

January 15, 2009
SPECIAL COMMISSION MEETING MINUTES
WITH NECESSARY CORRECTIONS
SUMMARY

History/Background:

During the January 15, 2009 Financial Workshop, the Commission had a discussion pertaining to the Special Needs Initiative and the School Readiness Initiative summary presented by Laurie Schoenberg, Administrator, Early Care and Education. During recent staff review of the January 15, 2009 Special Commission meeting minutes it was realized that pertinent information was not fully captured related to the initiatives discussion that took place during the meeting.

Current Status:

Commission Secretary has reviewed and verified the amended minutes through the recording of the proceedings. A tracked change version is attached so you can see what changes were made on pages seven through ten.

STAFF RECOMMENDATION:

Staff recommends that the Commission receive and approve the amended minutes of January 15, 2009 with necessary corrections as attached.

**Riverside County Children and Families Commission
11:00 a.m. - Morning Session Meeting
12:30 p.m. - Lunch
1:30 p.m. - *Regular Meeting of the Commission*
Thursday, January 15, 2009**

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

**Revised Minutes
Morning Session
11:07 a.m.**

A. Call To Order

The Special Meeting of the Commission was called to order at 11:07 a.m. by Chair, Jerry Wengerd.

Commissioners Present: Chair, Jerry Wengerd, Vice Chair, Susan Loew, Supervisor Stone, Connie Beasley, Jean Benson, Yolanda Carrillo, Dr. Frykman, (arrived at 11:08 am), Jay Hoffman, Vicki Oltean

Commissioners Absent: None

Advisory Committee Members Present: Chair, Carla Lidner, DDS; Donna Johnston, Lynne Craig

Staff Present: Harry Freedman, Executive Director; Stella Smith, Deputy 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; Michelle Burroughs, Administrator, Health & Community Programs; Sherry Watkins, Facilities & Operations Specialists; Cindy Brandon, Administrative Secretary; Jamie Ayala, Public Information Specialist; Uniqua Burgess, Program Specialist, Health & Community Programs; Deborah DeForge, Program Specialist, Outcomes Management; Cassandra Adams, Contract Specialist, Grants & Contracts; Robert Martinez, Contract Specialist, Grants & Contracts; Maria Hernandez, Secretary, Early Care & