



A public entity funded from Proposition 10 tobacco tax funds

PUBLIC NOTICE

Special Closed Session Meeting of the Commission
Monday, October 27, 2008

10:00 a.m.

Riverside County Children and Families Commission Office
2002 Iowa Avenue, Suite 100 – Conference Room A
Riverside, California 92507

This notice shall confirm the special closed session meeting of the Commission of the Riverside County Children and Families Commission.

Note: If special accommodations are needed to participate in this meeting, please contact Lynn Stephens, Commission Secretary, at (951) 248-0014 during regular business hours of the Riverside County Children and Families Commission (M-F 8:00 a.m. – 5:00 p.m.).

Note: Public Comments will be taken on agenda items at various times during the meeting. Please submit a Request to Speak form to the Commission Secretary at any time during the meeting indicating the item you wish to address.

Note: Please place all cellular phones and pagers on vibrate or off mode during the RCCFC meeting.

The matters to be discussed at the special closed session meeting are as follows:

Agenda

Morning Session

10:00 a.m. - 11:45 a.m.

Lunch and Closed Session

11:45 a.m. - 1:30 p.m.

A. Call to Order-Jerry Wengerd, Commission Chair

B. Financial Workshop

1. Chair and Commission Member Comments
2. Executive Director Comments

3. Financial Workshop – Sandy Duncan, Administrator Fiscal Services

C. Closed Session – Regular Quarterly Meeting with the Executive Director

With respect to every item of business to be discussed in closed session pursuant to Section 54957:

PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: Executive Director

**Afternoon Session
1:30 p.m.**

D. Call To Order - Jerry Wengerd, Commission Chair

E. Commission Business – Commission Chair

1. Approval of September 22, 2008 Commission Meeting Minutes

F. Reports

1. Resolution Report – (Action) – Arrin Banks, Administrator Grants and Contracts
Resolutions 08-54 through 08-59 will be submitted for block approval. Please advise prior to call for the vote if there are resolutions you would like to pull from the block vote for further discussion.

Riverside County Children and Families Commission members have the option of excluding discussion items from a master motion.

A. Resolution Report (Action) – Arrin Banks

08-54: Approving and Ratifying The First 5 Service Corps (AmeriCorps) Agreement with Prevent Child Abuse, California (PCACA) for Project Years 2008-2009

08-55: Approving and Ratifying the Fee For Service Contract with Prevent Child Abuse, California (PCACA) for Payroll, Mileage and Insurance Responsibilities for Project Year 2008-2009

08-56: Amending Resolution 04-42 to change the Date of the regular meeting of the Riverside County Children and Families Commission

08-57: Approving an Increase in the Spending Authority of the Executive Director for Reliable Office Solutions for Office Supplies

08-58: Approving the Revised Capacity Building Grant Funding Contract Template of the Riverside County Children and Families Commission

08-59: Approving the First Amendment to Investment of Funds Contract with Rawlins' Child Development for the Period Covering October 1, 2008 through June 30, 2009

2. Advisory Committee Update – Dr. Carla Lidner, Chair

G. Presentations

1. Annual Audit for Fiscal Year 2007-2008 (a copy of the report may be obtained via the web at www.rccfc.org – Teaman, Ramirez & Smith, Inc. Certified Public Accountants
 - A. Public Hearing on the Annual Audit of the Riverside County Children and Families Commission for Fiscal Year 2007-2008
 - B. Resolution 08-60: Adoption of the Annual Audit of the Riverside County Children and Families Commission for Fiscal Year 2007-2008
2. Annual Report for Fiscal Year 2007-2008 (a copy of the report may be obtained via the web at www.rccfc.org – Johnathan McDannell, Administrator Outcomes Management
 - A. Public Hearing on the Annual Report of the Riverside County Children and Families Commission for Fiscal Year 2007-2008
 - B. Resolution 08-61: Adoption of the Annual Report of the Riverside County Children and Families Commission for Fiscal Year 2007-2008

H. Discussion/Action

1. Contract Compliance Subcommittee Report-Chair, Jerry Wengerd
2. Early Care & Education Consultant – Harry Freedman, Executive Director and Laurie Schoenberg, Administrator Early Care and Education

I. Information Items

1. Organizational Assessment Update - Susan Loew, Vice Chair
2. Public Relations Information – Jamie Ayala, Public Information Specialist
3. July, August and September Financial Statements – Sandy Duncan, Administrator Fiscal Services
4. One Time Only Contracts Award Update - Harry Freedman, Executive Director
5. Executive Director Report – Harry Freedman

J. Funded Agency Public Comments

K. Public Comments

L. Future Agenda Items

M. Commission Adjournment to the special Joint Meeting of the Advisory Committee and Riverside County Children and Families Commission on Monday, December 1, 2008 at 1:30 p.m.

**Riverside County Children and Families Commission Office
2002 Iowa Avenue, Suite 100 – Conference Room A,
Riverside, California 92507**

Conflict of Interest: Any person, or group of person present at this meeting, who wishes to speak on a matter may be required to state for the record any contributions, in excess of \$250.00 made in the past (12) twelve months, made to any Committee member, the Committee member receiving the contribution, and the matter of consideration with which they are involved.

Agenda Posting: Agendas will be posted at the Clerk of the Board of Riverside County and the Commission Business Office.

All public record documents for matters on the open session of the agenda are available for inspection at the meeting listed in this agenda, and at the following location beginning three (3) working days prior to the meeting date:

**Riverside County Children and Families Commission
2002 Iowa Avenue, Suite 100
Riverside, CA 92507**

**Riverside County Children and Families Commission
10:00 a.m. - Special Morning Session Meeting
11:45 a.m. - Lunch and Closed Session
1:30 p.m. - *Regular Meeting of the Commission*
Monday, October 27, 2008**

**Riverside County Children and Families Commission
Business Office
2002 Iowa Avenue, Suite 100
Riverside, California 92507**

**Minutes
Special Morning Session
10:00 a.m.**

A. Call To Order

The Special Meeting of the Commission was called to order at 10:05 a.m. by Chair Jerry Wengerd

Commissioners Present: Chair, Jerry Wengerd; Vice Chair, Susan Loew; Connie Beasley; Jean Benson; Jay Hoffman; Vicki Oltean; Supervisor Marion Ashley (arrived at 10:15 a.m.)

