for additional information via an interview. She added that the applicant answered all questions to the satisfaction of the review committee; and the review committee recommended funding the countywide applicant.

Elizabeth concluded that the staff recommendation is to contract with Interface Children & Family Services to deliver place-based services through redesigned NfLs from July 1, 2019 – June 30, 2021, with an annual funding allocation of \$2.9 million.

Commissioner Long asked why the two regional applicants were not advanced to interview. Elizabeth reported the decision was made by the review committee due to the significant weaknesses in the applications from both of the regional applicants.

Commissioner Oliva-Olson asked if there was an expectation that regional applicants would be interviewed and if they were informed in a timely manner they would not be interviewed. Elizabeth reported that the review committee felt the issues with each regional applicant were so significant that an interview could not be used to address the weaknesses in the applicants' proposals. Petra added that the timeline for the RfQ review included interviews and F5VC staff had asked applicants to hold a specific

time for interviews as a save-the-date. She reported that applicants were notified that they were not advanced to an interview as soon as that decision had been made by the review committee.

Commissioner Stenslie asked about the supplemental information requested from applicants. Elizabeth noted that that information was received and considered, however, the review committee did not feel answers were sufficient to warrant an interview with either regional applicant.

Commissioner Long asked if the six family resource centers listed are in lieu of or in addition to current sites. Elizabeth reported that Interface leadership has reached out to or met with leadership of all NfLs to determine viable spaces and added Interface proposes structuring services to take advantage of current infrastructure where possible.

Commissioner Oliva-Olson noted the recommendation does not include the term early childhood education or play-based approaches. Staff responded that F5VC is known for NfLs and the terminology we use is recognized and indicative of the early childhood work done in the community. Commissioner Stenslie asked if the lack of ECE reference is an oversight or intentional. Elizabeth noted that the NfL brand will continue although the number of NfLs and FRCs will change. She added that the applicant is proposing a mobile PACT program to reach communities where a physical FRC location is not feasible. Petra added that PACT is early learning by nature and the lack of the words “early learning” does not equate to a lack of emphasis. Commissioner Oliva-Olson thanked F5VC staff for the clarification, noted she can understand concern from funded partners that the recommended language does not specifically include “Early Childhood Education”.

Commissioner Gollub reported he represented the Commission at the most recent review committee meeting and that if we had enough money these decisions would not be necessary. He noted that we need to determine what the best path is moving forward with the resources we have as we cannot spend twice as much as we bring in. He added that respect for the NfLs was present in the meeting and that the concerns with the regional applicants were significant enough to not advance them independent of the countywide applicant. He added that Interface is committed to working with F5VC to further delineate specifics in a transition plan.

Commissioner Zimmerman asked if there was consideration to regional or countywide applicant status. Elizabeth noted that the readers and review committee had common metrics to judge proposals on regardless of region and there were some issues with regional applicants’ lack of plans on how to expand into new areas of the region with cultural competence and sustainability. She added that cultural competence and capability to expand were strongly considered by the committee. Petra added that the lack of a regional application for Region 2 was not a factor in evaluating the two regional applications.

Commissioner Morales noted we would like to continue with all our services and that it is out of necessity that we are considering these changes. He expressed regret that there may have been confusion in communication to applicants in regards to the interview and added that he is in favor of a transition period pending approval as we all must do all we can to serve the community in light of reduced revenue and expanding need. He encouraged those in attendance to advocate for legislative action for early childhood investments.

Commissioner Long encourage the NfLs to work with Interface for transition planning, if approved. Elizabeth noted that Interface leadership has expressed interest in transition meetings to meet with NfL

leadership (including advisory boards) in order to continue serving children and families. Petra added that we are dedicated to communicating with parents and families and planning transition meetings with funded partner staff and Interface in order to facilitate a successful transition and maintain trust.

Vice Chair Marquez-O'Neill recused herself and asked if a Commissioner would like to call for a motion.

Commissioner Stenslie thanked funded partner staff for their comments, passion, and commitment. He noted this is an incredibly difficult recommendation to make, but neighborhood access requires both capacity and budget, and the Commission knew that there would be an inevitable reduction in the number of centers and a different model. He added that the notion of competition and loss is also an unfortunate reality resulting from a decline in state revenue.

A motion was made by Commissioner Stenslie, seconded by Commissioner Gollub, to approve contracting with Interface Children and Family Services to administer the redesigned Neighborhoods for Learning (NfL) place-based services model countywide, including Parent and Child Together and family support services, beginning July 1, 2019, with a contract amount of \$2,900,000 per year for FYs 2019-21 (7/1/19 through 6/30/21), for a total amount not to exceed \$5,800,000. The motion was approved with Vice-Chair Marquez-O'Neill abstaining.

9. Report from Executive Director

Petra Puls directed the Commissioners to her written report and noted additional handouts include the most recent F5 Association bill tracker, the current Pt. Hueneme/South Oxnard NfL annual report, and communication from F5CA on the public charge policy.

Commissioner Oliva-Olson asked if the Hueneme NfL café listed is a parent café. Petra confirmed and Melissa Staley, Hueneme/South Oxnard NfL director, added Food Share is a partner for delivering parent cafés.

10. Commission Member Comments

There were no comments from members of the Commission.

11. Next Meeting

The next meeting will be held on Thursday, November 15, 2018, at the Ventura County Office of Education, at 1:00 p.m.

The meeting was adjourned at 2:57.