

FIRST 5 CHILDREN AND FAMILIES COMMISSION
San Luis Obispo County

Meeting Minutes, January 23, 2008

Members Present	Katcho Achadjian René Bravo, M.D. Julian Crocker Don Dennison Lee Collins Janet Murphy Rosalinda Rodriguez	SLO County Board of Supervisors SLO County Medical Association SLO County Office of Education Children's Services Network SLO County Dept. of Social Services Community at Large Community at Large
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Members Absent/Excused	Carol Capito Greg Thomas, M.D.	Child Care Planning Council SLO County Dept. of Public Health
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Staff Present	Susan Hughes, Armando Corella, Jason Wells, Anne Tognazzini	
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Call to Order	Chairperson Katcho Achadjian called the meeting to order at 4:05 PM (without a quorum, which was later reached at 4:20 PM with the arrival of Commissioner Bravo).	
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Public Comment

Biz Steinberg, Executive Director, EOC. Ms. Steinberg applauded the upcoming Oral Health Summit. Ms. Steinberg mentioned family, health, and home as three areas EOC is built around and how families need ongoing support in these challenging times. She also mentioned that the number of families with children living in shelters and the number of multiple families living together is greatly increasing. She also spoke of how EOC is here to assist and collaborate, in order to ensure more families have a safe place to live, jobs, health care, etc.

Mary Gallegos, Administrator for Children's Medical Services (CMSP) for the San Luis Obispo County Health Dept. Ms. Gallegos expressed appreciation to the Commission for hosting the Oral Health Summit. She stated there are almost 100 children on the list awaiting dental surgeries. She added there has been good progress through the year and an increase in surgeries at two hospitals, with the possibility of one more in February. She promised to provide more comprehensive data at the Summit, and reiterated her appreciation for First 5's sponsorship.

Chairperson Achadjian asked about changes in CHDP (Child Health and Disability Prevention). Ms. Gallegos reported having met with Drs. Smith and Walker [dentists], and CHDP will continue to support surgery screening through June 30. As of July 1, CHDP's focus will be on referral and follow-up, but not in directly staffing the surgery screening clinic. This is due to a change in the focus on how money can be spent. She will be working with Drs. Smith and Walker over the next six months to secure funding for a scheduling position. Chairperson Achadjian asked for numbers of children, ages 0-5, to see if the First 5 Commission could get involved. Ms. Gallegos stated they were gathering data, including by age group, and would have that statistic by the Summit. Ms. Gallegos confirmed CHDP will continue to be a referral source, but can't conduct and manage the surgery screening clinics.

Ms. Gallegos also reported that at the surgery screening clinic earlier in the month, 38 children were referred, and 8 of them required surgery and were put on the list. At the higher volume

clinic, approximately the same percentage was added to the list. She estimated approximately 100 children per year are added to the list, of about 400 being referred.

Kena Burke, Executive Director, Children's Health Initiative, commented that many families speak only Spanish, and have trouble navigating system and coordination by CHDP addresses that need for bilingual assistance.

Chairperson Achadjian asked for additional comments from the public and there were none.

At 4:20, Chairperson Achadjian noted a quorum was reached, and the meeting could progress from the top of agenda.

Election of Chairperson and Vice-Chairperson of the Commission for the period of January 2008 to December 2008.

Commissioner Crocker moved that Chairperson Achadjian, continue to serve in that capacity. The motion was seconded by Commissioner Dennison. Chairperson Achadjian opened it up for other nominations, but there were none. Chairperson Dennison indicated he was willing to continue as Vice-Chair, and Commissioner Crocker made a motion that he continue, which was seconded by Commissioner Murphy. Both motions passed unanimously.

Introduction of new First 5 Children and Families Commission Administrative Services Officer

First 5 Executive Director Susan Hughes introduced Jason Wells, First 5 SLO County's new Administrative Services Officer. Mr. Wells stated he is happy to be part of the team and everyone is so positive about what they're doing. Chairperson Achadjian welcomed him on behalf of the Commission and expressed confidence in his abilities.