Commissioners Absent: Yolanda Carrillo, Dr. Frykman

Staff Present: Harry Freedman, Executive Director; Lynn Stephens, Executive Assistant/Commission Secretary; Arrin Banks, Administrator, Grants & Contracts; Johnathan McDannell, Administrator, Outcomes Management; Sandy Duncan, Administrator, Fiscal Services; Laurie Schoenberg, Administrator, Early Care & Education; Sherry Watkins, Facilities & Operations Specialist; Elizabeth Watt, Office Assistant; Jamie Ayala, Public Information Specialist

Lucy Furuta, Deputy County Counsel was in attendance as legal counsel for the Commission.

B. Morning Session –Financial Workshop

1. Chair and Commission Member Comments

Commission Chair gave overview of today's schedule. Dr. Hoffman reported he was pleased to work on the RCOE Summit with Laurie Schoenberg.

Chair Wengerd reported that a partner agency of Department of Mental Health, Palm Desert Development Company won the team prize at the third Annual Walk for National Alliance of Mental Illness (Nami) to raise funds for the local mentally ill.

2. Executive Director Comments

Mr. Freedman provided an overview of the Financial Workshop, indicating that Sandy will be providing details. The goal of the Workshop is to provide the Commission information regarding F5R's financial status in order to plan for the future. He noted that the current 5 year spending plan ends in 2011, and there are some changes in expenses and revenues already experienced. He also indicated that he does not expect the Commission to make decisions today, but encouraged them to have a discussion that will assist with them in making meaningful decisions in the near future on how to best allocate funds.

Mr. Freedman explained the changes in funding taking place at the State level. The four State Initiatives funded by the State will cease the date the contract terminates. Commission will discuss how to deal with the loss of \$3 million dollars in State funding. Mr. Freedman noted the programs require a local match of \$5 million dollars which have been coming from the fund balance.

(Supervisor Marion Ashley arrived at 10:15 a.m.)

Vice Chair Loew noted F5R is utilizing funding from the fund balance rather than current year's funds. If F5R wants to sustain the initiatives, there is a definite amount of time until eventually the funds will be completely depleted from the fund balance. An option would be for the Commission to change how current year funding is being used.

He reviewed his workshop intro as noted below.

- 1) Intent is to provide Commission with information about:
 - F5R fiscal status
 - F5R status in context of State for Commission use in future decision making.
- 2) Changes in Fiscal Environment.
 - Recent emphasis on effective/strategic expenditure of additional funds in short term
 - Statewide emphasis on Fund balance
 - Local emphasis on Child Care/Preschool gap
 - Current emphasis on effective/strategic expenditure of reduced funds in longer term
- 3) Interacting pieces of fiscal information:
 - 5 year allocation plan which contains spending plan for
 - Operational Contracts
 - State Initiative Programs
 - Internal Operations
 - Fund Balance
 - Existing Commitments (including Sustainability Fund)
 - Balance
 - Detailed info regarding State Initiative Program Funding
- 4) Fundamental change in fiscal environment which provides Commission a broader array of options for consideration, including sustaining State initiatives.
 - Elimination of current State Initiative programs
 - State has seven matching fund Initiatives
 - Riverside participates in four
 - State intends to review needs, results, available funds, and implement two or three State programs July 1, 2011.

5) Local Impact

Initiatives	State Match	State Expire Date	Local Match	Total	Ratio	Service
Healthy Kids	\$ 500 k	Dec-09	\$ 2,000 k	\$ 2,500 k	4:1	2,708 kids
School Readiness	\$ 2,162 k	6/10-6/12	\$ 2,162 k	\$ 4,324 k	1:1	6 Districts
Special Needs	\$ 250 k	Jun-09	\$ 250 k	\$ 500 k	1:1	519 screens
CARES	\$ 566 k	Dec-09	\$ 600 k	\$ 1,166 k	4:1	391 providers
Total	\$ 3,478 k		\$ 5,012 k	\$ 8,490 k		

- 6) F5R Commission, needs to decide:
 - Whether to maintain programs without state funds
 - If so, at what level
- 7) Description of funding sources
 - In very basic terms:
 - Operational contracts and Internal Operations are funded out of current year revenues
 - State Initiative programs are funded through a combination of State revenues (which will stop), and Fund balance funds (which will also stop at some point)
- 8) Timing
 - State funds for Initiatives begin expiring 6/30/09
 - Local match from Fund Balance committed through 2011
- 9) Two main points for today:
 - a) an understanding of committed and available funds
 - b) an understanding of long range impact of decisions – funds spent from fund balance in short run, are unavailable later. If spend today, will have less control of decisions after 2011.

Project Legacy is a State program effort that will be reviewing what they are funding. This information was included in the packet for review. Mr. Freedman pointed out two points of interest:

Ms. Duncan will be discussing the Five Year Allocation with Commission and walking through the fund balance including existing commitments and what is left and State Initiative program funding.

Staff presentations and Commission discussion were as follows:

3. Financial Workshop – Sandy Duncan, Administrator Fiscal Services

- A. Ms. Duncan pointed out error on ratios chart noted on Introduction Item number 5. She stated Healthy Kids ratio is 1:1 instead of 4:1 and CARES is 4:1 instead of 1:1 ratio. After further research following the Commission meeting, Ms. Duncan concluded that the Healthy Kids ratio of 4:1 is correct as noted on the original chart presented to the Commission. The CARES ratio of 1:1 was incorrect on the original chart and has been corrected to 4:1 on the chart included in the October 27, 2008 Commission Minutes.

Revised Estimated 5 Year Fiscal Plan.

Ms. Duncan provided an overview for the Commission. She noted the revenue estimate from Prop 10 is conservative, but it is still a declining revenue stream. It is estimated there will be an additional amount of revenue funds by the end of the 5 Year Plan that are not currently in the plan. State Match Initiative revenue amounts are based on current State contracts. There is an anticipated 5% increase in Internal Operations based on FY 07/08 actual data. Ms. Duncan reviewed the five year gain or loss from current year revenue and expenses with Commission pointing out a loss in FY 09/10 and in FY 10/11. Mr. Freedman reminded the Commission that the plan is based on overspending to draw down on the fund balance by accumulating the first three years and spending in the final two years. All projects will stay funded the way they are and 5% will be added to Operational Award contracts. Ms. Duncan pointed out the operational loss of \$6.9 million from FY 08/09 through FY10/11 will come out of the fund balance.

