



COMMISSION MEETING MINUTES

October 24, 2019

Commissioners Present: Dr. Michael Gollub, Dr. Robert Levin, Barbara Marquez-O'Neill, Dr. Carola Oliva-Olson, Bruce Stenslie, Barry Zimmerman

Excused Absence: Kelly Long, Dr. Cesar Morales, Stan Mantooth

Staff Present: Petra Puls, Lauren Arzu, Heather Davidson, Sharon Elmensdorp, Fahim Farag, Jennifer Johnson, Elizabeth Majestic

Public Present: Elizabeth Hardin, Andrew Huizar, Mabel Munoz

OPENING

1. Welcome and Introductions

Chair Marquez-O'Neill opened the meeting at 1:02 p.m. and shared quotes from Maya Angelou.

2. Approval of Minutes from September 19, 2019 Commission Meeting

A motion was made by Commissioner Gollub, seconded by Commissioner Oliva-Olson, to approve the minutes from the September 19, 2019 Commission Meeting. The motion passed unanimously.

3. Agenda Approval and Review of Commission Packets

Chair Marquez O'Neill requested that the agenda be revised to remove item 9, the update on strategic preschool investments, until all Commissioners are present. She added that the update on other strategic investments will be included with the Report from Commission Staff. Petra Puls provided an overview of handouts in the supplemental packet, including a revised Annual Report to First 5 California.

A motion was made by Commissioner Stenslie, seconded by Commissioner Oliva-Olson, to approve the agenda. The motion passed unanimously.

4. Public Comments/Correspondence

There were no comments from members of the public.

5. Public Hearing on Annual Audit and Year-End Report to the First 5 State Commission for FY 2018-19, in compliance with Section 130150 of the Health and Safety Code

Petra Puls noted that the public hearing for the annual audit and year-end report to F5CA are part of F5VC statutory requirements and introduced Jennifer Johnson to present an overview of the audit for FY 18-19.

Jennifer directed the Commission to the bound hard copy and gave an overview of the Management's Discussion and Analysis Section, which summarizes significant events and provides an overview of financial statements. FY 18-19 was the third year of the current five-year strategic plan, with utilization of the Sustainability Fund to maintain investment levels. She detailed prior and current investment levels, noting funding strategies were consistent with prior years, and added the intentional depletion of the sustainability fund was completed with the 4th transfer in FY 18-19.

Jennifer also detailed collaboration at the national level, including being selected as one of 29 Pritzker Children's Initiative communities, with funding from the Pritzker Family Foundation to house one of nine Fellows. She added F5VC did a significant amount of planning for the July 1, 2019 place-based service provider transition while continuing to promote early literacy, parent engagement, etc.

Jennifer reviewed financial statements on page 11 and detailed the difference between fund financial statements and government fund statements. She noted total assets as of June 30, 2019 are just under \$15 million, which is due to the planned depletion of the Sustainability Fund. \$2.3 million in receivables reflects activity accrued but not yet received, with the decrease due to partners contracting directly for IMPACT etc. and additional loan payments. Jennifer noted this decrease is offset by additional grant reimbursements and the delayed distribution of proposition 10 tax revenues.

Jennifer noted total liabilities are \$2.2 million, which is down about 1% due to the revenues from prior grants. This decrease is offset by a new grant from the Department of Education. She added funds received in FY 18-19 will be spent in FY 19-20 thereby offsetting the additional liability. As of June 30, 2019 the Commission's fund balance is \$12.7 million, with funds categorized as non-spendable or committed.

F5VC received \$5.9 million in tax revenues in FY 18-19, an increase of 1.3% over the prior year. Forecasted revenue was \$5.7 million, with higher revenue due to the proposition 56 backfill from FY 17-18 and increases in e-cigarette sales. Jennifer noted Ventura County continues to experience a decrease in birthrates, which reduced our allocations of total statewide revenues from 2.046% last year to 1.961% this year. She added the Commission received almost \$600,000 in grant funds and general revenues of \$377,000, primarily from interest earnings. The Ventura County Treasury is still maintaining most investments and \$36,000 in unrealized gains from FY 18-19 bring the total in unrealized gains to \$69,000. Jennifer concluded total revenues were \$6.95 million, down \$240,000 from FY 17-18.

