COMMISSION MEETING MINUTES

April 17, 2025

Commissioners Present: Matt LaVere, Dr. Cesar Morales, Bruce Stenslie, Barbara Marquez-O'Neill, Dr. Loretta Denering, Rachel Champagne

Excused Absence: Dr. Christine Walker, Kimberly Naslund

Staff Present: Petra Puls, Jennifer Johnson, Sam McCoy, Jina Jue, Sharon Elmensdorp, Lysa Urban, Courtney Pyle, Mario Rodriguez, Sandra Diaz, Jhoelle Aspuria-Arca, Lilia Gurrola, Shelby Ferns

Public Present: Luisa Soto

1. **Welcome and Introductions**

   Chair LaVere opened the meeting at 1:05 p.m. and asked Commissioners to introduce themselves.

2. **Agenda Approval and Review of Commission Packets**

   A motion was made by Commissioner Morales, seconded by Commissioner Marquez-O'Neill, to approve the agenda. The motion passed unanimously.

3. **Public Comments / Correspondence**

   There were no comments from members of the public.

CONSENT AGENDA

4. **Approval of Minutes from March 20, 2025 Commission Meeting**

5. **Receive and File the First 5 Ventura County Expenditure Report as of February 28, 2025.**

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

REGULAR AGENDA

6. **Report of Administration and Finance Committee – Commissioners Morales and Stenslie**

   a. **Recommendation to adopt proposed budgets for Fiscal Year 2025-26 - Jennifer Johnson**

Referring to the budget packet, Jennifer Johnson presented the proposed budgets for FY 2025-26. She reviewed the overall Operating Budget, inclusive of the Operating Fund and the Community Investment Loan Fund. She discussed revenue projections for Prop 10 tax distributions and leveraged funding as well as inflows for the Community Investment Loan Fund. Jennifer reviewed proposed expenditures of $7,014,500 for the Operating Fund, which includes the proposed allocations for program strategies, grant expenditures, evaluation, administration, and the one-time cost for strategic planning. Jennifer stated the proposed expenditures and outflow for the Community Investment Loan Fund total $142,500, which includes projected loan disbursements of up to $122,500 and up to $20,000 for loan implementation costs. She discussed the utilization of the fund balance and stated that, for the Operating Fund, $764,500 is projected to be used in FY 2025-26 to maintain program services. Jennifer discussed the previous suspension of transfers of excess interest earnings from the Loan Fund to the Operating Fund and noted that they will resume.

Referring to the staffing chart, Jennifer reviewed the proposed staffing pattern and stated that the total proposed staffing budget remains at 38.00 full-time equivalents (FTEs) along with 9 FTEs for grant-funded positions. She reviewed some minor adjustments among classifications and between cost centers. Jennifer reviewed the methodologies used to allocate centralized administrative support position and the resulting percentages that will be used to allocate shared operating costs (services and supplies) based on FTEs. Jennifer reviewed an updated version of the budget assumptions used to prepare internal budgets, including the three methodologies used to allocate shared operating costs.

Jennifer presented proposed budgets for each internal cost center, including: Neighborhoods for Learning; Program & Systems Integration; Help Me Grow; Results-Based Accountability; and Administration. She summarized these budgets, highlighting the variances and providing explanations as to the proposed budget amounts.

A motion was made by Commissioner Morales, seconded by Commissioner Stenslie, to approve the recommendation to adopt proposed budgets for Fiscal Year 2025-26. The operating budget shall be the final budget if there are no substantive comments by the Board of Supervisors after their review. The motion passed unanimously.

b. Recommendation to approve administrative cap at 13% of total operating budget for FY 2025-26 – Jennifer Johnson

Jennifer stated 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 referred to the Administrative Cost Policy and stated that a review has been conducted and there are no changes necessary at this time. She noted that the cap is set on an annual basis, and she discussed the rationale used to establish the rate for the upcoming fiscal year. Jennifer stated that the staff recommendation for FY 2025-26 is to set the administrative cap at 13% of the total operating budget. This rate of 13.0% would be charged for administrative costs when grant funding is received, to the extent allowable.

A motion was made by Commissioner Marquez-O'Neill, seconded by Commissioner Morales, to approve the administrative cap at 13% of the total operating budget for FY 2025-26. The motion passed unanimously.

c. Recommendation to approve updated financial plan, FY 2023-31, in compliance with the Health and Safety Code Section 13051 – Jennifer Johnson

Jennifer Johnson presented the long-range financial plan that has been updated as part of the budgeting process. Referring to a comparison summary, Jennifer discussed the current decline in Proposition 10 tax revenues. She discussed factors that may be contributing to the higher-than-expected decline for FY 2024-25, including the delayed impact of the flavor ban, lower enforcement, tax evasion (i.e., purchasing from other states), and lower tobacco usage. She discussed the rationale to use a 10% decline for FY 2024-25 and a 4% decline thereafter. She reviewed the assumptions used to update the plan, including the proposal to 1) utilize available resources to fund Neighborhoods for Learning (NfL) expansion for two additional years through June 2029 and 2) allocate $1.5 million to explore the purchase of a property to serve as a flagship site providing services and housing the administrative office.