By the end of the five years the \$8.1 million expense from the reserves and the \$99 million in operational awards equals the \$107 million plan. The assumption is that the entire \$107 million plan will be spent. In addition, the expenses for local match are coming out of fund balance. The Net Operations gain or loss in total will go into fund balance each year to increase or decrease the balance. Vice Chair Loew clarified at the end of 2011 if revenues and expenditures remain the same \$36.5 million will remain in fund balance, of which \$26.7 million is in the Sustainability Fund reserve.

First 5 Riverside as of 9/30/08

All State contracts were reviewed and noted as being part of the \$107 million plan. If F5R continues to fund them at the same level after contracts expire it will cost an additional \$3.1 million through FY 10/11. Mr. Freedman added the School Readiness Initiative is one initiative that receives one lump sum from the State. F5R distributes to districts that are noted. Some of the districts have different contract expiration periods.

Vice Chair Loew asked the maximum of funds necessary to sustain the initiatives at their current level. Ms. Duncan replied it would take \$3.4 million from the State portion to maintain all initiatives at the current level.

First 5 Riverside FY 2009/2011 Fund Analysis

Ms. Duncan shared the current fund balance reconciliation which details the different types of reserves held in the Fund Balance for both FY 06/07 and FY 07/08. FY 06/07 was included to show that all funds had been designated. At the end of FY 07/08, there were funds that were undesignated. The reserves set aside are the State initiatives at \$9.6 million; \$4.4 million for Preschool for All, Capacity Building, Mental Health initiative, and Evaluation, \$2.7 million and \$1.2 million for the one time funding and reallocation of the 10% set aside funding. The Restricted Fund amount of \$306 thousand is the revolving fund balance. The Playground initiative funds can be relocated to another designation since the program is complete.

Of the \$10.7 million in the 5 Year Plan, there is \$3.7 million available to designate. By adding FY 08/09, FY 09/10 and FY 10/11, the sum of Net Gain/Loss from current year revenue/expenses is \$6.9 million. Subtracting the \$6.9 million from the \$10.7 million equals the \$3.7 million. This amount is available to designate to programs at the Commission's discretion.

Vice Chair asked if the revenues have come in higher for Prop 10 then previously planned. Ms. Duncan agreed most of the under spending is designated for the \$107 million plan. She added most of the overage is from an increase in Prop 10 revenues.

Mr. Freedman added after the Commission meets all commitments they have already made, based on projections of revenues from other expenses and including \$107 million from operational awards, there will be an additional \$9.2 million available to spend on programs through FY 10/11. Ms. Duncan further added if additional revenue is received the \$9.2 million could increase.

Vice Chair Loew asked if there could be one spreadsheet starting with the available \$9.2 million, to include decision points made by the Commission that utilize the funds and what changes in the revenue to make it fluctuate so there is a frame of reference to document Commission's decisions. She requested this spreadsheet be a quick summary of the actions the Commission made and what has changed. Mr. Freedman agreed staff would provide this.

Ms. Duncan will create the spreadsheet that shows where the fund balance is, what amount is unavailable at that time, out of the unavailable amount what the Commission's actions were and what is amount of funding remaining. She will provide the template of the spreadsheet at the next Commission meeting.

Supervisor Ashley agreed this will help the Commission in responding to the press or public who may question F5R's use of funds.

Mr. Freedman added it is possible there will be additional revenue above what was projected for Prop 10. Ms. Duncan informed the Commission that in the \$107 million plan, it includes roll over from prior years. The 10% Set Aside has been reallocated. Programs for FY 08/09 have been identified however programs still need to be identified for FY 09/10 and FY 10/11.

Mr. Freedman added the largest portion of expenses is \$107 million in operational contracts. It is unlikely all agencies will fully spend out their award amounts. Any unspent funds will continue to be rolled over every year. F5R will continue to contract for more in order to spend out unspent previous year money. Whatever is not spent will be left over in 2011.

\$7.4 million out of the \$107 million will be used for the extensions which were identified at the last Commission meeting.

First 5 Riverside FY 2009/2011 New Program Options

Ms. Duncan shared a spreadsheet with staff recommendations on the additional funds it would take to fund programs and fill gaps in child care slots if funds became available. Mr. Freedman noted these were estimates on half day slots and does not include facility expenses. This is based on providing care for 80% of child care in that group. Ms. Schoenberg explained in the population 80% would be working parents.

In the health category there was only one project to be funded, which was funded fully.

FY 2009/2011		
New Program Options		
<u>New Program Options:</u>		
State initiatives to maintain (State match FY09/10-10/11)		\$ 3,123,206
Amount needed to fund expansions greater than \$7.4m		\$ 2,329,455
One Time Only additional amount		\$ 1,326,580
New Early Childhood Education amount (Birth to 3 years) ⁽¹⁾		\$ 240,000,000
New Early Childhood Education amount (3 years to 5 years) ⁽¹⁾		\$ 198,000,000
Facilities (Does not include on-going expenses)		\$ 4,750,000
⁽¹⁾ Does not include Cost of Facilities and is based on half day programs		
Birth to 3 years - \$12k X 20,000 children		
3 years to 5 years - \$9k X 22,000 children		

Fund Balance Pie Chart

Ms. Duncan reviewed pie chart of Fund Balance designations with Commission. There were no questions on this chart.

Funding Opportunities

Ms. Duncan reviewed bar chart and explained what the funding opportunities are. She noted that the child care option overwhelmed the funds available to allocate. If initiatives were funded for a full year they would use \$8.5 million.

Ms. Duncan commented when the State Initiatives expire in 2011 many of the programs will go away because there will not be any funding left in the Fund Balance to sustain them. The only revenue remaining will be Prop 10 and interest income. This would cover administration expenses, however it would not be enough to cover all existing operational contracts.

Ms. Duncan asked the Commission to look beyond 2011 because there will not be enough funds to fund some of the programs and F5R will need to cut back or a new allocation will need to be established.

