

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

January 6, 2023

Present: Commissioner Morales, Pamela Grothe, and Joseph Richards

Staff Present: Petra Puls, Tyla Adams, Lauren Arzu, Jennifer Johnson, and Alma Perez

1. Call to Order/Welcome/Introductions

Commissioner Morales began the meeting at 9:36 a.m.

2. Approval of Minutes from December 7, 2022

A motion was made by Pamela Grothe, seconded by Joseph Richards, to approve the minutes from the December 7, 2022 meeting. The motion carried unanimously.

3. Approval of Agenda

A motion was made by Joseph Richards, seconded by Pamela Grothe, to approve the agenda. The motion carried unanimously.

4. Public Comments

There were no public comments.

5. Recommendation to Approve Policy Platform for 2023

Tyla Adams stated the Commission adopted an Advocacy Policy in 2017, which provides guidance on advocacy activities and calls for annual updates to the Policy Platform. Tyla reviewed the proposed updates to the Policy Platform for 2023, including: a more prominent focus on infant and early childhood mental health, specifically addressing home visiting programs, and calling out F5VC's focus on equity and mixed delivery systems in high quality early care and education programs.

Petra Puls stated that under the section for Quality Early Learning, item a, regarding home visitation programs was inadvertently removed in the editing process and needs to be added after the reference to Family Resource Centers. Pamela Grothe inquired about the change to add inequities in education and the Committee agreed that equity is more broadly discussed earlier in same sentence. Therefore, the item b under Program and Systems Integration would be kept as is with no proposed edits.

A motion was made by Pamela Grothe, seconded by Joseph Richards, to approve the Policy Platform for 2023 as amended. The motion passed unanimously.

6. Review and Discussion on Proposition 10 Revenue Projections and Financial Planning Scenarios

Jennifer Johnson reviewed updated Proposition 10 tobacco tax revenue projections that consider the potential impact of the flavor ban on tobacco products that went into effect December 21, 2022. Statewide projections with an 8-year horizon were reviewed along with those prepared by the Department of Finance (DOF) with a 5-year horizon, which also consider the county level birth rate proportion of statewide births, which varies from year to year, and is the basis for counties receive their distribution of tobacco tax revenues collected statewide. For the upcoming update to the financial plan, the Committee agreed to use the DOF 5-year projections for Ventura County and thereafter use a 4% rate of decline, comprised of a 3% statewide decline plus a 1% decline to buffer for any potential decrease in Ventura County's proportion of statewide births.

Jennifer discussed the financial impact of the updated revenue projections for Ventura County including the annual and accumulated change in revenues through fiscal year 2029-30. Jennifer referred to a handout that summarized two financial planning scenarios to further illustrate the impact of the decreased revenue projections. Scenario 1 shows the shortfall if planned spending levels are maintained while Scenario 2 adjusts spending levels in fiscal years 2025-30 so that as of June 30, 2030, the fund balance is essentially equal to the amount required for the minimum fund balance of 6 months operating capital and the \$1 million safety net. Jennifer stated that the Commission has a very healthy Operating fund balance of \$17.8 million and that particularly in the last three years, with the constraints of the pandemic and the Neighborhoods for Learning transitions, planned spendings level were not reached. Thus, additional resources have accumulated in the fund balance. As a result, there is sufficient fund balance to maintain the planned spending levels and not make any expenditure adjustments for at least three years. Petra Puls noted that the grant from the County of Ventura to expand the Neighborhood for Learning services due to adverse effects of the pandemic is based on the existing infrastructure. The Committee agreed that planned spending levels reflected in the updated financial plan should be maintained through the end of the grant period in 2026. The Committee discussed considerations for the financial plan that are timely given the strategic planning/visioning that is currently underway. The Committee also discussed background information regarding the safety net, infrastructure fund, investment in community capacity building, and the loan fund. For the updated financial plan that will be reviewed for approval next month, the Committee agreed to: 1) eliminate the \$10,000 set aside for the infrastructure fund; 2) to have staff propose a reduced investment in community capacity building; and 3) maintain the safety net for now and then reassess it when more information on the actual decline becomes available in the next two years. The Committee advised that the loan fund should be assessed during strategic planning.

The Committee recognized that the plan is being updated with projections and that the real effect on revenues is unknown. Allowing at least two years before making any spending adjustments will allow the Commission to make a more informed decision about any potential reductions. It will also provide time to plan sustainability strategies, both statewide and locally, to attempt to shore-up the resulting gap in resources.

7. Update on Commission Activities

Petra Puls referred to the December 15, 2022 Report from Commission Staff. She reported that the Commission approved the recommendation to utilize unspent funds for the Neighborhood for Learning initiative. She also reported on the 2023 appointments for Commission Chair and Co-Chair. Petra updated the Committee on a grant opportunity to support a Healthy Steps pilot in Ventura County, whereby F5VC would submit the application and work in partnership with the health care sector, including Gold Coast Health Plan and the County Clinic system. Petra concluded her report with a discussion on the Commission's strategic planning/visioning activities and provided a timeline.

8. New Business/ Miscellaneous

There was no new business.

9. Closure

Commissioner Morales ended the meeting at 10:42 a.m.

10. Next Meeting

Friday, February 3, 2023, 9:30 a.m. – 11:30 a.m. at First 5 Ventura County, 2nd Floor Conference Room