



***May 22, 2019 COMMISSION MEETING
AGENDA PACKET ATTACHMENTS***

Attachments:

Item 4 (Consent Agenda)

- a) March 27, 2019 Minutes
- b) Q3 – 2018-19 Financials

Item 5: Child Care Planning Council Needs Assessment Executive Summary

Item 10: Memo and Annual Strategic Plan Review -Long Range-Financial Plan (First Reading)

Item 11: Memo and 2018-19 Draft Administrative Budget (First Reading)

**FIRST 5 SAN LUIS OBISPO COUNTY
CHILDREN AND FAMILIES COMMISSION**

COMMISSION MEETING MINUTES

March 27, 2019

Current Commissioners Present

Penny Borenstein, M.D. (Vice Chair)	SLO County Public Health Department
James Brescia	SLO County Office of Education
Devin Drake	Department of Social Services
James Forester, DDS	Medical Representative (Central Coast Dental Society)
Mark Haas	Children's Services Network
Janet Murphy	Community at Large
Bob Watt	Community at Large

Current Commissioners Absent

Bruce Gibson (Chair)	SLO County Board of Supervisors
Melinda Sokolowski	Child Care Planning Council

Staff Present

First 5 staff: Wendy Wendt, Jason Wells, Misty Livengood
Commission Evaluator: Tom Keifer
Commission Counsel: Natalie Frye-Laacke

Call to Order

Vice Chair Borenstein called the meeting to order at 3:05 PM.
3:05 pm

ITEM 1 –Chair Comments

Chair Bruce Gibson is absent today; Vice Chair Borenstein will chair the meeting.

ITEM 2 - Public Comment – Items not on the agenda

Sue Warren, Health Commission Representative, expressed concern with the chosen location of a vaping education workshop that is being held downtown, which poses parking challenges for potential attendees.

Tonya Iversen, Director Cal Poly ASI Children's Center, updated Commissioners on her role as the Mantle of Leadership facilitator – one of the programs under the Early Learning for All contract (SLOCOE). She thanked First 5 for its funding support, and shared several positive quotes from participant evaluations. Commissioners Borenstein and Forester commented that Ms. Iversen has long been a pillar in the early learning community; both of their children attended ASI Children's Center.

ITEM 3 – Commissioner Announcements and Updates

Commissioner Forester updated on activities during February – Children’s Oral Health Month, Central Coast Dental Society conducted kindergarten, 3rd and 5th grade school screenings. Give Kids a Smile was a one-day free dental drop-in clinic, offered the prior Saturday by local dentists. Commissioner Forester will be provider hospital services to two of the children he saw.

Commissioner Drake announced \$4.8 million in state funds for local homeless services.

Commissioner Watt reminded of the upcoming flag raising on April 26th in front of the County Courthouse to honor and memorialize children who have died as victims of child abuse.

Commissioner Borenstein provided a brief update on the county oral health program, which is thriving. There are two additional dentists in the county that have now started accepting DentiCal patients, with two more in the pipeline. Commissioner Haas requested that this information be shared with the Department of Social Services.

ITEM 4 (ACTION ITEM) - Consent Agenda

- a. Approval of the January 23, 2019 Minutes
- b. Approval of one-year contract extension with Crosby and Co. for Audit Services
- c. Receipt and Approval of First 5 CA Annual Report FY 2017-18 as required by the Children and Families Act

Public Comment: None

Commissioner Drake made a motion to approve the Consent Agenda The motion was seconded by Commissioner Watt and passed unanimously.

Commissioner Borenstein commented that Commissioner Gibson has requested that next year audit services go out to bid.

ITEM 5 – Presentation: IMAGINE SLO – San Luis Obispo Chamber of Commerce Economic Vision Statement

SLO Chamber CEO Jim Dantona introduced himself to the Commission. He recently took this position, having moved here from southern California where he used to work for a Los Angeles City Councilor. Mr. Dantona then passed the presentation to two members of the Imagine SLO committee – Bettina Swigger, CEO of Downtown SLO, and Deb Wulff, Vice President of Academic Affairs at Cuesta College.

Imagine SLO – the Chambers Economic Vision statement – was a 2 year process. The committee dedicated significant time, meeting weekly over a six month period. The goal was to create an aspirational document that felt truly relevant to this community.

As part of the process, the committee traveled to Denver/Boulder. They also surveyed over 1200 people. More than 700 responses were from people under the age of 40.

Key themes of the resulting Imagine SLO Document include the following:

We Before Me, which includes a focus on regionalism, striving for shared impact and efforts, and establishing codes of civility.

Doers and Dreamers, which among other themes, includes language regarding improving the lives of businesses and their families, and the importance of affordable childcare.

Love of Place draws attention to themes such as housing, multi-modal transportation, a thriving downtown, preservation of open spaces, cultivation of features of community life reflect its personality – from agriculture to the arts.

Empower Innovation underscores SLO's unique draw as a place where bold ideas come to life. This theme also draws out the relationship between SLO and local higher education institutions.

Environmental Stewardship is related to love of place, and also calls attention to various climate action steps being taking such as SLO becoming a Net Zero city, and making mindful decisions related to housing affordability (e.g. prioritizing infill and density when possible).

Life Long Learning recognizes that the region offers a full spectrum of world class education experiences, and that the local population includes increasing numbers of older residents.