Mr. Freedman added when the numbers from 2012 were run including adding the interest revenue at 3% off the Sustainability Fund, F5R would end up with approximately \$20 million to allocate for programs. He noted this was the number the Commission was trying to get for operational contracts three years ago when the last financial workshop was conducted.

Vice Chair Loew commented that the Commission has encouraged programs to spend more money on expanding their existing services beyond what was originally planned. She asked if the Commission should be putting the agencies at a higher level to sustain beyond what F5R can provide after 2011. In earlier years the level was \$14-\$19 million being spent. By 2011 F5R will be spending \$25 million for operational contracts. She noted if there is only \$20 million available in 2011 and \$25 million needs to be spent to sustain at the FY10/11 level, this may cause the agencies to have to cut back on their contracts and services.

Mr. Freedman informed the Commission that staff will have to notify agencies that there will be no more funding after their current contracts expire in 2011. He reminded the Commission about their decision during the previous fiscal workshop to fund fully until all funds are expended in the fund balance. At that point F5R will survive on current year revenues only. This will be a significant drop from previous years.

Mr. Freedman asked Commission to make decisions about what State Initiatives they would like to see remain funded in the future. Or if they would like the initiatives to remain funded at all taking into consideration that it would mean reducing operational contracts dramatically.

(A copy of Ms. Duncan's complete report is on file at the Commission business office.)

B. F5R Outcomes for State/Local Initiatives - Johnathan McDannell

Mr. McDannell presented a report that included all the State Initiatives and their local match, brief program descriptions, outcomes assigned per initiative and the numbers attained. Mr. Freedman informed the Commission that all the School Readiness contracts roll into one State Initiative but are broken down into separate local school district contracts. Mr. McDannell emphasized that some school readiness contracts are still utilizing Cycle 1 money while the remainder are in Cycle 2. In Cycle 2 it is recommended that all districts provide the same services and activities.

The majority of the programs are meeting or exceeding their outcomes. He gave an update on the few agencies that were not meeting or exceeding their outcomes. Jurupa had been experiencing difficulty since it took the district two years to get their classroom licensed.

Chair Wengerd questioned how the information Mr. McDannell was sharing would be useful in determining how the Commission values the initiatives and if they want to continue to fund the program. Mr. Freedman replied the report is a basic look at the services provided through the initiatives. He indicated we do not measure achievement of the fundamental goal of programs such as School Readiness, which is to better prepare children to enter school. He suggested the Commission would need to match up Ms. Duncan's presentation of what the costs would be to match State Initiatives and Johnathan's Outcomes Report to assist with them coming to a recommendation. Staff does not have the information on a deeper level of results.

Commissioner Beasley asked if the Commission will be using the Strategic Plan to connect the reports. Mr. Freedman responded that all program funding tie to the Strategic Plan. Mr. Freedman then noted that during a previous conversation with Dr. Frykman he had pointed out that F5R only applied to State Initiative programs that align with our Strategic Plan.

Vice Chair Loew asked Mr. Freedman what the State's logic is that they are using in eliminating State initiatives. She asked if their reasoning is based on the initiatives not achieving the outcomes as expected. Mr. Freedman replied that the State is facing a reduction in resources, and they are looking at the current environment, results of programs initiated and any changing needs. Moving forward, the State is looking at eliminating all seven programs but may come back with new programs that resemble the current ones.

Chair Wengerd noted the Commission has no basis to assist on making decisions on a local level at this time.

Speaking on behalf of the State, Mr. Freedman reported the Commission's need to decide with their own dollars if they are still willing to fund programs with their local money. With the elimination of State money, the results will be diminished and fewer children will be served. Local Commissions need to determine what they want to fund with their money.

Mr. McDannell added the Special Needs Project funded ten projects and two of them provided the full number of screens required, with Riverside being one of them. When all programs were funded by the State, all were not able to deliver what they projected and this type of scenario has had impact on continuance of funding of the initiative.

Mr. Freedman provided a decision point using Healthy Kids as an example: F5R is currently spending \$2 million dollars a year with the State contributing half a million. Does the Commission want to continue to spend \$2 million a year on a program without additional State funding? Unless the decision point is that F5R is only willing to spend \$2 million because of the funds received by the State, this example would apply to all initiatives the Commission needs to make a decision on.

Vice Chair Loew replied that to make a decision she would need more data to determine which initiative would provide more value for the children in Riverside County.

Dr. Hoffman acknowledged there is not enough money to allow F5R to fund all the services they would like to continue providing. He suggested the Commission could look into applying merit and needs as a way to determine which projects they want to continue to fund. He expressed the importance of the Commission continuing to learn more about the programs being funded and their outcomes. Presentations provided by staff and funded agencies is helpful to the Commission for making these decisions.

Mr. Freedman asked the Commission what kinds of information would be most useful for staff to bring back for the Commission to assist them in making their decisions. Dr. Hoffman replied he is not insulted when staff comes to them with a recommendation and a well prepared rationale of their recommendation. He understands that staff has closer contact with the programs than the Commission. Any questions that may come up in that conversation would allow the Commission to have a focus on the programs.

Commissioner Beasley asked how the Commission's decision could be come up with fairly? She agreed with Dr. Hoffman that the Commission should rely on staff to monitor the agencies and make recommendations.

Mr. Freedman noted it is not agency funding, but rather program funding that is being looked at. Since dollars are competing against each other in order to make a decision, the Commission would need to aggregate agencies and talk about their results per program.

Chair Wengerd asked if the Commission could receive a one page summary report on each of the State Initiatives that summarizes the bigger picture on outcomes.

Example: Show how many children in Riverside County are not in the program but are eligible to participate. Showing number of children covered, as well as not covered, and where they live. He explained it would help him to know the categories of performance.

Mr. Freedman provide an example of what staff could provide; CARES, the number of people who received classes versus number of how many didn't, and what would happen if CARES does not get funded. Mr. Freedman noted CARES' program goal is trying to increase the quality and stability of the workforce.

Chair Wengerd would like a global report including a prediction of the outcome of F5R not funding the program. Mr. Freedman noted staff cannot provide true outcome measures for CARES and School Readiness because the data does not exist, but they will provide the information for agencies as given in his example above.