Commissioner Champagne commented on how high the 10% rate is with Jennifer responding that there is a variance in the rate depending on the birth rate. A discussion followed regarding the uncertainty surrounding the 10% elevated decline rate. Jennifer stated there is currently no known or confirmed data about why there is a significant decline; these assumptions are speculative based on historical patterns of the effects of the flavor ban. Commissioner LaVere inquired about reverting to 4% after a 10% drop, with Jennifer stating this change is intended as a one-time adjustment, after which the rate would return to its baseline level. Commissioner Stenslie inquired about increasing the tobacco tax. Petra explained there have been efforts to look at the tobacco tax but no specific effort to revisit the Prop 10 share of the tax. The group discussed the purpose of First 5's and their impact on system changes. Commissioner Champagne added that F5VC was pivotal in the development of preschools in the County.

A motion was made by Commissioner Morales, seconded by Commissioner LaVere, to approve the updated financial plan, FY 2023-31, in compliance with Health and Safety Code Section 130151. The motion passed unanimously.

7. Strategic Planning: Landscape Analysis – Sam McCoy and Petra Puls

Petra started with a recap of the strategic planning activities. In January staff presented a demographic review; February included the 2023-24 Annual Report and Program Evaluations and Outcomes; and in March, the Commission discussed a landscape analysis of Ventura County. Lastly, Petra addressed a list of unprecedented uncertainties, many of which stem from recent executive orders, highlighting the ongoing need for strategic adaptability.

Petra presented the results of a S.W.O.T. (Strengths, Weaknesses, Opportunities, and Threats) analysis conducted by First 5 staff. The analysis offered a comprehensive overview of internal and external factors affecting the organization. Commissioners were invited to provide feedback on each component of the analysis.

Petra led the discussion on F5VC's **Strengths**, highlighting key areas including staff and commission, services, organizational culture, and systems. She emphasized F5VC's unique mandate, which enables coordination and integration with other Early Childhood Education systems.

Commissioners provided the following feedback:

- F5VC demonstrates a strong commitment to meeting community needs.
- F5VC is recognized as a county leader and driver of systemic change; and is regarded as an employer of choice within Ventura County.
- F5VC effectively integrates and aligns multiple programs.
- There are strong collaboration efforts; diversity and parent voices are valued.

Petra continued by reviewing the **Weaknesses** identified in the S.W.O.T. analysis. Key concerns include the organization's dependency on declining Proposition 10 revenue, challenges related to Neighborhood for Learning (NfL) sites, and limited staff capacity which hinders the ability to pursue emerging opportunities.

Commissioners offered additional insights, noting:

- There may be risk in compromising the mission when revenue-generating efforts take precedence.
- Decision-making driven by fear may lead to organizational stagnation.

Petra then presented the **Opportunities** identified in the S.W.O.T. analysis. She noted several areas for strategic growth and innovation, including:

- Diversifying funding sources to support long-term sustainability.
- Leveraging the benefits and reach of Community Health Workers.
- Recognizing early childhood development as a bipartisan priority.
- Increased investment in preschool for children aged 3–5, which may free up resources.
- Alignment with Ventura County Wellness System strategies to improve coordination of services.
- Continued strong collaboration with community partners.

Commissioners contributed the following suggestions:

- Strengthen partnerships with school districts and educators that work with 4-year-olds.
- Explore integration of classroom development efforts with physical health providers, including pediatric offices.
- Monitor developments in behavioral health prevention and potential funding for prevention services as a result of the passage of Prop 1.

The final portion of the S.W.O.T. analysis focused on **Threats** affecting both staff and families, as well as broader environmental conditions. Petra noted that a primary concern for families is the lack of access to basic needs and affordable housing. Commissioner Marquez-O'Neill emphasized the importance of connecting families with essential resources and support services and collaborating with like-minded community members and organizations to build a stronger, more resilient support network.

Lastly, Petra updated the Commission on the next steps, defining the overall vision for the strategic plan and community engagement, which will take place in the next few months.

8. Report from Executive Director – Petra Puls

Due to time constraints, the ED report was submitted without discussion, and Commissioners were invited to submit questions after the meeting.

CLOSED SESSION

9. Public employee appointment, employment, performance evaluation, discipline, dismissal or release (Govt. Code, Section 54957)

The Commission entered closed session at 2:27 p.m. to discuss the employment of the Executive Director.

RETURN TO OPEN SESSION

The Commission returned to open session at 3:05 p.m.

10. Discussion and Consideration of Executive Director's appointment and employment.

Commissioners will continue with discussions in May.

11. Next Meeting

Thursday, May 15, 2025

12. This meeting was adjourned at 3:05 p.m.