Creating Connection calls on the community and local businesses to continue promoting inclusion, diversity, and equity. It promotes civil discourse and civic participation, collaboration among public and private sectors. This theme is at the heart of community wellness.

The presenters reiterated the central theme of regionalism that pervades the Imagine SLO document, and emphasized that it will drive policies and priorities of the Chamber in the years to come.

Public Comments:

Tonya Iversen, Director, ASI Children's Center, expressed that she is happy to see child care referenced in the document. Access to quality affordable care is a huge problem. She announced that one of ways First 5 and allies are highlighting this is through a Town Hall on May 29th. If the child care crisis continues, businesses will suffer because they will lose out on talented employees.

Tom Keifer, First 5 Evaluation Consultant, expressed disappointment that preschool was not included in the education continuum within the Life Long Learning theme.

Commission Comments:

Commissioner Watt suggested that the local business community view the documentary film series *Raising of America*, which offers excellent commentary on the return on investment when communities build strong early childhood development supports.

Commissioner Forester commented on the challenges with regional variability in housing prices that in turn forces increases in daily commutes. He used the example of his staff, several of whom travel into SLO every day from Santa Maria. Mr. Dantona responded to the commute issue by pointing out that multimodal transportation is high priority, including a plan to expand the Pismo-Santa Maria bus schedule. Also there is a strong focus on working to build the job base across the region, not just in SLO.

ITEM 6 -- Staff Reports

Misty Livengood updated Commissioners on various First 5 activities over the past two months:

- Proclamation at the Board of Supervisors meeting anticipation of Month of the Child
- Upcoming Month of the Child outreach events, Advocacy Day in Sacramento, First 5 Express, Dia de los Niños
- Event sponsorship highlight – Raising a Reader night at the Paso Robles Children’s Museum
- Wendy Wendt and Shannon Pimentel presented on early literacy at a donor education event hosted by the Community Foundation of San Luis Obispo County.
- February was Children’s Dental Health Month.
- Wendy Wendt joined a broadcast of Central Coast Voices on the topic of the SLO County Community Health Improvement Plan, along with Penny Borenstein and Patty Herrera from Dignity Health.
- Child Care advocacy activities are on the rise; including a New Times article for which Wendy Wendt was interviewed, plans for an upcoming Town Hall on May 29, and several opportunities to make public comment at SLO City Council meetings.
- Two Hands on Heroes – Yecenia Silvas, School Readiness Family Advocate in Oceano (March), and Jean Tolman, Children’s Services Coordinator at Stand Strong (April).

Public Comment: NONE

ITEM 7 -- Strategic Planning 2020 – Timeline and Stats on Early Childhood

Executive Director Wendy Wendt introduced the item. She described an anticipated timeline for strategic planning that includes

- 1) MARCH: today’s presentation on population-level data related to early childhood,
- 2) APRIL-JUNE: an analysis of current programs using evaluation data from the most recent annual outcome evaluation plus mid-year progress reports to assess return on investment and consider options in the context of strategic planning
- 3) JULY-SEPTEMBER a series of stakeholder focus groups (parents, providers, community leaders)

Associate Director Jason Wells presented on various population-level data points including:

- Demographics
- Poverty
- Food insecurity
- Oral health
- Insurance
- English and Math proficiency
- WIC enrollment
- Special Needs
- Child Abuse and Neglect

Public Comment: Tonya Iversen, Director of Cal Poly ASI Children's Center, expressed concern regarding vaping exposure for young children. Mr. Wells responded that the First 5-funded Baby's First Breath program is pursuing public education and awareness building on this issue, both for the general public and for parents.

ITEM 8 – First 5 Commissioner Recommendation – Medical Representative

Commissioner Borenstein summarized the process for selection of the Medical Representative. She and Commissioner Sokolowski served as an ad hoc selection committee, reviewed applications and interviewed candidates. They are recommending Dr. James Tedford, retired pediatrician with over forty years experience serving children and families in San Luis Obispo County. Dr. Tedford will take the seat currently filled by Dr. James Forester, whose term concludes July 21, 2019. Dr. Tedford will commence his four-year term thereafter; his first Commission meeting will be September 25, 2019.

Public Comment: None

Commissioner Drake made a motion to approve the nomination of Dr. James Tedford to a four year term as Medical Representative on the First 5 San Luis Obispo County Commission. The motion was seconded by Commissioner Forester and passed unanimously.

ITEM 9 – Proposed Change to First 5 San Luis Obispo County Bylaws

First 5 Counsel Natalie Frye-Laacke and First 5 Executive Director proposed a change to the existing First 5 bylaws regarding Commission composition – specifically to eliminate the Children's Services Network designated seat and replace it with an additional community at-large seat. This change is recommended because currently the Children's Services Network includes four First 5 Commissioners, thus rendering unnecessary a CSN representative on the First 5 Commission. This bylaw change would go into effect July 22, 2019, to coincide with the end of the term for the CSN representative (currently being filled by Mark Haas from Department of Social Services).

Ms. Frye-Laacke pointed out that bylaws and any changes therein must comply with the local ordinance. In this case, the proposed change remains in compliance.

Public Comment: None.

Commissioner Watt made a motion to approve two changes to the Bylaws of First 5 San Luis Obispo County: 1) to eliminate the Children's Services Network representative; and 2) to add a third Community At-Large seat. These changes will go into effect July 22, 2019. The motion was seconded by Commissioner Murphy and passed unanimously.