Commissioner Beasley pointed out F5R cannot go back to requesting data from agencies on child care numbers. She expressed the data may not have been helpful when it was being received. Chair Wengerd pointed out he is not asking for data from the agencies only data from staff as noted above.

Vice Chair Loew pointed out the Commission's ultimate decision may not relate to outcomes, however outcomes information may add value to discussion. She asked what portion of the population is benefiting from the funding and if F5R could be doing more with another program that they are not currently funding that could have a deeper impact.

Commissioner Benson added there are many services that are questionable as to whether F5R should be funding. Some of the programs may be funded because the school districts do not fund them.

Commissioner Beasley asked Dr. Hoffman what would happen if F5R did not fund the school districts. Dr. Hoffman replied in some communities there are some who could pay for some of the services. Unfortunately the children who need it the most would most likely be the ones who do not receive assistance without the funding. He pointed out he lives and works in two different supervisorial districts. There are major corporations whose workers have child care issues in those districts. The corporations may be interested in providing a collaboration to assist with the child care needs, therefore assuring better work place attendance. Mr. Hoffman commended F5R on the many seeds being planted. F5R would be missing an opportunity if they did not plant as much as possible in different areas. Commissioner Beasley agreed with Commissioner Hoffman's suggestion of collaborating for child care. She suggested separating programs out and explore what can be done.

Mr. Freedman stated that what the Commissioners are suggesting resembles what the State calls "systems change." Sustainability projections need to be completed.

Mr. Freedman reminded the Commission that the State funding for some of the programs expire this year. Chair Wengerd noted State Initiatives programs end in June 2009. Mr. McDannell clarified local monies supporting state initiatives continue through 2011. Vice Chair Loew asked how much time would be needed for staff to provide this information to the Commission. Mr. Freedman replied staff would have information ready at the January Commission meeting.

Final Requests for follow up included:

- Ms. Duncan will create the worksheet that shows:
 1. Where the fund balance is
 2. What commitments exist

3. Out of the unavailable amount what the Commission's actions were and what is the amount of funds remaining. She will provide the worksheet at the next Commission meeting.

➤ Mr. Freedman will have staff return in January with information for the Commission on a mini staff report that will provide:

1. Recommendations on the State Initiative programs.
2. What happens if F5R does not fund a program
3. Who cares if the program is not funded
4. What the value is of the program as staff observes by monitoring the program. (He noted it may not be backed up by concrete data but it can assist in guiding Commission around program issues versus agencies.)
5. Information on the Sustainability Fund although it may primarily be a discussion that largely ties to the projection of future revenues.

➤ Chair Wengerd asked the Commissioners to consider the following questions:

1. Do we or don't we commit our portion of funds to the \$5 million for initiatives?
2. Are we going to offset the State loss ?
3. If the Commission decides to maintain the \$5 million to fund initiatives, that would come at the expense of the \$5 million losses to operational contracts in 2011.

Vice Chair Loew asked if the Commission would like to revisit the discussion on the Sustainability Fund and if they want to keep it at the same level or if they would like to consider reallocating some of the funds to bridge some of the gaps emerging. The Fund is currently capped at \$27 million, with the intent of providing sufficient interest to supplement the State allocation resulting in \$20 million for services. Discussion should be held to revisit whether or not that is the level the Commission wants to maintain. She suggested factoring this into the January 2009 Commission meeting. Commissioners agreed this was an important discussion to revisit.

Ms. Furuta asked if the Commission wanted a workshop in January. She noted the January meeting is scheduled to begin at 11:00 a.m. Commission agreed this time would be sufficient.

It was noted that January 15, 2009 is on the agenda to be the first month in which the day of the Commission meeting is scheduled to be changed from the fourth Monday to the third Thursday of the month. Vice Chair Loew advised the Commission that she is scheduled to be in Sacramento on January 15. Supervisor Ashley replied January 15 is a good day for him. Commission schedule will be discussed at the afternoon session.

Mr. Freedman gave Commission credit on being in a better position than some other counties' commissions given the state of fiscal readiness the Commission established over the years to be able to deal with changes.

The morning session adjourned at 11:35 a.m. to the Closed Session.

Closed Session – Public Employee Performance Evaluation

Title: Executive Director

Commissioners Present: Chair, Jerry Wengerd; Vice Chair, Susan Loew; Connie Beasley; Jean Benson; Vicki Oltean; Jay Hoffman; Supervisor Marion Ashley

Commissioners Absent: Yolanda Carrillo, Eric Frykman

Lucy Furuta, Deputy County Counsel was in attendance as legal counsel for the Commission.

With respect to every item of business to be discussed in closed session pursuant to Section 54957:

PUBLIC EMPLOYEE PERFORMANCE EVALUATION

The closed session adjourned at 1:30 p.m.

Afternoon Session 1:30 p.m.

C. Call To Order

The regular business portion of the meeting was called to order at 1:30 p.m. by Chair Jerry Wengerd.

Commissioners Present: Chair, Jerry Wengerd; Vice Chair, Susan Loew; Supervisor Marion Ashley (arrived at 2:40 p.m.); Connie Beasley; Jean Benson; Jay Hoffman; Vicki Oltean

Commissioners Absent: Yolanda Carrillo, Eric Frykman

Advisory Committee Members Present: Georgann Koenig, Lynne Craig

Staff Present: Harry Freedman, Executive Director; Lynn Stephens, Executive Assistant/Commission Secretary; Arrin Banks, Administrator, Grants & Contracts; Johnathan McDannell, Administrator, Outcomes Management; Michelle Burroughs, Administrator, Health & Community Programs; Sandy Duncan, Administrator, Fiscal Services; Laurie Schoenberg, Administrator, Early Care & Education; Sherry Watkins, Facilities & Operations Specialist; Elizabeth Watt, Office Assistant; Jamie Ayala, Public Information Specialist; Anabel Bolanos, Office Assistant, Early Care & Education; Rocio Zuniga, Program Specialist, Early Care & Education; Cassandra Adams, Contract Specialist, Grants & Contracts; Robert Martinez, Contract Specialist, Grants & Contracts; Jean Alexander-Booth, Program Specialist, Early Care & Education

Lucy Furuta, Deputy County Counsel was in attendance as legal counsel for the Commission.