CONSENT AGENDA

Susan Hughes reviewed the Consent Agenda Items, which included:

- 1) Approval of December 5, 2007, minutes
- 2) At the December 5, 2007, First 5 San Luis Obispo Commission meeting, the Commission approved additional funding for the period of 2007-2011 for four existing School Readiness contractors and 2007-09 for one direct service contractor. Contract amendments for approval include: 1) Lucia Mar School District adding \$44,000 to the original 2007-2011 contract to provide additional family advocate services; 2) County Office of Education adding \$4,000 to the original 2007-2011 contract to pay for accreditation of the Oceano First 5 Preschool; 3) Joan Fusco adding \$40,000 to the original 2007-2011 contract to provide additional family support services to families in the Georgia Brown School Readiness area; 4) Paso Robles School District adding \$24,000 to the original 2007-2011 contract to purchase a van for community/family outreach; 5) Pediatric Physical Therapy Services, Inc. adding \$25,000 to the original 2007-2009 contract to serve the anticipated increase in clients.
- 3) Approval of the 2006-07 Annual Evaluation Report

Chairperson Achadjian asked for questions from the Commissioners about the Consent Agenda Items, and there were none. Chairperson Achadjian asked for questions from the Public, and there were none. Commissioner Dennison moved to approve the Consent Agenda items, with a second from Commissioner Crocker. Approval was unanimous.

Presentation - Martha's Place, Children's Assessment Center (Contract Extension approval)

Staff is recommending the Commission approve an extension of the Martha's Place contract for one year from July 1, 2008 to June 30, 2009. A budget (not to exceed \$250,000) and scope of work will be submitted for approval at the March 26, 2008 Commission meeting.

First 5 Evaluator Tom Keifer provided data from the first year of operation of Martha's Place. He reminded the Commission that the data is somewhat preliminary, but it does give a good idea of what has been done in the first year and shows some of the trends.

Chairperson Achadjian opened the discussion to questions from Commissioners.

Commissioner Murphy asked why parents are resisting services. Dr. Holifield (Director, Martha's Place) explained some parents are confused about why they are being referred, or they may be defensive, worried about possible reporting of drug use.

Commissioner Dennison asked about data reporting requirements. Dr. Holifield explained that was part of the program evaluation piece, and requires getting enough data to be able to conduct follow-up and look at treatment effectiveness.

Dr. Holifield gave a presentation on the accomplishments of Martha's Place. His presentation provided statistics related to accomplishments. Two presenting trends were identified as methamphetamine exposure and alcohol exposure in utero. He also spoke about lack of treatment resources for young children, which has increased the need for Martha's Place to provide treatment services. He also noted the need to expand service at Martha's: more assessments, more treatment (ensuring access to services) and tracking outcomes. He added they also need to expand revenue sources beyond Medi-Cal.

Chairperson Achadjian opened the discussion to questions from Commissioners.

Commissioner Crocker asked whether Martha's was moving more into direct treatment. Dr. Holifield explained they were primarily an assessment center, but have had to assume more direct treatment than they were set up to do initially.

Commissioner Dennison asked about a waiting list/pool and wait times. Dr. Holifield explained that as of December 31, 2007, there were 30 in the waiting pool. He said he is comfortable with 24. He also explained the referral times were too long in the past (several months), but has decreased.

Chairperson Achadjian opened the discussion to public comment.

Biz Steinberg, EOC Executive Director, thanked the Commission and Armando Corella for their assistance in this complicated situation and for First 5's funding. She also thanked Dr. Holifield and mentioned that EOC was very proud to be part of the project. Chairperson Achadjian likewise thanked Ms. Steinberg for taking Martha's place under the EOC umbrella.

There were no other questions or comments from the public.

A motion was made by Commissioner Bravo and seconded by Commissioner Murphy for an extension of the Martha's Place contract, including the additional amount of \$250,000 for fiscal 2008-09. Approval of the motion was unanimous.

Consent Agenda Item Review.

Commissioner Crocker asked to revisit the issue of voting on Consent Agenda Item #2, realizing he should have abstained from voting and from seconding the motion. Commissioner Bravo moved to approve Consent Agenda Item #2, which was seconded by Commissioner Murphy, and unanimously approved (with abstentions by Commissioners Crocker and Dennison).

Commission membership: Update on the Commission seat historically held by the Health Officer.

Susan Hughes, First 5 Executive Director, noted this item is an information only item, not requiring action. She explained that with the help of the Health Agency Director and County Counsel, it was determined that Commissioner Thomas could continue to serve on the Commission, as the backup County Health Officer, until a permanent County Health Officer is hired.

Review and approval of the FY 2007-08 second quarter First 5 San Luis Obispo County Financial Report ending December 31, 2007.

Executive Director Susan Hughes provided a 2nd quarter financial report for the period ending December 31, 2007. She noted the report was for the administrative budget, not the program budget. She gave data on revenue, balance sheet and fund reservations.