ITEM 10 --- Approval of Mental Health Services Act Innovation Contract with SLO County Behavioral Health: 3 by 3 Partnership

Ms. Wendt introduced this item. She summarized the past year of planning and proposal development involving the SLO County Behavioral Health Department, and collaborators at Community Health Centers of the Central Coast and other stakeholders working toward a broader Help Me Grow system for SLO County. Following an approval vote by the Commission, the proposal will be taken to the Board of Supervisors at its next meeting.

Public Comment: None

Commissioner Murphy made a motion to approve a multi-year contract (2018/19-2021/22) totaling \$799,998 with SLO County Behavioral Health, to administer the 3 by 3 Developmental Screening Partnership, a project of the Mental Health Services Act Innovations program. The motion was seconded by Commissioner Brescia and passed unanimously.

ITEM 11 – Approval of Amendment to First 5 Health Access Training Project Contract for Research Services as a Part of 3 by 3 Partnership

Ms. Wendt presented this item. A key element of the 3 by 3 Partnership (approved under Item 10 above) is the completion of data collection and analysis to determine progress on learning outcomes established for the project. Ms. Becca Carsel, lead contractor with the Health Access Training (HAT) Project currently funded by First 5, has been an instrumental designer of the MHSA project as part of her role on HAT. As such she is uniquely positioned to expand this role by provider program research services for the 3 by 3 Partnership.

Public Comment: None

Commissioner Murphy made a motion to approve an amendment to the HAT contract (end date June 30, 2020) for research services associated with the 3 by 3 partnership. Amended amount \$27,200; total amended 2-year contract \$95,720. The motion was seconded by Commissioner Drake and passed unanimously.

ITEM 12 – Approval of Family Support Services Contract with County Behavioral Department

Mr. Wells presented this item. Following the retirement of Magda Williams, First 5 staff entered in conversation with County Behavioral Health about the possibility of contracting for family support services as a way to continue offering this vital component of First 5's two school readiness communities.

Public Comment:

Commissioner Watt made a motion to approve a contract with SLO County Behavioral Health for Family Support Services. Contract term: March 27, 2019 – June 30, 2020. Contract amount: \$59,213. The motion was seconded by Commissioner Forester and passed with six affirmative votes and one abstention (Brescia).

ITEM 13 – Executive Director Evaluation – Process Introduction

Commission Counsel Natalie Frye-Laacke updated the status of performance review for the Executive Director. The Commission is overdue in conducted its required annual evaluation of Ms. Wendt. Her last evaluation took place in 2016. Ms. Laacke recommended initiating the process immediately. Ms. Wendt will complete a self-evaluation and set goals for the coming year. Each Commissioner will complete an evaluation and submit before the May 22, 2019 Commission meeting. Ms. Laacke will email forms to Commissioners. Commissioner Gibson's assistant will compile the results. A closed session will be scheduled for the May 2019 Commission meeting.

DISCUSSION:

Commissioner Drake questioned if staff will participate in the Executive Director evaluation. He commented that he gets value from hearing staff perspectives as part of his performance review.

Commissioner Borenstein commented that it is difficult with a small staff to maintain anonymity.

Commissioner Brescia requested encoding in the Policy that every three-five years a 360 evaluation is conducted.

The Commission directed staff and Counsel to bring a personnel policy update to an upcoming Commission meeting for approval. The Counsel should be on task as "Executive Director HR."

Public Comment: None

ITEM 14 -- Adjourn 5:18 p.m.



To: First 5 Commissioners

From: Wendy Wendt

Date: May 22, 2019

Re: ITEM 4b: 2018-19 Third Quarter Financial Report

Recommended Action

Staff recommends the Commission approve the Administrative Budget report and Operating Statement for Fiscal Year 2018-19 as of March 31, 2019.

Administrative Budget

As of March 31, 2019, 59% of the administrative budget was spent.

Administrative budget comments:

1. Program Related Administrative Expenses – Administrative budget spending has been reduced by \$69,541 (a portion of office rent and staffing cost allocated to program activities). The cost is directly related to work performed for funded programs and can be considered program related expenses as defined by the GFOA guidelines.

Administrative Expense as Percent of Total Operating Expense

The Commission's adopted administrative cap is set at 15%. The administrative cap amount is defined as a percentage of Total Operating Expense. The policy also states that staff will monitor the administrative percentage to ensure it remains within approved limits. If the percentage exceeds the cap amount, staff is required to alert the Commission and explain the reason for a percentage in excess of 15%.

As of March 31, 2019, the Administrative Expense as a percentage of Total Operating Expense is 11.3% (\$126,764/\$1,112,970), down from 17.3% as contracted program expenditures increase.

Operating Statement

As of March 31, 2019 net revenue is \$753,285.

Operating Statement comments:

1. Prop 10 Tobacco Tax Revenue – Tax revenue *scheduled* to date for FY 2018-19 through Q3 is \$1,024,235. This includes \$156,635 in Proposition 56 backfill. As of this report, only January tax revenues had been reported for Q3.

2. Tax Revenue Distribution Schedule 2018-19

July 2018	August 2018	September 2018	October 2018	November 2018	December 2018	January 2019	February 2019	March 2019	April 2019	May 2019	June 2019
144,117	121,857	162,173	132,985	123,568	140,143	42,756					

3.

4. Tax Revenue Distribution Schedule 2017-18

July 2017	August 2017	September 2017	October 2017	November 2017	December 2017	January 2018	February 2018	March 2018	April 2018	May 2018	June 2018
159,653	144,634	140,685	134,298	126,816	36,352	153,655	95,893	118,277	137,391	138,839	95,399

5. Total revenue *received* from all sources through March 31, 2019 is \$1,876,255. This includes IMPACT and IMPACT HUB payments; two interest payments; two MAA payments; \$11,250 in funds from County Public Health, CenCal Health, and The SLO Medical Research and Education Foundation to support Help Me Grow planning efforts; accrued May and June payments from the 2017-18 Tax Revenue Distribution Schedule, accrued IMPACT program income of \$312,447 and accrued state interest totaling \$2,260.
6. Total Program and Administrative Expenditures through March 31, 2019 are \$1,122,970.

Fund Balance Detail

GASB 54	6/30/2018 (audited)	9/30/2018	12/31/2018	3/31/2019	6/30/2019 (audited)
Nonspendable	\$ 17,277	\$ 17,277	\$ 17,277	\$ 17,277	
Restricted	\$ 54,749	\$ 54,749	\$ 54,749	\$ 54,749	
Committed	\$ 3,776,813	\$ 4,038,711	\$ 3,774,812	\$ 3,286,298	
Assigned	\$ 4,772,962	\$ 4,802,811	\$ 4,797,009	\$ 5,368,584	
Unassigned					
TOTAL	\$ 8,621,801	\$ 8,913,548	\$ 8,643,847	\$ 8,726,908	

	A	B	C	D	E	F
		Jul18-Sep18	Oct18-Dec18	Jan19-Mar19	Apr19-Jun19	Total
1						
2	Perinatal Readiness					-
3	BABES (SLO Co PHD)		40,865	43,517		84,382
4	Perinatal Mental Health Support (CFS)			3,218		3,218
5	Baby's First Breath (SLO Co PHD, TCP)		11,128	12,536		23,664
6	TOTAL	-	51,993	59,271	-	111,264
7	Child Health and Development					-
8	Oral Health Safety Net Treatment (Contribution)					-
9	Oral Health Coordinator (SLO Co PHD)		2,776	2,851		5,627
10	WIC Oral Health (SLO Co PHD)					-
11	Tolosa Children's Dental Clinic		7,666	6,203		13,869
12	Vision Screening	847	4,473	7,517		12,837
13	BEST PALS (Pediatric Physical Therapy Services)	3,351	12,084	13,793		29,228
14	Health Access Trainers (Carsel Consulting Group)	3,094	11,001	8,562		22,657
15	Developmental Screening (Planning)					-
16	TOTAL	7,292	38,000	38,926	-	84,218
17	Early Learning					-
18	PR First 5 ECE - Donation Equipment					-
19	ELFA (SLO COE)		7,328	7,878		15,206
20	First 5 Preschools		21,588	51,578		73,166
21	(OC) School Readiness, Oceano (LMUSD)		25,278	20,437		45,715
22	(GB) School Readiness, Georgia Brown Elem (PRJUSD)			58,397.00		58,397
23	TOTAL	-	54,194	138,290	-	192,484
24	Family Strengthening					-
25	Magda Williams - Oceano					-
26	Magda Williams - Georgia Brown					-
27	(OC) Family Advocacy		11,052	12,714		23,766
28	(GB) Family Advocacy			16,837		16,837
29	Parents Helping Parents	6,713	10,469	8,844		26,026
30	Joan Fusco -- North County Family Support	1,120				1,120
31	Family Advocacy Services (CFSSLO)	16,648	24,323	25,123		66,094
32	Parent Cafes (CFSSLO)		7,691			7,691
33	Parent Cafes (CAPSLO)			11,325		11,325
34	TOTAL	24,481	53,535	74,843	-	152,859
35	IMPACT SLO					-
36	Quality Counts -- FCCs (CAPSLO - CCRC)			57,215		57,215
37	Quality Counts -- Centers (CAPSLO -LPC)			75,715		75,715
38	Early Learning and Literacy Specialists (SLOCOE)		22,830	28,462		51,292
39	IMPACT Program Evaluation Expenses	1,190	2,253	2,509		5,952
40	IMPACT HUB Expense	2,623	11,330	2,352		16,305
41	IMPACT Program "Other"	683	370	13		1,066
42	TOTAL	4,496	36,783	166,266	-	207,545
43	Advocacy Projects					-
44	CBOR/HOH	1,450	1,450	4,050		6,950
45	New/General Advocacy	5,372	4,670			10,042
46	Talk Read Sing Campaign	2,176				2,176
47	Other Advocacy Projects					-
48	TOTAL	8,998	6,120	4,050	-	19,168
49	Other					-
50	Evaluation - Core Allocation	5,058	8,671	8,926.00		22,655
51	Kits for New Parents	1,100				1,100
52	Event Sponsorships	500	4,000	2,800		7,300
53						-
54	TOTAL	6,658	12,671	11,726	-	31,055
55						
56	TOTAL PROGRAM AND EVALUATION EXPENSE	51,925	253,296	493,372	-	798,593
57						Quarter ending: 3/31/2019
58						