D. Commission Business – Commission Chair

1. Report out of Closed Session – Lucy Furuta

The Commission met in closed session to evaluate the job performance of Executive Director, Harry Freedman. The decision of the Commission is to grant Mr. Freedman a raise in salary, to bring him to step 13 of his current salary of \$140,180.98 annually.

2. Commissioner Comments:

None

2. Approval of September 22, 2008 Special Commission Meeting Minutes

Commissioner Benson moved to approve the minutes from the September 22, 2008 meeting of the Commission. Commissioner Oltean seconded the motion. Following is the vote of the Commission members present: [Six (6) in favor (Wengerd, Loew, Beasley, Benson, Hoffman, Oltean), Three (3) absent (Ashley, Carrillo, Frykman), Zero (0) opposed]

E. Resolution Report (Action) – Arrin Banks

Ms. Banks facilitated the action on the resolutions presented for approval. A copy of the entire report is on file at the Commission business office.

Following is a record of action(s) taken by Commission on Resolutions 08-54 through 08-61:

Resolutions 08-54 through 08-59 were presented for block approval. See the record of the vote below.

08-54: Approving and Ratifying the First 5 Service Corps (AmeriCorps) Agreement with Prevent Child Abuse, California (PCACA) for Project Years 2008-2009

Recommended Action: That the Commission approve and ratify back to September 8, 2008 the agreement with Prevent Child Abuse California for administration of the First 5 Service Corps (AmeriCorps) Program for program year 2008-2009.

08-55: Approving and Ratifying the Fee For Service Contract with Prevent Child Abuse, California (PCACA) for Payroll, Mileage and Insurance Responsibilities for Project Year 2008-2009

Recommended Action: That the Commission approve and ratify back to September 8, 2008 the contract with Prevent Child Abuse California for payroll, mileage and insurance responsibilities for program year 2008-2009.

08-56: Amending Resolution 04-42 to change the Date of the Regular Meeting of the Riverside County Children and Families Commission

Recommended Action: That the Commission amend the current meeting schedule to the schedule stated in the Resolution and authorize the Executive Director or his designee to engage in activities to effectuate this action.

Ms. Furuta explained this resolution came out of the survey taken on the request to change the regular meeting date of the Commission. Beginning January 1, 2009 the regular meeting date will be on the third Thursday of the month beginning at 1:30 p.m. A draft of the 2009 Commission Schedule of Meetings was reviewed. The first meeting will be on January 15, 2009, beginning with a closed session at 11:00 a.m.

Vice Chair Loew informed the Commission that she may have an ongoing conflict on the third Thursday of each month in 2009 due to a change in date of another standing meeting she has to attend. She will follow up and revisit it with Commission if necessary.

Due to the holiday schedule the last 2008 Commission meeting will be on Monday, December 1 at 1:30 p.m.

08-57: Approving an Increase in the Spending Authority of the Executive Director for Reliable Office Solutions for Office Supplies

Recommended Action: That the Commission authorize an increase in the spending authority of the Executive Director for expenditures associated with Reliable Office Supplies, Inc. by \$32,300.00 not to exceed a the budgeted amount for office supplies and copier maintenance of \$57,300.00 for Fiscal Year 08/09. Authorize the Executive Director or his designee to execute the necessary documents to effectuate this Resolution.

08-58: Approving the Revised Capacity Building Grant Funding Contract Template of the Riverside County Children and Families Commission

Recommended Action: That the Commission approve the revised Capacity Building Grant Funding Template as attached to the Resolution and authorize the Executive Director to execute the Capacity Building Grant Funding Contract template for awards on behalf of the Commission without requiring further authorization of the Commission for contracts under \$25,000 total annually, where the name of the vendor, the term of the contract, the notice information, and the scope of services will be the only items altered in the template.

08-59: Approving the First Amendment to Investment of Funds Contract with Rawlins' Child Development for the Period Covering October 1, 2008 through June 30, 2009

Recommended Action: That the Commission approve and ratify back to October 1, 2008 the Amendment and authorize the Executive Director or his designee(s) to proceed with the execution of the contract amendment without requiring further action from the Commission.

Commissioner Benson moved to approve Resolution 08-54 through 08-59 as presented. Commissioner Loew seconded the motion. Following is the vote of the Commission members present: [Six (6) in favor (Wengerd, Loew, Beasley, Benson, Hoffman, Oltean), Three (3) absent (Ashley, Carrillo, Frykman), Zero (0) opposed]

Resolution 08-60 and 08-61 were not considered as part of the block motion and were acted on separately during presentations.

F. Advisory Committee Update – Lynne Craig, Appointee Second District

Advisory Committee Member, Lynne Craig provided the Commission with an update of the Advisory Committee. Ms. Craig reported on her visit to the zero to three-year-old program at Rubidoux Family Child Care Center where her granddaughter attends. She has noticed a change in her granddaughter's socialization skills. F5R is providing funds for zero to three at this center. This includes meals, toys, manipulatives and dental services. There is a clinical psychologist available for parents and family. In the infant class babies were very engaged with the bright colors and soft sounds. She reported staff is teaching the children baby signs and they have an excellent learning program. There are twenty-four in the zero to three age category, with over 200 older children at the site.

Ms. Craig is a member of the of Riverside County Board of Education. She is excited with how the funds from F5R are being utilized.

G. Presentations

Mr. Freedman introduced Ms. Duncan who introduced the auditors, Greg Fan Havel and Laurie Marscher from Teaman, Ramirez & Smith. Mr. Freedman noted this is the first year F5R has used this firm for the annual audit.

Mr. Greg Fan Havel from Teaman, Ramirez & Smith reported 2007-2008 audit process is complete. The audit went well taking into consideration the staff turn over while the audit was being conducted. There were no exceptions which mean a clean opinion on the report. He further reported there were no significant difficulties. Any adjustments noted in the audit were corrected so there was nothing to report. There were two findings: (1) According to Amendment 1, to Ordinance Number 784, the Commission must submit annually to the Riverside County Board of Supervisors their budget for review and comment. According to the Management of the Commission, the budget for fiscal year ended June 30, 2008 was not submitted to the Riverside County Board of Supervisors for review and comment. Management response will be to submit the budgets for fiscal year ending June 30, 2008 and 2009 to the Riverside County board of Supervisors in the current fiscal year; and (2) the Commission must submit to the Riverside County Board of Supervisors amendments to their by-laws for review and comment. According to the Management of the commission, the January 2008 amendment to their by-laws was not submitted to the Riverside County Board of Supervisors for review and comment. Management's response will be to submit to the Riverside County Board of Supervisors the January 2008 amendment and any future amendments during the current fiscal year. The management letter addressed to the Executive Director was included in the Commission packet and contained items not significant enough to be mentioned in the other reports but management may want to review the auditor's findings and recommendations.