Jennifer detailed FY 18-19 expenditures, noting operating fund expenses were \$10.7 million. The decrease, attributable to not serving as the pass through entity for IMPACT and other projects, was offset by the PACT Pilot program and some specific one-time projects related to the place-based services transition. Results-based accountability expenses were \$280,000 and administrative expenditures came in under the 5.5% cap at 5.36%. Jennifer reported total expenditures came in at 86% of the budgeted amount. She concluded her report on expenditures with an overview of activity in the Community Investment Loan Fund and the Sustainability Fund.

Jennifer highlighted new accounting pronouncements effective in FY 20-21, details on accounting for the current operating leases and retirement plan contributions, internal fund transfers, and disclosures for funded projects. She also reviewed required supplementary information. Unspent grant funds will roll over to FY 19-20 and available funds for requests for close-out activities were largely unutilized. As challenge grant implementation and website redesign were delayed in FY 18-19, funds for those projects will roll over to FY 19-20 as approved by the Commission.

Commissioner Oliva-Olson asked if funds that roll over are restricted. Jennifer noted while grant funds roll over to FY 19-20 funded program allocations do not roll over with exception of the Sunkist Preschool construction project.

Jennifer reported the sustainability fund interest earnings of \$103,000 exceeded projections and detailed Community Investment Loan Fund revenue and expenditures, noting excess interest earnings will be transferred to the operating fund for FY 19-20.

Jennifer concluded her presentation noting that the auditor issued an unqualified opinion, that the report of internal controls found no deficiencies, and that the compliance report was clean. As federal expenses were under \$750,000 a single audit was not required. She added the Administration and Finance Committee, serving as the audit committee, accepted all findings and recommends approval.

Commissioner Stenslie asked about the declining birth rate. Jennifer reported total Ventura County births were 11,576 in 1998 and 9,580 births in 2018.

Jennifer noted section 1 of the Annual Report to First 5 California is data from year-end financial statements that were presented with the FY 18-19 audit. She introduced Sam McCoy to present the annual report to the State.

Sam noted state reporting requirements group First 5 Ventura County investment strategies into broad categories, and gave an overview of Annual Report Sections 1, 2, and 3. Result areas include family functioning, child health, child development, and systems of care. The Family Functioning area, for example, includes New Parent Kits, service coordination, parent education, and other family supports, but does not allow for consideration of the intensity of services provided. Sam shared that more than 8,000 New Parent Kits were distributed, which count just the same as multiple intensive support services for a single family.

Sam presented demographic data from AR-2 and noted that the 62,235 reported number for population served includes duplication, with F5VC serving just over 8,100 core clients. Sam described challenges with how demographic data is aggregated to state report categories and noted a more detailed report that captures local data and impact will be presented in the coming months.

Sam noted AR-3, the County Evaluation Summary, is limited to 4,000 characters and focuses on the parent survey and the evaluation of the PACT Pilot from EVALCORP. He also summarized the section on county highlights, which is limited to 2,000 characters. Petra added that the annual evaluation report is submitted as an attachment to the Annual Report to First 5 California.

Chair Marquez-O'Neill opened up the meeting for public comments at 1:41

There were no comments from members of the public.

Chair Marquez-O'Neill closed the public hearing at 1:42.

A motion was made by Commissioner Stenslie, seconded by Commissioner Gollub, to receive and file the Annual Audit and approve the Year-End Report to the First 5 State Commission for FY 2018-19, in compliance with Section 130150 of the Health and Safety Code. The motion passed unanimously.

CONSENT AGENDA

6. Receive and File the First 5 Ventura County Financial Reports as of August 31, 2019

A motion was made by Commissioner Oliva-Olson, seconded by Commissioner Zimmerman, to approve the consent agenda. The motion passed unanimously.

REGULAR AGENDA

7. Administration and Finance Committee

a) Progress Report

Commissioner Stenslie reported the Administration and Finance Committee met in October and reviewed program spending levels as of June 30, 2019, in addition to meeting with the auditors. Most expenditures were between 90-100%, with variances due to staff vacancies and conversion of preschool spaces. He added upcoming committee actions will include bids for an audit contractor, updates to the employee handbook, and updates to the annual policy platform.