Chairperson Achadjian asked for questions and there were none.

Commissioner Crocker moved to approve the 2nd quarter financial report, with a second from Commissioner Rodriguez. Approval was unanimous.

+++ 2007/08 STRATEGIC PLANNING UPDATE +++

Approval of the First 5 Organization Study including approval for staff to move forward with various recommendations contained in the report.

Susan Hughes provided a recap of Susan McGraw's December 2007 Human Resources report, including that it was determined by County Counsel that First 5 is an independent public entity, rather than an agency of the County. She noted Ms. McGraw's initial study indicated approximately \$56,000 of County costs could be reallocated to other areas. She also noted First 5 Staff was asked to research comparable counties and return to this Commission meeting with additional information.

Ms. Hughes then reviewed her detailed memo to Commissioners (included in the agenda packet) which included information on retirement and health benefits, operations (equipment/office space), financial/auditing, and other tasks. She noted the data was a moving target at times because there were so many variables.

Discussion included auditor and accounting costs as it related to potential savings. Ms. Hughes explained that portions of the \$56K would be reallocated to other areas where First 5 would need to directly buy services. She pointed out that the \$16K potential debits show what it might cost to purchase services outside of the County, but noted it also would pay for a full-time (rather than a .60 FTE) Executive Director.

Ms. Hughes pointed out benefits to purchasing services outside the County include:

- Staffing increases to 4.0 from 3.6, with a full-time Executive Director.
- More flexibility in decision making, including in hiring staff
- Additional control over other contracted services
- Staff would be fully committed to First 5 and wouldn't have to participate in County activities, committees, etc. not related to First 5 business.

She also pointed out that County overhead is increasing from 21.84% in 07-08 to 24.40% in 08-09 (from \$55K to \$82K).

Ms. Hughes discussed necessary future tasks and a possible timeline, and suggested the formation of a subcommittee to deal specifically with issues of job descriptions and salary levels.

Ms. Hughes also mentioned that Dr. Thomas (who couldn't be here tonight) asked her to share that he had reviewed the report and stated he was in support of the transition.

Chairperson Achadjian asked for questions from the Commissioners.

Commissioner Murphy asked whether, beyond the great deal of work it would require initially, Ms. Hughes believed it would work well (to be outside the County). Ms. Hughes expressed her belief that it would and likened it to being a small non-profit. She also suggested that with the County overhead increasing to over 24%, it might not be good business to stay in the County.

Chairperson Achadjian noted First 5 is also impacted by the County budget and hiring freeze.

Commissioner Bravo commended Ms. Hughes on her thoughtful and thorough evaluation and stated she clearly understands the issues involved. He stated he thinks it is doable and the benefits are great, and he supports "seceding" from the County.

Commissioner Crocker indicated he had some concerns. He stated the intent would have to be not to save money, as it might actually cost more. But, he noted there would be other benefits. He suggested it needs to be clear that the reasons are not because of a financial benefit. Ms. Hughes noted First 5 would gain a fulltime Executive Director, but Commissioner Crocker noted that change could be requested under the current system.

Commissioner Crocker also expressed concern it was a Herculean task to complete the necessary steps between now and June. He also stated he has no desire to be involved with personnel policies and related personnel issues. He also suggested there might be lots of costs involved that may not show up on paper.

Chairperson Achadjian asked if personnel policies and related structure can be borrowed. Ms. Hughes gave the example of LAFCO, in that they modeled everything after the County in regards to personnel, such as salary levels and job descriptions.

Commissioner Crocker expressed concern there would be a lot of personnel costs involved, and it's going to be a real push to get it done satisfactorily. He also suspects we will end up replicating a lot of things we have through the County. He believes it will not be as simple or as cost-neutral as one may think. He stated he was cautious and skeptical, and expressed concern re: becoming an employer.

Commissioner Bravo stated that as an employer of more than four people, he believes it really is not as hard as it looks. He suggested that moving away from a culture (government) that

makes simple things complex, First 5 could create a new culture that is streamlined and more efficient, and which gives greater flexibility. He agreed he is not approaching the matter from the viewpoint of saving money, but rather the greater value is flexibility. He noted although some of the bureaucracy will remain in place, ultimately we would be better stewards with the money we have, and it is a prudent move.

Commissioner Collins had questions related to overhead costs, and whether costs for custodial services and worker's compensation and such were factored in. Ms. Hughes explained custodial was not, but worker's compensation was. Commissioner Collins expressed concerns about being an employer and dealing with staff asking for pay increases, and that without the County being the "bogeyman" in that area, a First 5 subcommittee would have to deal with employee negotiations. Commissioner Bravo suggested when you're dealing with your own revenue, it's easier to have those discussions.