(A complete copy of the annual audit is on file as part of the Official Meeting Minutes).

1. Annual Audit for Fiscal Year 2007-2008 (a copy of the report may be obtained via the web at www.rccfc.org) – Teaman, Ramirez & Smith, Inc. Certified Public Accountants
 - A. Public Hearing on the Annual Audit of the Riverside County Children and Families Commission for Fiscal Year 2007-2008

Commission Chair Wengerd opened the public hearing concerning the report on the Annual Audit of the Commission for Fiscal Year 2007-2008. There being no public comment, Commission Chair Wengerd closed the public hearing.

- B. Resolution 08-60: Adoption of the Annual Audit of the Riverside County Children and Families Commission for Fiscal Year 2007-2008

Recommended Action: Adopt the annual audit as submitted after public hearing on the document (required by Section 130140 of the Health and Safety Code).

Commissioner Loew moved to approve resolution 08-60 as presented. Commissioner Beasley seconded. Following is the vote of the Commission members present: [Six (6) in favor (Wengerd, Loew, Beasley, Benson, Hoffman, Oltean), Three (3) absent (Ashley, Carrillo, Frykman), Zero (0) Conflict, Zero (0) opposed]

(A copy of complete report is on file at the Commission business office).

2. Annual Report for Fiscal Year 2007-2008 (a copy of the report may be obtained via the web at www.rccfc.org) – Johnathan McDannell, Administrator Outcomes Management

An overview of the Annual Report (a copy of the complete report is on file as part of the Official Meeting Minutes) was presented by Johnathan McDannell, Administrator, Outcomes Management.

Mr. Freedman noted this information was not provided to the Commission as early last year; the current year's information was provided online for the Commission to review at the time the Commission packet was provided.

Mr. McDannell reported that F5R consults with Michael Bates, the evaluator from MOSAIC and University of Santa Barbara, to complete an Annual Evaluation Report that includes a more in-depth analyses of the information that was being provided to the Commission in this Annual Report. The annual report format is designed by the State, and the Report will be electronically submitted to F5CA along with the Annual Audit. Mr. McDannell gave an overview utilizing the Commission visualizer using the condensed 23 pages of the Annual Report. One subject in early care and education and health was chosen to highlight as the two most compelling result items needed to meet the State's reporting requirements.

In the oral health program Mr. McDannell noted it had only operated for half a year in FY 2006/2007. 8,120 parents were provided oral health education classes/workshops, 7,194 children received oral health screenings, 5,235 children received oral health instruction and 2,176 children received oral health treatments. The AmeriCorps program was mentioned through Community Strengthening Efforts. Mr. McDannell highlighted the services provided by the School Readiness programs and gave descriptions regarding the evaluation activities completed during the fiscal year.

- A. Public Hearing on the Annual Report of the Riverside County Children and Families Commission for Fiscal Year 2007-2008

Commission Chair Wengerd opened the public hearing concerning the report on the Annual Report of the Commission for Fiscal Year 2007-2008. There being no public comment, Commission Chair Wengerd closed the public hearing.

- B. Resolution 08-61: Adoption of the Annual Report of the Riverside County Children and Families Commission for Fiscal Year 2007-2008

Recommended Action: Adopt the annual report as submitted after public hearing on the document (required by Section 130150 of the Health and Safety Code). Authorize the Executive Director or designee to execute any documents to effectuate this action.

(A copy of Mr. Mc Dannell's complete report is on file at the Commission business office).

Commissioner Dr. Hoffman moved to approve resolution 08-61 as presented. Commissioner Oltean seconded. *Following is the vote of the Commission members present: [Six (6) in favor (Wengerd, Loew, Beasley, Benson, Hoffman, Oltean), Three (3) absent (Ashley, Carrillo, Frykman), Zero (0) opposed]*

H. Discussion/Action Items

1. Contract Compliance Subcommittee Report-Chair, Jerry Wengerd
Chair Wengerd turned the discussion over to Mr. Freedman. Mr. Freedman shared staff's recommendations which support the Sub-Committee's recommendation to eliminate the 1% penalty language from the contract.

STAFF RECOMMENDATION

Staff concurs with the Committee that a review of the implementation of the 1% penalty language does not demonstrate that the revised policy is the most effective method of meeting the intended goal of obtaining needed program and fiscal data from funded agencies. Staff also concurs with the Committee observation that the original language in the contract allows for the imposition of consequences for funded agencies which do not comply with reporting requirements. As a result, staff recommends adoption of the Committee's recommendation to remove the 1% penalty language from the contract.

Staff also recognizes that much of the need to apply penalties for non-compliance stems from the policy of providing quarterly advance payments to agencies. This practice is very uncommon for First 5 commissions throughout the State, as well as other funding sources. Staff will explore alternative payment methods for Commission's consideration in the future.

Staff will bring back a resolution at the next meeting recommending the policy change become effective and be retroactive. Modifications will occur during the next cycle and will appear in the new contracts. Staff will send out notification to agencies noting the change in the contract compliance policy. Mr. Freedman requested the Commission consider looking at the payment policy in the future.

Chair Wengerd asked if the due dates for agency reporting could be adjusted to allow F5R to withhold payments until agencies comply with reporting. Mr. Freedman noted staff is looking into this suggestion. Vice Chair Loew requested staff to provide options. Mr. Freedman and staff are looking at making the changes to be effective for the next contract for the next fiscal year. Chair requested staff also provide a report on past penalties. Staff recommendation would be for the policy change to become retroactive. These requests will be met by staff. Mr. Freedman noted that agencies requesting reimbursement would have to demonstrate to staff expenses their agency incurred due to the penalty in order for their penalties to be waived.

Staff will bring back a resolution to the next meeting for Commission approval.