First 5 Children and Families Commission of San Luis Obispo County				
Administrative Budget				
FY 18-19				
March 31, 2019				
	Beginning	YTD	Ending	%
	Budget Bal	Expensed	Budget Bal	Expensed
Regular Hours - Permanent	377,287	234,126	143,161	62%
Computer Supplies	1,000	100	900	10%
Copy/Printing	2,000	1,884	116	94%
Food	1,000	388	612	39%
Insurance	3,525	1,336	2,189	38%
Copier Maint Contract	700	471	229	67%
Memberships	5,500	553	4,947	10%
Office Expense	3,000	850	2,150	28%
Other Services - Auditor Dept.	7,802	5,852	1,950	75%
Postage - Direct	100	24	76	24%
Professional Services	51,680	30,762	20,918	60%
Registration/Training	4,000	2,240	1,760	56%
Rent	43,722	32,792	10,930	75%
Significant Value Purchase	5,000		5,000	0%
Special Dept Expense	14,180	5,479	8,701	39%
Phone, Data, Internet Access	3,000	1,748	1,252	58%
Other Travel Expenses	9,000	5,773	3,227	64%
Contingency	20,000		20,000	0%
Total Administrative Expense	552,496	324,378	228,118	59%
Less: Program Related Admin	(278,428)	(197,613)	(80,815)	
Net Administrative Expense	274,068	126,765	147,303	46.3



First 5 Children and Families Commission of San Luis Obispo County						
Operating Statement						
FY 18-19						
March 31, 2019						
EXPENSES		Jul - Sept	Oct - Dec	Jan - Mar	Apr-Jun	YTD
Administration		114,084	104,649	105,644		324,377
Less: Program Related Admin		(67,923)	(60,149)	(69,541)		(197,613)
Net Administrative Expense		46,161	44,500	36,103	-	126,764
Program & Evaluation						
Perinatal Readiness			51,993	59,271		111,264
Child Health and Development		7,292	38,000	38,926		84,218
Early Learning			54,194	138,290		192,484
Family Strengthening		24,481	53,535	74,843		152,859
IMPACT Program Contracts		4,496	36,783	166,266		207,545
Advocacy Projects (CBOR, P5CAN, etc)		6,822	6,120	4,050		16,992
Talk Read Sing Campaign		2,176				2,176
Event Sponsorships		500	4,000	2800		7,300
Kits for New Parents		1,100				1,100
Evaluation (Core)		5,058	8,671	8,926		22,655
Plus: Program Related Admin		67,923	60,149	69,541		197,613
Total Program & Evaluation Expense		119,848	313,445	562,913	-	996,206
Total Operating Expense		166,009	357,945	599,016	-	1,122,970
REVENUE (Trust Fund: 3300000000)						
Prop 10 Tobacco Tax		234,238	584,781	396,696		1,215,716
IMPACT		312,447		207,598		520,045
SMIF (Prop 10 interest)		2,260				2,260
HUB Payments		593		6,174		6,767
Interest (Local)			35,066	39,990		75,056
MAA			13,542	31,616		45,158
Other Revenue		7,454	3,800			11,254
Total Revenue		556,992	637,189	682,074	-	1,876,255
Net Revenue (Expenses)		390,983	279,244	83,058	-	753,285

WHERE'S THE CARE

in San Luis Obispo County?

2018-2022 Child Care Needs Assessment Executive Summary

ACCESS

- There is a shortage of child care, especially for infant and toddlers.
- There has been an 18% decrease in family child care homes since 2016.
- Most child care facilities do not offer nontraditional hours (evenings and weekends).
- The most challenging features associated with finding child care among survey respondents were: **1. Availability of openings** **2. Cost** **3. Scheduling**
- It took most survey respondents more than one year to find care for their child.

AFFORDABILITY

- The average annual cost for an infant in a licensed center (\$14,181) in SLO County is more than a year of University of California tuition (\$12,240).
- Due to the increase in minimum wage, many families are just above the poverty line and are therefore not eligible for publicly funded programs, such as child care subsidies and Head Start.
- For a family with two young children, child care consumes 23% of the median family budget.

"The cost of child care is so high that it equals a salary. Two working parents have to weigh whether it's worth giving up a second income to have a second child. With a declining 0-5 child population, this can have a long-term impact."

~ SLOCOG Senior Planner

WORKFORCE

- Because of a decrease in the early child care educator workforce, possibly due to low pay and lack of professional regard, public and private centers are finding it increasingly difficult to hire teachers and child care staff and recruit family child care providers across the county.
- 53% of child care workers were members of families enrolled in at least one public support and health care program compared to 21% of U.S. workforce.
- 56% of survey respondents indicated that their employer supports their need for child care in the following ways: flexible hours, extra money for child care, onsite child care, and/or subsidies or scholarships.





To: First 5 Commission of San Luis Obispo County

From: Wendy Wendt

Date: May 22, 2018

Re: ITEM 10: Long-Range Financial Plan Update (First Reading)

Recommended Action

Staff is submitting for a first review the revised Long-Range Financial Plan. A final version will be presented for approval at the June 2019 Commission meeting.

Background: Revised Long-Range Financial Plan

Each year the financial plan is revised and updated as part of the annual strategic planning review. The proposed revised plan is attached to this memo. Fiscal Year 2016-20 Strategic Plan Expenditures are highlighted. Memo notations referenced below are numbered on the far left of the Plan table.

General Notations:

Fiscal Years 2016-17 and 2017-18 reflect audited revenue and expenditure amounts and are included for historical reference. Current and future years reflect a combination of approved budgeted amounts and projected amounts as detailed below.

This revision of the Long-Range Financial Plan projects out through the end of the current 4-year Strategic Plan, plus two additional four-year cycles. The final year in the Plan establishes a practice of holding annual program expenditures below annual revenue, and will maintain a Fund Balance reserve totaling at least two years of total annual expenditures (Program and Administrative). Future updates of the Long-Range Financial Plan are recommended to sustain this practice.

REVENUES:

Memo Notation 1: The plan extends to Year 29 (Fiscal Year 2027-28) in order to demonstrate a long-view on projected operations. Projected revenue amounts for Fiscal Year 2017-18 through Fiscal Year 2022-23 match State Projections published in January 2019. Projected revenue for Fiscal Years beyond 2021-22 decreases annually by 5% (in anticipation that Proposition 10 revenues will continue to decline as the smoking rate declines).

Memo Notation 2: Interest revenue is projected at .75% of Fund Balance. This is a slight increase from the .3% projected percentage on prior Financial Plan updates, based on recent investment performance. However, it remains a conservative estimate well below the 2017-18 return of 1.3%.

Memo Notation 3: MAA revenues are anticipated remain in stable position near \$50,000 annually as First 5 staff continues to follow updated protocols for tracking and recording MAA-billable activities. First 5 SLO County maintains an annual \$50,000 MAA Contingency Fund to protect against liabilities of this nature, and as recommended by the agency auditor (**Memo Notation 7**).

Memo Notation 4: First 5 SLO County has entered into a multi-year contract with the County Behavioral Health Department to oversee an MHSA Innovations Project. The Long Range Plan anticipates three full years of funding revenue (total \$799,998) to support this effort.



Memo Notation 5: First 5 California has approved an allocation of up to \$1,881,512 in IMPACT Program funds over five years to First 5 SLO County for the administration and oversight of IMPACT SLO, an initiative dedicated to building local Quality Improvement systems into early learning programs throughout the county.

The revenue amounts on the draft Financial Plan reflect the five-year IMPACT budget approved by First 5 CA. IMPACT expenditures over the five years are included under 2016-20 Initiatives (contracts with SLO County Office of Education and Community Action Partnership) and within the First 5 Administrative Budget.

Memo Notation 6: Beginning in FY 2017-18, additional revenues have become available to support local IMPACT activities that involve regional and/or state-level collaboration. These “IMPACT HUB funds” are administered through First 5 Ventura County and provide cost offsets for both First 5 and contracting HUB agencies (See **Memo Notation 12** below).

PROGRAM EXPENSE:

Memo Notation 7: See Memo Notation 3 above re: MAA Contingency Fund.

Memo Notation 8: Under its Cal Pers Retirement Plan and in compliance with GASB 68, First 5 SLO County reports its proportional share of the state Cal PERS program long-term unfunded liability. A small portion of this liability is paid annually by First 5 SLO County, while the balance is a required liability line item on First 5 SLO County’s Government-Wide Reporting Statement (part of its annual audit). However, only short-term liabilities are reported as part of the Fund Financial Statement (also included in the annual audit), which is the basis for First 5 SLO County’s Long-Range Financial Plan. A \$100,000 expense has been included in the final year of the current Long-Range Financial Plan to account for this liability, while maintaining the Fund Balance figures per the Fund Financial Statement.

Memo Notation 9: 2016-20 Strategic Plan Priority Area expenses, approved in December 2015 and updated in March 2018, are included through Fiscal Year 2019-20.

Memo Notation 10: A 5% contingency based on contracted programs was proposed and approved by the Commission in December 2015.

Memo Notation 11: A new program line item for MHSA expenses has been added to the Long Range Financial Plan through FY 20210-22, and includes all anticipated expenses (contract and operated) with the exception of personnel, which is included with the Administrative Budget “program personnel.”

Memo Notation 12: For the final two years of the current IMPACT program, contractor expenses anticipated to be eligible for HUB fund reimbursement are anticipated to be articulated in contracts separate from the core IMPACT program contracts. Reimbursable funds fall into three broad categories: data system, professional development events (registration and travel), and travel expenses related to regional and state planning meetings.

ADMINISTRATIVE EXPENSE:

Memo Notation 13: As projected revenues continue to decline in future years, it may become necessary to shrink administrative costs. To model this likely scenario, the modified Financial Plan includes level-funded Total Administration expenses beginning half-way through the next four-year Strategic Plan and the subsequent strategic plan.



