



COMMISSION MEETING MINUTES

February 28, 2019

Commissioners Present: Dr. Robert Levin, Kelly Long, Stan Mantooth, Barbara Marquez-O'Neill, Bruce Stenslie, Barry Zimmerman

Excused Absence: Dr. Michael Gollub, Dr. Cesar Morales, Dr. Carola Oliva-Olson

Staff Present: Petra Puls, John Anderson, Lauren Arzu, Heather Davidson, Jimena Hernandez, Jennifer Johnson, Elizabeth Majestic, Sam McCoy, Nani Oesterle, Alex Torres

Public Present: Johanna Burlingham, Patricia Cervantes, Rachel Champagne, Mary Linn Daehlin, Seleta Dobrosky, Sharon Elmendorf, Jennifer Escamilla, Rafaela Frausto, Sonia Garcia, John Jell, Ambar Lopez, Mabel Munoz, Robin O'Toole, Cathy Puccetti, Erik Sternad, Amber Williams

OPENING

1. Welcome and Introductions

Chair Marquez-O'Neill opened the meeting at 1:02 p.m. and shared a quote from Nelson Mandela, "There can be no keener revelation of a society's soul than the way in which it treats its children".

2. Approval of Minutes from January 24, 2019 Commission Meeting

A motion was made by Commissioner Mantooth, seconded by Commissioner Long, to approve the minutes from the January 24, 2019 Commission Meeting. The motion passed unanimously.

3. Agenda Approval and Review of Commission Packets

Petra Puls provided an overview of the supplemental packet.

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

4. Public Comments/Correspondence

Chair Marquez-O'Neill introduced John Jell to deliver a public comment. John detailed the role his company has played as a consultant to F5VC over the past months during the transition work. He noted this is the most complex change initiative he has been involved with in his career, similar to rebuilding an

airplane while still in flight. John commended the good faith effort by F5VC to be inclusive and transparent throughout the two year process while recognizing that not everyone will be happy with the changes.

CONSENT AGENDA

5. Receive and File the First 5 Ventura County Financial Reports as of December 31, 2018

6. Ratification of Committees

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

REGULAR AGENDA

7. Recommendation to Adopt an Implementation Model for Help Me Grow and to grant authority to the Executive Director to Enter into a Contract with Ventura County Public Health for Implementing Components of the Help Me Grow Model

Commissioners Long and Levin recused themselves.

Heather Davidson reported that in April 2018, F5VC approved a \$285,000 annual allocation for FY 2019-21 to support early identification and linkage to intervention through the Help Me Grow model. The Help Me Grow (HMG) framework consists of four core components: a centralized access point, family and community outreach, data collection and analysis, and child health provider outreach, supported by an organizing entity. She noted as Landon Pediatric Foundation is no longer able to serve as a contracting agency the staff recommendation is to have F5VC serve as the organizing entity, allocating \$85,000 annually for two years and to contract with Ventura County Public Health for two years at \$200,000 per year for community capacity building and parent navigation. She added that the previously approved annual allocation of \$80,000 for 2-1-1 Ventura County will allow that system to serve as the centralized access point.

Commissioner Mantooth asked if this recommendation is for two years and if a different amount could be used each year. Petra Puls confirmed.

Commissioner Zimmerman asked if VCPH is able to leverage funds when implementing this contract. Petra Puls stated that VCPH is contributing matching funds, including some from general fund, as the \$200,000 First 5 allocation for VCPH would not be sufficient to support the proposed two FTE's.

Commissioner Zimmerman asked how many people are served each year and what the impact is. Petra explained that the overall funding for this collaborative effort decreases from nearly \$700,000 in the current year to \$285,000 in subsequent years, and that the scope of work will focus more on system and capacity building than direct services. Sharon Elmensdorp, HMG Coordinator, reported about 550 people receive direct services from HMG annually, but that this contract will allow for more automation and capacity building, thereby increasing the reach of the program.

A motion was made by Commissioner Stenslie, seconded by Commissioner Mantooth, to adopt the implementation model for Help Me Grow as presented and to grant authority to the Executive Director to enter into a contract with Ventura County Public Health to implement specific components of the Help Me Grow model, for an amount not to exceed \$400,000 for July 1, 2019 through June 30, 2021. The motion passed with Commissioner Levin and Commissioner Long abstaining.