2. Early Care & Education Consultant – Harry Freedman, Executive Director and Laurie Schoenberg, Administrator Early Care and Education

Mr. Freedman reminded the Commission of previous discussion in which they requested staff provide them with additional data regarding child care.

Information requested included where licensed child care exists, what the total population in those areas not accessing public child care are, and where state funding exists and geographic poverty to determine where the gaps are to insure slots are not funded in areas that do not get utilized. Mr. Freedman reported on meeting with Molly Munger of the Advancement Project and Ms. Schoenberg. Ms. Munger will provide a proposal with the requested information. Mr. Freedman will present to the Commission when it is ready.

I. Information Items

1. Organizational Assessment Update – Susan Loew, Vice Chair

Vice Chair Loew reported all interviews with Commissioners, Staff and Advisory Committee have been conducted. The online assessment is in progress. There have been some glitches in the online system but they are being worked out. Board Room Solutions will be compiling all information received and provide a report to the Commission when it is complete. Vice Chair Loew will provide an update at the December 1st Commission meeting.

2. Public Relations Information – Jamie Ayala, Public Information Specialist

Ms. Ayala reported various newspapers are running articles on F5R's involvement in the Early Literacy Campaign taking place in November. She requested volunteers to participate as readers for the Big Book Bash taking place on November 1st at Barnes & Noble.

F5R is partnering with several libraries for their read aloud programs.

As of November 1st, 2008 F5R will have a revamped website. It will have a new look and be easier to navigate. Ms. Ayala will provide a demonstration once the website has launched.

Ms. Ayala will report back on how many organizations participate at the Publicity Clinic on November 7th at the December Commission meeting.

Commissioners commented on the good job Ms. Ayala is doing with F5R publicity.

3. July, August and September 2008 Financial Statements – Sandy Duncan, Administrator Fiscal Services

The draft July, August and September financial statements were reviewed and a copy of same is on file at the Commission business office.

Ms. Duncan reported on the Prop 10 revenue for July, August and September. July and August are actuals and an estimate is provided for September. No revenue from the state has been received for July, August and September. Ms. Duncan anticipates receiving revenue from the State at the end of October.

Vice Chair Loew asked if it would be difficult to create a graphic illustration that shows what the state receipts have been over time and how F5R is trending expenditures.

Ms. Duncan noted State revenue is declining but F5R shares are increasing due to the increase in birth rate in Riverside County. She noted the State is always two years behind. Ms. Duncan has the revenue illustration prepared but did not have it to present at today's meeting. She will create the expense illustration and present them both at the next Commission meeting.

(A copy of Ms. Duncan's complete report is on file at the Commission business office).

4. One Time Only Contracts Award Update - Harry Freedman, Executive Director

Mr. Freedman reported two agencies who were awarded contracts withdrew. One dropped out because they were not able to purchase property as planned. The other agency decided not to go forward with the proposed program. Due to funding being available through the withdrawn awards, staff has negotiated with three additional contracts. Twenty-three applications are now in the process of being funded. Twenty have been finalized and three are still in process.

(A copy of Mr. Freedman's complete report is on file at the Commission business office).

5. Executive Director Report – Harry Freedman

Mr. Freedman introduced new staff member Jean Alexander-Booth. Grace Okwara and Susan Candelas are filling temporary positions but were not in attendance at the meeting.

Mr. Freedman reported discussions have been taking place with MOSAIC regarding concerns with the Gems reporting system. Funded agencies were able to run their reports in the Gems system before the enhancements were made but are currently unable to. Staff is considering recommending utilizing the Gems system to conduct general population surveys to determine how children receiving F5R services improve compared to children who do not receive funding.

Mr. Freedman highlighted several items from his Executive Director report.

(Supervisor Ashley arrived at the meeting at 2:40 p.m.)

Mr. Freedman informed the Commission discussions have been going on with MOSAIC since June on system issues. MOSAIC is somewhat responsive but it has been difficult to determine which faults are staff's and which are MOSAIC's.

(A copy of Mr. Freedman's complete report is on file at the Commission business office).

J. Funded Agency Public Comments

Commissioner Chair Wengerd announced that October 2008 is the first month the new Funded Agency Public Comment section is included on the Commission agenda. He welcomed Ms. Cynthia Grube representing Hemet Valley Medical Center who spoke. She thanked the Commission for opening the forum up to funded agencies. She expressed her pleasure with funding being provided to the hospitals for mothers and babies. She requested F5R contract with someone who is a facilitator who is familiar

with hospital practices, laws and procedures to be able to discuss matters with F5R and the hospital. In her opinion this will help accomplish goals much faster if the facilitator speaks the same language as the hospital and F5R.

The funding is allowing educational changes to be made. Commissioner Beasley noted that Dr. Shafai has made a big difference in breastfeeding. Ms. Grube clarified that the language she is referring to is data and reporting process. She noted there is a law on what kind of questions hospitals can ask of new mothers so they are unable to answer some of the questions requested by F5R in the hospital setting. Commissioner Beasley replied that she is available to assist with any questions or concerns in the future.

K. Public Comments

Ms. Jocelyn Tucker represented herself from Riverside. Ms. Tucker worked from February 2007 until May of 2008 as a Program Specialist at the Child Care Consortium when she was laid off. She expressed concerns with her being laid off and the other program specialist who was not employed as long as her and did not have as much experience as she did. She reported she met with Ms. Schoenberg and Mr. Freedman about her concerns. She asked that the Consortium be directed to establish a policy. After Ms. Tucker was laid off, she was informed by former staff members/friends that the Director, Deborah Clark Cruz announced in a staff meeting that Ms. Tucker had told F5R that the Consortium is racist and employees are no longer allowed to speak with her.

Ms. Tucker reported on training that she had asked to be posted but was informed that it has not been posted but not why. She is willing to make the sacrifice by reporting this incident even if it means she will be blacklisted.

She asked the Commission to have funded agencies establish a Policy of Fairness.

(Supervisor Ashley left the meeting at 2:55 p.m.)

L. Future Agenda Items

No discussion

M. Commission Adjournment

Adjourned at 3:01 p.m. to the Special Meeting scheduled for Monday, December 1, 2008 at 1:30 p.m.

Riverside County Children and Families Commission Office
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