Commissioner Dennison stated he would characterize this as more of a quality of life or quality of operation issue, rather than a financial issue. He also expressed concern about the time compression of implementation. He wondered if the pressure to make quick decisions might compromise the quality of operation, as well as the flexibility and self-determination we hope to achieve. He asked if the timeframe for implementation could be expanded.

Ms. Hughes asked Health Agency Director Jeff Hamm to provide input in this area.

Mr. Hamm stated the County's 08-09 budget is uncertain and staffing levels are uncertain, and that was his biggest concern when he spoke initially [with Ms. Hughes] about timing. He stated the lease space ends at end of this fiscal year, but could be extended, so that probably is not a concern. However, he stated the issue of County employees potentially becoming First 5 employees adds a twist, as it relates to reduction of force and bumping rights. He also stated that although that is a complicating factor as it relates to the timing of this, he doesn't think that should be a driving factor in the Commission's deliberations. Ms. Hughes indicated she had thought in a previous meeting, Mr. Hamm had said no to the possibility of doing an MOU for one more year. Mr. Hamm stated he felt an extension of agreement would be okay if facility and staffing issues can be dealt with satisfactorily. Ms. Hughes indicated she didn't come away from their previous meeting with that understanding. Mr. Hamm stated it would preferable to know soon, in order to do all the things that have to be done, although he noted there is not much work on the County's side.

Chairperson Achadjian indicated that timing associated with the fiscal year would create fewer hassles. Mr. Hamm added some issues would clear up July 1, as a lot of decisions would be made in June that would go into effect July 1, relative to staffing.

Commissioner Rodriguez asked whether other First 5's have done this, and Ms. Hughes explained there is about a 50/50 (%) split of First 5's who are independent and who are in the County structure. She mentioned there are variations, and gave the example of Kings County, where First 5 is a department in the County, not embedded in a department. She stated there are about 20-23 independent First 5s, and most of them were independent from the beginning, with one or two having moved out of the County structure, Sacramento County being one.

Commissioner Rodriguez acknowledged there are models to draw on and also asked if working with another non-profit (as an umbrella) was considered. Ms. Hughes stated it wasn't necessary, and Chairperson Achadjian added that as part of another non-profit, we might inherit their problems, plus we don't need to fundraise.

Chairperson Achadjian asked for input from Administrative Services Officer Armando Corella. Mr. Corella stated he could see valid comments on both sides, but felt that anticipated, long-

term programming staffing needs were not being discussed. He stated if First 5 looks at the future needs of various programs, it's going to need to hire contractors or more staff. He added if you pay 25 cents on every dollar for overhead, and then contract with a County agency and pay another 25 cents for their overhead again, it's just not cost efficient. He suggested the answer is moving out of the County, but maybe not by June. He stated First 5 staff is being squeezed by County demands unrelated to First 5 business, on top of current First 5 demands and new First 5 demands, and there will be a breaking point. He stated he believes it is in the best interest of the Commission to free us of County demands, get a full-time Executive Director, and when you pay a dollar for a service, get a dollar's worth of service. He added we get very poor service from the County for the money we pay them, with the exception of County Counsel.

Ms. Hughes noted the timeline was created with the June 30th end date, because it was her understanding the Health Agency was hard-pressed to make staffing decisions, etc. before the end of the fiscal year. She also indicated she had gone into the meeting with the thought that she might possibly reach an agreement to extend the MOU for a portion of another year. Commissioner Murphy asked if it could be for 6 months, or whether it had to be for a year. Mr. Hamm stated that fiscal year time frames are better for planning purposes. He added that the complications are with positions currently held by employees who work for the Health Agency. He noted at some point the employees will have to decide whether to stay, and if that happens in connection with the budget and fiscal year, it would be easier.

Commissioner Bravo suggested the fundamental bottom line was whether the Commission wants to move forward, and that is the decision point. He suggested the timeline could be worked out by staff.

Chairperson Achadjian opened the discussion to the public.

Biz Steinberg, Executive Director of EOC, noted she works on 8% indirect costs. She sees this decision as a turning point, and that it's a huge opportunity for First 5 to get its own identity. She acknowledged it might take more than six months, but wanted to encourage the Commission to think long and hard about making the transition. She expressed she was thrilled First 5 is thinking of functioning as its own public entity.