8. Recommendation to Adopt an Implementation Model for Preschool Services

Chair Marquez-O'Neill noted the Commission previously received information and discussed preschool models for Fiscal Year 2019-21 and that a decision needs to be made to avoid a gap in service.

Petra Puls provided an overview of the current F5VC preschool funding models. In Fiscal Year 2018-19, approximately \$2 million was invested to fund 557 spaces throughout the county. She added the goal is to serve children who don't qualify for or can't access state preschool.

Petra reported on state budget updates, noting Governor Newsom has proposed significant investments in preschool. She noted income eligibility levels for state preschool are increasing on July 1, which will allow more local families to access free preschool. Petra added that the Commission previously approved an annual investment of \$1,035,000 in preschool for Fiscal Year 2019-21 as a two-year transition strategy. Petra then detailed the description, benefits, and considerations of four proposed preschool models.

Commissioner Long asked what a home visit entails. Heather Davidson noted a home visit lasts 60 – 90 minutes, models parenting techniques, and focuses on those in the home at that time.

Petra discussed estimated service levels for each model. F5VC anticipates \$800,000 in unspent preschool funds to be available due to current preschool partners converting F5VC funded spaces to state preschool. Petra reported the staff recommendation to maintain current preschool spaces and scholarships aligns with the Commission's preschool priorities and includes re-investing the \$800,000 in preschool over next two years.

Commissioner Levin asked how can we see improvement in kids' performance that isn't cashable. Petra noted that the DRDP measures development at beginning and end of year and shows that kids are better prepared for kindergarten, but it can't be tied to cashable savings for a school district. For example, kids in quality preschool are more likely to receive early intervention services in preschool, which theoretically reduces school district's costs for special education in Kindergarten and beyond.

Commissioner Levin asked if preschool is effective in reducing the amount of children entering special education. Petra noted that due to current data limitations, we are not able to demonstrate that kids are not entering special education in elementary school as a result of preschool attendance. She added as schools are underfunded, any savings from reduced special education enrollment would likely not be invested in preschool. Commissioner Levin asked why F5VC should reinvest in preschool if there will be state dollars to fund preschool. Petra reported that the State's investment in preschool may not meet all kids' needs, and that there will still be some kids who don't qualify.

Commissioner Long asked if F5VC is tightening control over which income brackets receive funding. Petra reported F5VC staff pulled current family income data and we are still serving some families who appear to qualify for state preschool. She added F5VC currently does not require preschool partners to verify family income or family size, which will be tracked going forward. Petra also noted there are some kids who are income eligible for state preschool but there are not state preschools in their area. She added, publicly funded preschool spaces are so limited that there are huge waiting lists for those programs.

Commissioner Stenslie asked if we are prioritizing volume over quality. Petra replied that all F5VC funded spaces are participating in the county's QRIS program, VC Rising Stars, and all but one program are ranked at Tier 3 and above (good to high quality). She noted that requiring continued participation in QRIS will help to ensure quality preschool experiences for F5VC participants. Currently we have little control over the quality of programs parents may choose through the scholarship programs implemented in Ojai, Moorpark and Simi Valley. She noted that going forward, programs would be required to participate in VC Rising Stars for families to use their scholarships there. She added this will also be a good recruitment tool for QRIS. Commissioner Stenslie noted we do not know if the final state budget will include state preschool, but he appreciates the prudence of maintaining spaces.

Commissioner Long asked if preschools will have an incentive to use state funding first and how we ensure they utilize state funding instead of accessing easier F5VC funding. Petra replied that preschool partners have been very successful in converting spaces from F5VC funding to state funding and noted the programs that struggle to convert are in areas with higher income populations where families are just above eligibility thresholds, like Ocean View's military families. She added with the increase in family income eligibility we anticipate providers being able to convert additional spaces. Commissioner Long commented that Navy bases are having difficulty with meeting their childcare needs. Petra clarified that military childcare is operating under different standards than licensed child care programs.

Commissioner Stenslie asked if we will continue to push partners to convert spaces. Petra confirmed and noted F5VC will work with partners to increase sustainability by converting spaces, diversifying revenue streams, and increasing overall facility capacity through partnerships with cities, counties, etc.

Commissioner Mantooth commented that theoretically, kids who attend preschool are more successful, have higher attendance, and as a result school districts get more money. However, schools don't get full funding for K-12, making it unlikely for school districts to redirect money that can be spent on K-12. He added the Governor's proposal is for full-day preschool and full-day Kindergarten, and Heckman research has shown that full-day preschool is achieving positive outcomes and allows parents to go back to work. Commissioner Mantooth noted while he was excited about model C it doesn't touch enough kids; he feels it is critical to reach a larger number of kids, even for a shorter time. He noted those who earn just a little too much for state preschool should not be precluded from putting kids in preschool. He also noted the Governor is proposing a data system to track kids from preschool through graduation. Commissioner Mantooth noted any new budget allocations for public preschool will take time to implement and stated that F5VC and partners will work hard to utilize state money first, before local resources.

Petra summarized that staff recommends to utilize unspent funds to invest in preschool at \$1.4 million annually for two years to fund current F5VC preschool spaces where partners are not able to convert to state preschool. F5VC would cap our portion of costs to 75% and require implementing a family fee, creating a diverse income source for preschool partners. She noted this proposal will require family

income verification, development of a sustainability plan to allow spaces to remain open, and for programs to have a QRIS rating of 3 or higher. Petra added the recommendation would also maintain an investment of 104 scholarships, limited to three and four year old kids, in Ojai, Moorpark and Simi through licensed centers and family child care that are in QRIS.

Commissioner Mantooth noted that a number of classroom spaces will become available as schools have declining enrollment. Commissioner Levin added that the birth rate in Ventura County has fallen from 12,000 annually to 9,000 annually.

A motion was made by Commissioner Stenslie, seconded by Commissioner Zimmerman, to utilize available unspent preschool funds to increase the Fiscal Year 2019-21 allocation to \$1,400,000 annually, to continue to fund current F5VC preschool spaces which are not able to convert to State Preschool, as well as maintain 104 scholarships to families in Ojai, Moorpark, Simi Valley; as detailed in the staff recommendation. The motion passed unanimously.

9. Recommendation to allow use of unspent funds for close-out activities related to contracts that sunset June 30, 2019 and approve criteria for extending contracts

Jennifer reported that staff developed a timeline and closeout checklist with activities that may occur after contracts end on June 30, 2019. She noted F5VC is requesting \$500,000 in unspent funds for contractors to submit reports, invoices, etc. and complete follow-up between July 1 and September 30, 2019. She added the extension of services would not be allowed and contractors cannot request more than 10% of their current allocation. Jennifer reviewed the timeline, noting requests can be made through April 30. Jennifer also noted that contract close-out forms are included for reference. She concluded the recommendation grants authority to the Executive Director to extend contracts.

Commissioner Stenslie noted that this plan was addressed by the Administration and Finance Committee and thanked Jennifer and her team for their fantastic work. Commissioner Mantooth commented that equal consideration needs to be given to closeout as is to ramping up.

A motion was made by Commissioner Mantooth, seconded by Commissioner Long, to allow contractors whose programs sunset June 30, 2019, to request funding for resources that are needed to complete close-out activities that would occur between July 1, 2019, and September 30, 2019. The pool of resources available would not exceed a total of \$500,000 and the Executive Director would have the authority to approve extensions and increase contracts in accordance with the approved criteria. The motion passed unanimously.

10. Report of Committees

a. Administration and Finance

Commissioner Stenslie introduced Jennifer Johnson to present several agenda items, commenting on the role of the Administration and Finance Committee and their support of these items.

i. Recommendation to adopt proposed budgets for Fiscal Year 2019-20

Jennifer Johnson thanked Commissioners Stenslie and Mantooth, and the Committee for their expertise, input, and support that guided this work over the past three months. Jennifer began the presentation by reviewing the key messages, which provide the rationale and the foundational principles to prepare the Fiscal Year 2019-20 budgets, recognizing that the approved strategic plan calls for a shift in investments to systems change and capacity building. Jennifer presented the proposed budgets for Fiscal Year 2019-20 and stated that the overall operating budget includes the Operating Fund and Community Investment Loan Fund. She indicated that just under \$5.5 million is projected in Prop 10 tax distributions, based on an estimated 4% decline from the current year. She highlighted other budgeted revenues and inflows for the Community Investment Loan Fund. She reviewed proposed expenditures of \$8.2 million for the Operating Fund, which includes the previously approved allocations for program strategies, the place-based transition pilot, the use of unspent funds for the transition of preschool spaces and contractor close-out activities for sun-setting programs, grant expenditures, evaluation, administration, and equipment. Jennifer stated the proposed expenditures and outflows for the Community Investment Load Fund is budgeted at \$385,000, which projected loan disbursements of \$350,000 and up to \$35,000 for loan implementation costs.

Jennifer referred to the narrative assumptions and reviewed the proposed staffing pattern and operating costs, noting the allocation methodology for shared operating costs and identified costs that have been reduced or eliminated. For regular positions, there are 9.55 full-time equivalents (FTEs) proposed, representing an overall decrease of 1.0 FTE. Jennifer went on to review detailed budgets for Administration at \$645,000, Systems Change and Program Management at \$1,388,740, Results-Based Accountability at \$240,000, and Equipment at \$5,000. Based upon the proposed operating budget, the projected administrative cost rate is 7.5%. Jennifer referred to the attachment, Examples of Systems Change Activities, that was reviewed by the Commission in April 2018 and stated that staff will be bringing forth a plan to prioritize these activities.

At the last meeting, the Commission request additional information on how other similar size First 5 Commissions are structured relative to their administrative rates. Jennifer reported on data that was collected from Commissions with Prop 10 allocations between \$4 million and \$10 million, noting the significant variability in the interpretation and application of administrative cost and the challenge this presents for comparison purposes. She highlighted the findings on total number of staff, number of FTEs allocated to administration, admin caps, and admin budget amounts. The analysis revealed that our Commission is on the low end for both the administrative cost cap and the actual dollars budgeted for administration.

Commissioner Levin extended congratulations on our administrative expenses compared to other First 5s. He also noted that we established a limit of 5.5% long ago and asked if we need to change ours. Jennifer replied that the recommendation to establish a new administrative rate is next on the agenda. Commissioner Zimmerman inquired about the Community Commission's review and Petra Puls responded by outlining the process. Chair Marquez-O'Neill commended Jennifer and the Administration and Finance Commission for their hard work and dedication.

Jennifer noted the operating budget shall be final if there are no substantive comments by the Community Commission of Ventura County and the Board of Supervisors after their reviews.

A motion was made by Commissioner Zimmerman, seconded by Commissioner Stenslie, to approve the budgets for Fiscal Year 2019-20. The motion passed unanimously.

ii. Recommendation to update administrative cost policy and adopt administrative cap at 12% of total operating budget for Fiscal Year 2019-20

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. Jennifer provided background information on the Commission's historical rate and the definition of administrative costs, which are not intended to include programmatic or evaluation costs. She reviewed proposed updates to the policy that have been identified as opportunities to clarify certain aspects of the policy.

Because this percentage is derived by taking total administrative costs over the total operating budget, economies of scale have enabled the Commission to operate on a cap of 5.5% since its inception, with annual spending levels running between \$11 million and \$13 million. As the Commission transitions to a reduced overall spending level beginning in Fiscal Year 2019-20, it is necessary to revisit the cap and set a new limit. Data collected from First 5 Commissions in 2015 reports average caps ranging from 9.5% to 22.5% for all allocation groups. Ventura County was reported in the allocation group that ranges from \$5.5 to \$9.9 million. The average cap for this group was 11.6% and the median was 15.0%. When controlling for Ventura County within this allocation group, the average cap rises to 12.7%.

Jennifer reported that the recommendation from the Administration and Finance Committee is to establish the targeted administrative cap at 12% of total operating budget for Fiscal Year 2019-20. Based on the proposed operating budget (inclusive of the Operating Fund and the Community Investment Loan Fund), the projected administrative rate for Fiscal Year 2019-20 is 7.5%. Since the rate will be based upon actual operating expenditures, the Committee is recommending that the limit be set higher than projected due to budget variances and the probability that some initiatives and programs will not expend their full allocation. A proposed limit of 12.0% would allow for this budget variance and align closer to other commissions that are similar in allocation size.

Commissioner Levin asked what the cap is anticipated to be the following year. Jennifer replied that setting a cap of 12% would allow the cap to be kept stable through Fiscal Year 2020-21. He further inquired why the cap is recommended at 12% when the budget anticipates 7.5%. Jennifer explained that setting the cap based on the budget would not allow for the expectation that the actual expenditures might be lower than budgeted. Petra Puls stated that the actual dollars budgeted for Administration would remain constant, only the relative percent of budget would change. Petra explained the impact of a low cap on the Commission's ability to draw down the necessary administrative resources when applying for outside grants. Commissioner Zimmerman agreed with taking into account the level needed for grants when setting the policy. Commissioner Stenslie commented on the Committee's analysis of looking at the requirements of what was needed to execute the work, which is the dollar amount and from there derived the recommended percentage.

A motion was made by Commissioner Long, seconded by Commissioner Zimmerman, to approve updates to the administrative cost policy and establish the administrative cap at 12% for Fiscal Year 2019-20, following the annual review of the Commission’s policy limiting the percentage of the Commission’s budget that may be spent on administrative functions, in compliance with legislative requirements. The motion passed unanimously.

iii. Recommendation to approve updated financial plan, Fiscal Year 2016-26, in compliance with Health and Safety Code Section 130151

Jennifer reported that we are required to review and adopt our financial plan annually. Jennifer reviewed updates that have been made to the plan, including audited actuals for Fiscal Year 2017-18, a forecast for Fiscal Year 2018-19, and the proposed budget for Fiscal Year 2019-20. She stated the updated revenue projections were recently received from First 5 California that indicate lower than expected revenues as a result of the passage of Proposition 56, an additional tax on tobacco products. For Fiscal Year 2018-19, the State is projecting Ventura County will receive \$5.7 million. The plan uses the State’s forecast for the current year. For Fiscal Year 2019-20 and beyond, the plan continues the Commission’s typical practice of estimating the annual rate of decline at 4%, as projections from the State for Fiscal Year 2019-20 reflect an increase in Ventura County’s birth rate which is highly unlikely given the historical trend of a decrease since 2007. Jennifer noted that the Community Investment Loan Fund Plan reflects maintaining a revolving loan fund at \$1.3 million. Jennifer concluded by indicating that the sustainability fund will be depleted as of June 30, 2019.

A motion was made by Commissioner Zimmerman, seconded by Commissioner Long, to approve the updated financial plan for Fiscal Year 2016-26, in compliance with Health and Safety Code Section 130151. The motion passed unanimously.

11. Update and Discussion of Implementing Fiscal Year 2019-21 Strategic Investments

Elizabeth Majestic shared updates on activities relating to the place-based initiative. She summarized the recent NfL staffing open house held by Interface and F5VC at VCCF, noting about 50 people attended and all were offered resume and interview assistance with John Jell. Elizabeth also summarized similar recruitment events held in Moorpark and Ventura as well as ongoing coffee & conversations events to listen and learn from current funded partner staff.

Elizabeth reported on site selection progress, noting a model, aligned with the approved NfL allocation formula, with one hub and two satellite locations in each region has been developed. She noted site selection criteria includes maintaining existing sites whenever possible, securing low lease costs where available, and looking to offer evening and weekend hours. Elizabeth also acknowledged Erik Sternad for taking the time to visit and evaluate each site, as well as meeting with superintendents and principals.

Elizabeth noted that parent engagement meetings are ongoing and shared feedback, noting parents consistently share how much they have learned from programs and value the social connections and parent network created within NfLs. She reported that parent handouts have been developed in English and Spanish and have provided funded partners with a PowerPoint presentation that can be shared with

families at any time. She added that F5VC is developing a parent transition group to hear from parents what is most important to them, as well as establishing parent advisory groups. Elizabeth concluded that F5VC is developing a parent ambassador program to help parents advocate for what is important.

Chair Marquez-O'Neill thank Elizabeth for the update and F5VC staff for all their work. She added that she looks forward to hearing the impact of our parent engagement efforts.

12. Report from Executive Director

Petra Puls encouraged all the Commissioners to review the full report and provided highlights in the interest of time. She introduced Jimena Hernandez, Quality and Technical Assistance Coordinator, and detailed her background with ECE work in Ventura County. Petra invited all Commissioners to participate as celebrity readers in the upcoming Take 5 and Read event or make a donation to provide books for children to take home. She also reported on recent work with CSSP and others to highlight Ventura County's accomplishments, which is featured in recent national publications.

13. Commission Member Comments

Chair Marquez-O'Neill noted on the upcoming non-profit leadership institute on March 22 at Pepperdine University and asked any interested Commissioners to contact Petra Puls to coordinate registration.

14. Next Meeting

Thursday, March 21, 2019, County Office of Education, 5100 Adolfo Rd., Camarillo

The meeting was adjourned at 3:03pm.