Long-Range Financial Plan

	AUDITED 2016-2017	AUDITED 2017-2018	BUDGETED 2018-2019	2019-2020	2020-2021	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
	Year 18	Year 19	Year 20	Year 21	Year 22	Year 23	Year 24	Year 25	Year 26	Year 27	Year 28	Year 29
Fund Balance Beginning of Period	8,319,744	8,369,464	8,621,801	8,069,373	7,629,642	7,110,789	6,503,603	5,958,438	5,337,229	4,964,005	4,523,042	4,119,081
1 Prop 10 Tax Revenues actual to 2017-18 (budgeted 18-19, state projections through Year 24, then 5% annual decline projected for outlying years)	1,668,413	1,553,037	1,661,228	1,609,047	1,521,670	1,454,835	1,439,089	1,367,135	1,298,778	1,233,839	1,172,147	1,113,540
2 Interest Revenue (.75%)	60,448	111,400	23,296	60,520	57,222	53,331	48,777	44,688	40,029	37,230	33,923	30,893
TOTAL TAX/INTEREST REVENUE	1,728,861	1,664,437	1,684,524	1,669,567	1,578,892	1,508,166	1,487,866	1,411,823	1,338,807	1,271,069	1,206,070	1,144,433
OTHER REVENUE:												
3 MAA	9,603	49859	50000	50000								
Other Revenue (grants, sponsorships, etc.)	6,541	175										
4 MHSA INNOVATIONS				257048	264804	278146						
5 IMPACT	249,368	560,062	490,498	581,584								
6 IMPACT HUB PAYMENTS		28,281	67,850	55,000								
TOTAL REVENUE	1,994,373	2,302,814	2,292,872	2,613,199	1,843,696	1,786,312	1,487,866	1,411,823	1,338,807	1,271,069	1,206,070	1,144,433
TOTAL REVENUE PLUS BEGINNING BALANCE	10,314,117	10,672,278	10,914,673	10,682,572	9,473,338	8,897,101	7,991,469	7,370,260	6,676,036	6,235,074	5,729,112	5,263,514
7 CONTINGENCY FUND FOR MAA			(50,000)									
8 UNFUNDED LIABILITY												(100,000)
Pre-2011 INITIATIVES:												
School Readiness (all programs)												
School Readiness Evaluation												
Children's Health Initiative												
Perinatal Substance Abuse Initiative												
Oral Health Initiative (FY 2011-12 carryover 2 yr contract)												
Other Programs (Raising A Reader/Kits)												
2011-15 INITIATIVES												
Health Initiative												
Oral Health Initiative												
Perinatal Substance Abuse Prevention Initiative												
Special Needs Initiative												
School Readiness Initiative												
First 5 Media, Kits, Other												
9 2016-2020 PRIORITY AREAS					(1,400,000)	(1,400,000)	(1,400,000)	(1,400,000)	(1,100,000)	(1,100,000)	(1,000,000)	(1,000,000)
Perinatal Readiness	(216,899)	(229,701)	(341,137)	(341,137)								
Family Strengthening	(180,233)	(276,384)	(411,740)	(373,493)								
Child Health and Development	(176,632)	(169,024)	(328,760)	(373,760)								
Early Learning (Core Allocation)	(571,674)	(378,983)	(438,479)	(438,479)								
10 Program Contingency (5% of Priority Area Investment)			(76,006)	(76,343)								
First 5 Kits	(1,170)	(1,100)	(1,200)	(1,200)								
11 MHSA				(226,202)	(233,028)	(244,768)						
Early Learning (IMPACT)	(299,238)	(456,933)	(438,230)	(433,669)								
12 IMPACT Regional HUB Contracts			(64,850)	(52,000)								
BASELINE EVALUATION EXPENSE 2% (approved 2012-13)	(34,214)	(32,642)	(30,402)	(35,061)	(32,661)	(32,895)	(28,000)	(28,000)	(22,000)	(22,000)	(20,000)	(20,000)
SYSTEMS CHANGE/ADVOCACY AND POLICY EFFORTS	(38,555)	(35,512)	(100,000)	(100,000)	(75,000)	(75,000)	(75,000)	(75,000)	(60,000)	(60,000)	(60,000)	(60,000)
SPONSORSHIPS	(3,100)	(2,800)	(12,000)	(12,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)	(10,000)
TOTAL PROGRAM EXPENSE	(1,519,715)	(1,582,879)	(2,292,804)	(2,463,345)	(1,750,688)	(1,762,664)	(1,513,000)	(1,513,000)	(1,192,000)	(1,192,000)	(1,090,000)	(1,190,000)
ADMINISTRATION:												
BASELINE: Proposed 2011-12 budget, 1.8% CPI YR. 14-23; level funded after												
Program Personnel and Program Operating Expense	(219,647)	(265,989)	(278,428)	(310,584)	(327,838)	(346,811)	(286,008)	(286,008)	(286,008)	(286,008)	(286,008)	(286,008)
13 Administrative Personnel and Operating Expense	(205,291)	(201,609)	(274,068)	(279,001)	(284,023)	(284,023)	(234,023)	(234,023)	(234,023)	(234,023)	(234,023)	(234,023)
TOTAL ADMINISTRATION:	(424,938)	(467,598)	(552,496)	(589,585)	(611,861)	(630,834)	(520,031)	(520,031)	(520,031)	(520,031)	(520,031)	(520,031)
TOTAL EXPENSE	(1,944,653)	(2,050,477)	(2,845,300)	(3,052,930)	(2,362,549)	(2,393,498)	(2,033,031)	(2,033,031)	(1,712,031)	(1,712,031)	(1,610,031)	(1,710,031)
Remaining Fund Balance End of period	8,369,464	8,621,801	8,069,373	7,629,642	7,110,789	6,503,603	5,958,438	5,337,229	4,964,005	4,523,042	4,119,081	3,553,482
Administrative %	10.56%	9.83%	9.63%	9.14%	12.02%	11.87%	11.51%	11.51%	13.67%	13.67%	14.54%	13.69%
Direct Program Investment to Total Expenses	78%	77%	81%	81%	74%	74%	74%	74%	70%	70%	68%	70%

ATTACHMENT:
Draft Plan
("FY 19-20")



To: First 5 Commissioners of San Luis Obispo County

From: Wendy Wendt

Date: May 22, 2019

Re: ITEM 11: FY 2019-20 Proposed Administrative Budget

Recommended Action

Staff is requesting initial Commission review and discussion of the proposed Administrative Budget for Fiscal Year 2019-20. Final review and approval is scheduled for the June 26, 2019 Commission meeting.

