

**Key Messages**  
**FY 2019-20 Budget**

**Guiding Principles and Overall Direction**

- The Commission’s strategic plan dictates a shift in strategic investments in FY19-20 and FY20-21 (the last two years of the five-year plan) towards capacity building to support and build the overall early childhood system of services.
- The Commission’s internal cost centers shift from a model of program management of several direct service contracts to an intensive effort to influence systems change efforts (e.g., partner convenings/collaboration, advocacy and policy development, capacity building, community initiatives and broad-based education campaigns) determined by the Commission.
- To support the implementation of this shift in the Commission’s strategic priorities, an appropriate level of staffing will be necessary. Ensure budgeted resources allow for:
  - Successful transition to new initiatives and a new model of doing business, in a quality manner.
  - Sufficient resources for new systems change efforts to make an impact and achieve desired results.
  - Sufficient capacity to respond to opportunities to expand resources (financial and non-financial).
  - Sufficient administrative and fiscal “infrastructure” to maintain internal controls and maintain compliance with statutory/grant regulations and Commission policies.
  - Sufficient time to assess internal resources necessary for the new normal (FY20-21+).
- Recognizes that for the first quarter FY19-20 (mid-October 2019), scope/workflows will not change as we close-out current funded partners financially and contractually while conducting the audit and liquidating prior financial obligations.
- Maintain Results-Based Accountability as a separate cost center. Required by statute to “use outcome-based accountability to determine future expenditures” (130100(b)), we must “measure the outcomes of funded programs through the use of applicable, reliable indicators and review that information on a periodic basis as part of [our] county strategic plan” (130140(1)(C)(iv)).
  - Continue Persimmony data system for FY19-20 and external consulting contracts for evaluators.
  - Capacity building and training efforts would now be captured under system change efforts.
- Continues implementation of approved unspent funds for Place-Based Transitional Pilot & Pritzker Grant in FY19-20, which includes staffing for 2 positions and operating costs.
- In order to notify F5VC staff of any changes that would affect their position as of July 2019, the budget approval timeline is moved up from May 2019 to February 2019 so that we can provide 4 months’ notice. As a result, the budget will rely upon estimates based on historical usage and estimated costs, as there will be limited information on actual rate increases and the current year forecast.

### **Admin Cost Cap**

- As a government entity and recipient of state and federal funding, it is essential that we have sufficient resources to maintain proper internal control, comply with statutory requirements, and meet obligations.
- “Administration” is defined by the Financial Management Guide for First 5 commissions as “costs incurred in support of the general management and administration of a First 5 commission,” “are general in nature,” and “support a commission’s basic mission rather than specific program goals”. Admin costs are distinguished from those costs related to “achieving specific program goals and objectives”.
  - Costs attributed to programmatic activities (e.g., program planning, outreach and education, program management of grants/contracts, provider technical assistance/support) or evaluation activities are not included in a Commission’s administrative costs.
  - Therefore, the following functions are included in F5VC’s administration: executive leadership and strategic direction; agency oversight, including all strategic priorities and activities; all accounting and fiscal functions; contracting; internal policy development and monitoring; procurement; human resources; monitoring statutory requirements and compliance with external grant regulations; risk management; records and personal property management; and oversight of facilities and information technology.
- Economies of scale enabled the Commission to run on an admin cap of 5.5% since its inception, with annual expenditures running \$11-13 million. Continuing to implement a 5.5% cap on \$6.5 million would only provide \$340,000 for administrative costs, leading to concerns about organizational viability to meet obligations and statutory requirements.
  - Data collected from First 5 Commissions in 2015 reports average caps ranging from 9.5% to 22.5% for all allocation groups, with the average cap of 11.6% for allocations ranging from \$5.5mi - \$9.9 mil.

**FIRST 5 VENTURA COUNTY  
BUDGET ASSUMPTIONS  
SYSTEMS CHANGE, PROGRAM MANAGEMENT, EVALUATION, AND ADMINISTRATION  
FY 2019-20**

**5000 - Regular Salaries**

Projected salaries provide for advancement within the established salary ranges. Positions budgeted are as follows:  
Programs and Systems Change: 5.30 regular FTEs (added new cost center based on shift in Commission's strategic plan) plus 2.50 FTE for grant-funded projects and the place-based transitional pilot - decreased by 0.50 FTEs based on grant budgets  
Program Management/Community Initiatives: shifts to Programs and Systems Change, previously 5.90 FTEs  
Evaluation: 0.70 regular FTE - reduced from 0.85  
Admin: 3.55 regular FTEs - reduced from 3.80

**5005 - Overtime**

2.5% of projected non-exempt salaries

**5010 - Supplemental Payments**

Auto allowance in lieu of mileage reimbursement for Executive Director - \$575/mo. - based on updated County rate

**5015 - Retirement Contribution**

Based on projected total salaries - employer contribution matches up to 7% of salaries

**5020 - FICA Contribution**

Based on projected total salaries - 6.2%

**5030 - Medicare Contribution**

Based on projected total salaries - 1.45%

**5040 - Group Insurance**

Medical/Dental Insurance, estimated 15% increase for medical and dental in December 2019  
Vision Insurance, estimated 15% increase in January 2020

**5050 - State Unemployment Ins.**

Calculated on projected FY19-20 payroll, budgeted at maximum rate of 6.2%

**5060 - Worker's Compensation Ins.**

Calculated on projected FY19-20 payroll, \$0.42/\$100 (clerical/in-office) \$0.45/\$100 (field) - includes estimated 5% increase

**6000 - Accounting and Audit Services**

MIP Licensing, Support, & Maintenance, estimated 5% increase from prior year; MIP Cloud \$300 per mo.  
CPA Consultant<sup>1</sup> (40 hrs. @ \$125 per hr. + \$500 expenses - reduced from 80 hrs.)  
Audit fee<sup>1</sup> (\$18,250 for financial & expanded audit, plus \$500 for out-of-pocket expenses)  
Annual Payroll fees<sup>1</sup> (Paychex-\$335/mo. - includes estimated 5% increase)  
Estimated Bank Fees<sup>1</sup> - estimated at \$230/mo., based on historical fees - no rate increase anticipated  
~~FSA Administration fees (estimated at \$100/mo. and annual fee of \$125) - eliminated~~

**6010 - Attorney Services**<sup>1</sup>

Projected on anticipated usage at \$228/hr., includes an estimated 5% increase from prior year

<sup>1</sup> Allocation methodology - Shared operating costs allocated on the basis of budgeted full-time equivalents (FTEs) among all internal cost centers.

**FIRST 5 VENTURA COUNTY  
BUDGET ASSUMPTIONS  
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**6020 - Professional & Special Services**

Includes computer maintenance/support & off-site back up storage<sup>1</sup>; phone support; website hosting/maintenance/programming; customer relations database; temporary staffing services and consultants (e.g., content based messaging/graphic design, parent leadership, resource development, evaluation, special projects); public/legal notices - based on historical costs and estimated usage. For Systems Change, also includes estimated one-time cost for re-design of website and the allocation for capacity building/training efforts; for Evaluation also includes the contract for the data system.

**6040 - Building Leases & Rentals**<sup>1</sup>

Office Lease - 3210 sq. ft. (\$1.90 per sf) July-December 2019 - includes estimated 3.5% CPI increase for 2019  
Office Lease - 3210 sq. ft. (\$2.02 per sf based on projected max. increase of 6%) January-June 2020  
Storage-Monthly Rate of \$275 - no rate increase

**6050 - Telephone/Communication Charges**<sup>1</sup>

Estimated costs for telephone at \$200/mo. based on historical usage; data services at \$88/mo. - adjusted for a 10% increase

**6060 - Liability Insurance**<sup>1</sup>

General Liability & Professional Liability for FY19-20 - rate increase estimated at 3%  
Directors and Officers/EPLI - FY19-20 forecast - rate increase estimated at 3%

**6070 - Membership and Dues**

State First 5 Association<sup>1</sup> - Base dues calculated at \$1.45 per birth (estimated increase from \$1.40) based on 2017 births (9,975 DOF projection) plus additional \$2,500 in dues for Policy & Communications fund and \$2,500 for Help Me Grow California fund  
Additional organizations (e.g. local chapter of GFOA, Chambers)

**6080 - Supplies**

Estimated costs for general office supplies<sup>1</sup>, minor equipment, books and publications, initiative-related materials (e.g., children's books), and postage - based on historical usage and anticipated need

**6120 - Printing & Copying**

Estimated costs for copy<sup>1</sup> and printing/collateral charges - based on historical usage and anticipated need

**6150 - Meeting Costs - Room/Misc.**

Estimated costs for room rental and meeting costs, anticipated usage for Commission & Committee meetings, Parent Leadership, community convenings, etc.

**6165 - Travel**

Mileage - anticipated usage with rate increase of 6% (\$0.58), based on FTEs  
Estimated costs for travel to meetings, conferences and seminars - based on historical usage and anticipated need

**6175 - Education & Training**

Estimated costs for staff development; registration fees to attend conferences and seminars - based on historical usage and anticipated need

**7007 - Community Events & Sponsorships**

Estimated costs for supporting mission-related events/activities by partnering with community agencies - based on historical usage and anticipated need

<sup>1</sup> Allocation methodology - Shared operating costs allocated on the basis of budgeted full-time equivalents (FTEs) among all internal cost centers.



## EXAMPLES of SYSTEMS CHANGE ACTIVITIES

SAMPLE ACTIVITIES	DESIRED RESULTS	STRATEGIES					
		Communication & Messaging	Advocacy & Policy Development	Capacity Building & Training	Convening & Collaboration	Leveraging & Resource Dev.	Innovation & Learning
<b>Children Grow up Healthy</b>							
<b>Prenatal Workgroup</b>	<ul style="list-style-type: none"> <li>Increased rates in 6-week post-partum visits</li> <li>Pregnant and new parents know and utilize parental leave rights</li> <li>Employer policies support needs of new parents</li> </ul>	✓	✓	✓	✓		
<b>Oral Health Collaborative</b>	<ul style="list-style-type: none"> <li>Children have a dental home and see a dentist regularly</li> </ul>	✓	✓	✓	✓	✓	
<b>ACEs and trauma informed care</b>	<ul style="list-style-type: none"> <li>ACEs screenings are incorporated into regular well-child visits</li> <li>Providers adopt and implement trauma informed practices</li> </ul>	✓		✓	✓	✓	✓
<b>Nutrition and Obesity Prevention</b>	<ul style="list-style-type: none"> <li>Parents provide healthy foods and non-sugary drinks</li> <li>Parents limit screen time for very young children</li> </ul>	✓		✓			✓
<b>Children are School Ready</b>							
<b>Early Literacy</b>	<ul style="list-style-type: none"> <li>Reading early and daily becomes a social norm</li> <li>Literacy champions promote reading</li> <li>Children have access to books</li> </ul>	✓		✓	✓	✓	✓
<b>Early identification of developmental concerns</b>	<ul style="list-style-type: none"> <li>Developmental screenings are incorporated into regular well-child visits</li> <li>Tracking of screenings across systems and providers</li> <li>Coordinated follow-up</li> </ul>	✓	✓	✓	✓	✓	✓

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		Communication & Messaging	Advocacy & Policy Development	Capacity Building & Training	Convening & Collaboration	Leveraging & Resource Dev.	Innovation & Learning
<b>Expanding access to publicly funded preschool</b>	<ul style="list-style-type: none"> <li>Increased number of eligible children have access to publicly funded preschool</li> <li>Streamlined and coordinated enrollment of families into subsidized spaces</li> </ul>		✓		✓	✓	✓
<b>Transition to Kindergarten</b>	<ul style="list-style-type: none"> <li>Universal Kindergarten enrollment and entry assessment</li> </ul>		✓	✓	✓	✓	✓
<b>Parents have knowledge and resources</b>							
<b>Coordinated system of services</b>	<ul style="list-style-type: none"> <li>Families at risk of entering child welfare services are identified and supported</li> </ul>		✓	✓	✓		
<b>Parent Leadership</b>	<ul style="list-style-type: none"> <li>Parents understand their important roles as a child's first teacher, advocate, and community leader</li> <li>Parents are actively supporting other parents (peer-to-peer support)</li> </ul>	✓		✓	✓		✓
<b>Communities are engaged in supporting and prioritizing children</b>							
<b>Shared data collection and evaluation</b>	<ul style="list-style-type: none"> <li>Universal intake form</li> <li>Streamlined referral processes</li> </ul>		✓	✓	✓		✓
<b>Children's Bill of Rights</b>	<ul style="list-style-type: none"> <li>City and County governments adopt a Children's Bill of Rights, prioritizing children and their families in all policies and decisions</li> </ul>		✓		✓	✓	✓