8. Discussion of Strategic Planning

Petra reviewed the planning process for our traditional 5-year strategic plans, and noted F5VC is in year four of the current FY 15-20 plan. She added other guiding documents, including the long range financial plan, multi-year allocations, and annual budgets, drive decisions regarding investments and F5VC work each year. While the current Strategic Plan establishes guiding principles and high level goals for FY 19-21 it does not articulate how investments and staff priorities will achieve those goals.

Petra noted at the September meeting two potential options for developing a new Strategic Plan were discussed. As significant work has been done over the past 18 months to design strategic investments for FY 19-21, extending the current plan would create an opportunity to learn from recent work before crafting a new plan. She added more time would also allow additional research to determine how shifting state priorities will affect local investment areas.

Petra presented an overview of the proposed timeline for review and extension of the current Strategic Plan and how learnings will be used to update goals and strategies for future investments. She added program performance will be continually evaluated, as well as ongoing pursuit of appropriate grants and other funding opportunities. Other activities in FY 19-20 would include the annual updates to the policy

platform and long-range financial plan. Evaluation framework and spending levels for FY 21-23 would also need to be approved in Q4 of FY 19-20. Petra reported this timeline will allow for approval of a modified strategic plan or extension of the current strategic plan prior to the end of FY 19-20. Lessons learned will be used to align strategic priorities and modify how programs are implemented as well as determine strategic priorities for FY 2023 and beyond. She added accountability tracking will include biannual or quarterly updates to the Commission.

Petra proposed to develop an annual implementation plan that will include alignment of Strategic Plan priorities with operational objectives and will allow for modifications as new developments arise.

Commissioner Oliva-Olson asked if the proposed plan will allow F5VC to continually adapt to changing state priorities and communicate those to the community. Petra noted this implementation plan would be intended to describe how F5VC resources would be deployed.

Petra requested feedback from the Commissioners on the proposed direction.

Commissioner Zimmerman thanked F5VC leadership and staff for the vision and noted his support of the proposed hybrid model, direction and timeline.

Commissioner Stenslie supported the plan and commended the proposed alignment of the strategic plan with the long-range financial plan.

Chair Marquez-O'Neill noted this is a good reflection on Commission feedback from September and thanked F5VC staff for intentionally allowing flexibility in this plan.

9. Report from Executive Director

Petra Puls delivered highlights from her written report. She detailed recent community events, including the Camarillo NFL Ribbon Cutting which was well attended and created new connections with non-traditional partners. Media from the Camarillo Acorn is included for reference. F5VC staff Heather Davidson and Sharon Elmensdorp are leading Help Me Grow efforts locally, state and nationwide, recently leading a national webinar as well as serving on the planning committee and attending the annual convening for HMG CA affiliates. Petra noted upcoming funded partner trainings include the teaching pyramid and trauma informed care.

F5VC is partnering with Pepperdine for a 3rd cohort of students, with this team focusing on developing a volunteer engagement strategy which can be implemented countywide. Petra noted that the First 5 Express is visiting Oxnard at Child Development Resources, Inc. on November 8 and the Camarillo Public Library on November 9.

Petra reported on recent advocacy efforts, noting that AB 1004, which clarifies expectations for developmental screenings in pediatric settings, was signed by the Governor and that letters of support are enclosed. She added SB 436, which defines Family Resource Centers in statute, specifically recognizes First 5 FRCs, which may open the door for additional resources. Petra also directed the Commissioners to enclosed recent letters regarding the dangers of vaping from First 5 California and the First 5 Association.

She detailed upcoming events, noting the November Administration and Finance Committee meeting will be cancelled and next Funders Forum convening on November 5 will focus on homelessness. Commissioner Zimmerman noted he or a member of his staff will attend.

Petra concluded her report noting the First 5 California Summit is February 3-5 in Irvine, if any Commissioners are interested in attending please let F5VC staff know and save the dates.

10. Commission Member Comments

Chair Marquez O'Neill noted she painted a single nail purple in support of October Domestic Violence Awareness month to raise awareness and encourage conversations. She encouraged all Commissioners to think about how we can raise awareness with a simple act, especially for April Child Abuse Prevention month.

Commissioner Oliva-Olson asked about details for the Governor's master plan for early childhood. Petra noted a workgroup is being formed but further information about the timeline and elements are unknown.

11. Next Meeting

The next meeting will be held on Thursday, November 21, 2019, at the Ventura County Office of Education, at 1:00 p.m.

The meeting was adjourned at 2:10.