PROPOSED ADMINISTRATIVE BUDGET FOR FISCAL YEAR 2018-19 (Attachment 1)

Staff recommends a total administrative budget in the amount of \$589,585 for FY 2019-20. This amount is included in the Commission’s Long Range Financial Plan (draft pending approval, June 26, 2019).

The recommended amount represents an organizational structure that includes two full-time staff (Executive Director, Associate Director) one 35 hours per week (.875 FTE) Communications and Outreach Officer, one 20 hours per week (.5 FTE) Special Projects Administrator (IMPACT and Help Me Grow), and one 16 hours per week (.4 FTE) Special Projects Administrator (MHSA 3 by 3 Developmental Screening Partnership).

The proposed budget also includes a contingency amount of \$20,000 (approximately 4%) to provide for unforeseen expenses related to future needs. Contingency items may include any other unforeseen expenses related to increased costs for various new professional service contracts.

In accordance with the proposed Financial Plan, a total of \$2,463,345 has been projected for program and evaluation expense, plus \$31,584 in program-related personnel/operating costs, totaling \$2,773,929. Total operating expense is projected at \$3,052,930.

The projected administrative expense of 9.14% is within the Commission’s established maximum of 15%.

Additional notes appear as “Comments” in the far right column of the attached 2019-20 Budget Draft.



ATTACHMENT 1

First 5 San Luis Obispo County 2019-20 Budget (May 22, 2019 draft)

Prop 10 Expenditures	2018-19 Adopted Administrative Budget	2019-20 Proposed Administrative Budget	Variance	Comments
Salaries	272,153	279,648	7,494	Salary Schedule approved December 2016; 5 staff members
Benefits	105,134	111,859	6,726	computed at 40% for all but MHSA Admin (6% - no med or retirement)
Sub-Total Salary and Benefits	377,287	391,507	14,220	
Professional Services				
Payroll Services	3,380	3,510	130	\$130 x 26 pay periods
Legal Services	15,000	23,500	8,500	estimated at 100 hrs --increase in anticipation of new strategic plan and related procurement
Outside Auditor	7,500	7,500	-	per Letter of Agreement with Crosby Co.
Public Health MAA Fee	5,000	5,000	-	fee = 10% of MAA invoice amount as per contract with Public Health (est. \$50000)
Cal PERS GASB 68 Valuation Fee	1,300	700	(600)	
Outreach Events Costs	2,000	2,000	-	contractor to assist with outreach booth activities
IT Services	5,000	15,000	10,000	IT Upgrade scheduled for 2019 + regular maintenance
Bookkeeping		5,000	5,000	Fiscal Reporting Analysis
Strategic Planning	2,500	10,000	7,500	Strategic Plan 2020 - facilitation/narrative support
Sub -Total Professional Services	41,680	72,210	30,530	
Services and Supplies				
Computer Supplies	1,000	1,000	-	software, other accessories;
Copy/Printing	2,000	3,000	1,000	Increase based on prior year expense for outreach supplies; promotional materials
Food	1,000	800	(200)	
Insurance	3,525	3,700	175	liability/property/crime
Maintenance Contracts	700	1,000	300	copier maintenance; increase based on prior year expense
Memberships	5,500	5,000	(500)	State Association dues, Children Services Network support, SLO Chamber Dues
Office Expense	3,000	3,000	-	\$1000 in IMPACT PROGRAM MATERIALS
County Auditing Services	7,802	8,052	250	2019-20 agreement
Postage	100	100	-	decrease based on 17-18 spending
Registration/Training	4,000	5,000	1,000	professional development activities; increase for anticipated staff tech training
Rent/Utilities	43,722	45,515	1,793	anticipated rent increase starting July 2019
Significant Value Purchase	5,000	5,000	-	reserve for 7-10 year old equipment (e.g. printers; office furniture, computers, etc.)
Special Dept. Expense	14,180	14,180	-	Outreach and Promotion Materials; special event costs
Phone/Data/Internet Access	3,000	5,000	2,000	\$200/mo. (Cable and phones); anticipated tech upgrade
Travel Expenses	9,000	5,522	(3,478)	out-of-county meetings & conferences, in-county employee mileage + IMPACT TRAVEL
Contingency	20,000	20,000	-	3.6% of Administrative budget.
Sub-Total Services and Supplies	123,529	125,869	2,340	
Administrative Expense	552,496	589,585	37,089	based on 2016-28 financial plan; includes IMPACT and MHSA
Less: Program Related Admin	(278,428)	(310,584)	(32,156)	based on 2016-28 financial plan
Total Administrative Expense	274,068	279,001	4,933	
Program & Evaluation Expense	2,242,804	2,463,345	220,541	based on 2016-28 financial plan
Plus: Program Related Admin	278,428	310,584	32,156	
Total Program & Evaluation Expense	2,521,232	2,773,929	252,697	
Administrative Percentage	9.80%	9.14%		
Total Operating Expense	2,795,300	3,052,930	257,630	