

**FIRST 5 VENTURA COUNTY  
ADMINISTRATION/FINANCE COMMITTEE  
MINUTES**

**April 15, 2020**

Present: Commissioner Mantooth, Pamela Grothe, Kara Ralston, Joseph Richards

Staff Present: Petra Puls, Jennifer Johnson, Fahim Farag

**I. Call to Order/Welcome/Introductions**

Commissioner Mantooth called the meeting to order at 2:08 p.m.

**II. Approval of Minutes from March 9, 2020**

**A motion was made by Joseph Richards, seconded by Pamela Grothe, to approve the minutes from the March 9, 2020 meeting. The motion carried unanimously.**

**III. Approval of Agenda**

**A motion was made by Pamela Grothe, seconded by Kara Ralston, to approve the agenda. The motion carried unanimously.**

**IV. Public Comments**

There were no public comments.

**V. Recommendation to Approve Policy to Comply with New Law for Paid Sick Leave and Extended Paid Family Leave**

Jennifer Johnson reported that the Families First Coronavirus Response Act (FFCRA or Act) included the Emergency Paid Sick Leave Act, which requires public employers and private employers with fewer than 500 employees to provide their employees with paid sick leave, and the Emergency Family and Medical Leave Expansion Act, which expanded family and medical leave for specified child care reasons related to COVID-19. These provisions apply from April 1, 2020 through December 31, 2020. According to the Department of Labor, the Act's paid leave requirements are in addition to an employees' preexisting leave entitlements. Jennifer reviewed the proposed policy. Jennifer stated that certain limits on the daily rate of pay and caps in the aggregate are mandated under the Act, however, business can elect to exceed these limits/caps. Consistent with the Commission's regular sick leave policy, the policy proposes that employees eligible for Emergency Paid Sick Leave be paid at their regular rate of pay. The Committee discussed who qualifies as a "child" or "individual" and the desire to ensure the intent is for members of a household, to the extent permissible by law. Staff will work with legal counsel to determine the legal definitions and incorporate these into procedures issued to employees.

**A motion was made by Pamela Grothe, seconded by Kara Ralston, to approve the proposed policy to comply with the Families First Coronavirus Response Act, limited to household members, to the extent legally permissible. The motion passed unanimously.**

## **VI. Review of Assumptions for the FY 2020-21 Budget**

Jennifer provided an overview of the budget assumptions for the Commission's FY 2020-21 internal cost centers, including Administration, Programs and Systems Integration, and Results-Based Accountability. She stated that the purpose of the discussion is to receive input on the budgetary assumptions. Jennifer reviewed the preliminary budget assumptions and the proposed staffing pattern, noting that the overall full-time equivalents (FTEs) remain the same as last year for regular positions and a 1.0 FTE decrease for grant-funded positions. Jennifer stated that the assumptions will be refined over the next month as more information is obtained on historical usage and rate increases.

Staff will present the FY 2020-21 budgets and the forecast for FY 2019-20 at the May Committee meeting. Along with the Administration budget and overall Operating budget, the Committee will also review budgets for internal functions for which there is not a specific Committee to review, such as Program and Systems Integration and Results-Based Accountability.

## **VII. Review and Discussion on Long-Range Financial Plan**

Jennifer reported back to the Committee on two items: 1) The overall 5% increase in spending levels as a long-term financial planning strategy and 2) the projected year-end administrative cost rate for FY 2019-20. Jennifer referred to the financial plan and stated that, at the last meeting, the Committee felt an overall annual increase of 5% would be appropriate to address rising costs and the potential loss of capacity with level spending amounts, acknowledging that actual rate increases would be addressed during the annual budget process. While an overall increase of 5% was recommended by the Committee, additional consideration is needed due to insufficient resources to apply the increase year over year and recognizing that, for some initiatives, it may not be needed (e.g., Challenge Grants). Jennifer reviewed the proposed approach for applying the overall increase in the financial plan, which will be reviewed by the Committee next month. For FY 2020-21 - the remaining year on the current 2-year funding cycle, funded partner contract amounts would be maintained as is and, for internal cost centers, any increases would be handled through the normal budget process. In FY 2021-22 and 2022-23, which covers the two-year extension period, for cost reimbursement contracts or internal cost centers that are primarily driven by personnel and operating costs, a 5% increase would be applied year over year using FY 2020-21 as the base year, to the extent there are available resources. For the contribution to 2-1-1 and short-term/revolving project-based initiatives, such as Challenge Grants, the previously planned flat allocation would be used. With the subsequent three-year period (FY 2023-24 through 2025-26), FY 2022-23 allocations would serve as the base year and, depending on available resources, an overall increase of 5% increase would be applied in the second and third year. If this results in a shortfall, flat spending levels would be maintained and the forecast of this 3-year period would be postponed until more data on trends in tobacco tax revenues and other sources of leveraged funds is available. The Committee was supportive of the proposed approach for applying rate increases in the financial plan.

Jennifer reviewed the statutory requirements related to administrative costs for First 5 commissions and noted that there is no established limit dictated by the statute or the State. Jennifer stated that the approved administrative cost rate cap is set at 12% for FY 2019-20. She noted that the Commission budgeted \$9 million for the operating fund and community investment loan fund, which resulted in a budgeted administrative cost rate of 7%. However,

since the rate is derived by taking total administrative costs over total actual expenditures, the Committee recommended (and the Commission approved) 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. Jennifer reviewed monitoring activities and discussed factors that are contributing to lower than budgeted expenditures. Currently, the preliminary administrative cost rate is forecasted to come in at 11%. Jennifer noted that the total amount budgeted for Administration does not change. Staff will continue to monitor closely and will come back to the Committee in May with a refined forecast to determine if the rate needs to be adjusted.

### **VIII. Update on Commission Activities**

Petra Puls referred to the March 2020 Report from Commission Staff. Petra reported on First 5 Ventura County's response to Covid-19, including funded partners efforts to transition to virtual service delivery. Petra discussed challenges around child care for essential workers and providers' inability to access basic supplies. She concluded her report with an update on county commissions efforts to distribute diapers, wipes, and soap provided through a \$4 million investment by F5CA.

### **IX. New Business/ Miscellaneous**

There was no new business.

### **X. Closure**

The meeting ended at 10:50 a.m.

### **XI. Next Meeting**

**Friday, May 8, 2020**, 9:30 a.m. – 11:30 a.m. at First 5 Ventura County  
*(This meeting was subsequently rescheduled for May 11, 2020, 11:00 a.m. – 1:00 p.m. via Zoom teleconference)*