Commissioner Dennison made a motion to endorse the concept of withdrawing from the County, while asking staff to bring back a revised timeline and proposal for final approval.

Patricia Gomez, County Counsel, noted that technically First 5 would not really be withdrawing from the County, because First 5 has always been an independent entity. She suggested the concept would be not to enter into the MOU with the County for the coming fiscal year, and staff would come up with timeline to implement the organization in the absence of that MOU.

Commissioner Collins stated he would second the motion, but noted Commissioner Dennison's motion didn't include a timeline although the Commission has implied one: the beginning of the fiscal year. Commissioner Dennison noted his intent was not to create a timeline tonight, but that timeline recommendations be brought back to Commission.

Commissioner Collins stated he would be more comfortable with a specific timeline. He indicated he would prefer a motion that indicates intent not to renew the MOU with the County for the next fiscal year, and if First 5 discovers something in the next month or two that indicates that isn't possible, the matter can be revisited.

Chairperson Achadjian asked if Commissioner Dennison wished to amend his motion, and he responded that it would be better to start with a new motion. After brief discussion and some

confusion regarding the wording of the motion as it relates to timelines, Chairperson Dennison decided to withdraw the motion.

Chairperson Achadjian summarized the issue as being whether the Commission wanted to “divorce” itself from the County, and the Commission could have a motion on that. Then, staff could come back with a timeline that’s workable.

Commissioner Crocker indicated he needs more information, particularly as it relates to 1) whether it would make the organization better in terms of doing our mission, and 2) whether the First 5 staff would stay.

Susan Hughes explained that although the people issue is important, she has been approaching the issue from the viewpoint of what’s in the best interest for the Commission for the long term, including developing the best business model for the Commission.

Commissioner Crocker stated he wasn’t opposed to making this change, but he felt the Commission needs to go in with their eyes wide open, and he is not satisfied they are ready to make the decision.

Chairperson Achadjian asked the Commissioners if overall they were in agreement about moving away from the County [structure]: When polled, all Commissioners indicated agreement, except Commissioner Crocker who noted he is open to it. Chairperson Achadjian noted the majority are in agreement with the concept of “divorcing” from the County. He also noted what’s missing is a little more information, and suggested Commissioners get in touch with First 5 staff with any concerns or questions, and for staff to get in touch with Commissioners if any questions were unclear. He also directed Staff to agendaize this for the next Commission meeting, with a little extra time attached to it.

Patricia Gomez asked for confirmation that Staff is being asked for a little more on budget issues, and perhaps more detail on policies that might need to be authored, but is there anything else, any other details? Chairperson Achadjian brought the issue to an end and asked that any questions be directed to staff by phone or otherwise.

Staff report

Commissioners were given an “Alphabet Soup” acronym list for reference purposes.

Also distributed was a staff report on Universal Home Visitation, by Susan McGraw. Susan Hughes stated the subject was on hold for a bit, but that Ms. McGraw would come back with a final report in March.

Distributed and reviewed was a draft agenda for the Children’s Oral Health Summit scheduled for February 22, 2008.

The January 31 Partner’s Meeting was mentioned, as it is Armando’s last day and Jason Wells will be introduced as his successor at the meeting.

Form 700, the Conflict of Interest form, which is required annually, was also distributed.

Also, the First 5 CA State Conference was confirmed, in Anaheim on May 22-23, with the Pre-Conference Institute on May 21.

Commissioner Comments and Announcements

Chairperson Achadjian noted this is Armando Corella's last meeting as First 5 SLO County Administrative Services Officer. He was thanked for all his work in the face of so many challenges. He was wished the very best and given a gift certificate and a Memory book filled with letters from First 5 associates. Mr. Corella expressed his appreciation for being part of the significant history First 5 has made in this County, and expressed great confidence in Jason Wells as his replacement.

Commissioner Crocker congratulated Commissioner Bravo for a great photo in the newspaper in an article about CHI.

Commissioner Achadjian noted that when communicating with Susan about First 5's future, if there is an interest or need to reconvene some sort of subcommittee, to do so.

With no other announcements or comments, Chairperson Achadjian adjourned the meeting at 5:50 p.m.

All materials referred to in these minutes are available at the First 5 Children & Families Commission office. For a more detailed account, recordings of the meeting are available by calling 781-4058.

The next regular Commission meeting will be:

**March 26, 2008
4:00 – 6:45 p.m.**

**McMillan Complex Conference Room
2975 McMillan Ave., Room MM1
San Luis Obispo, CA 93401**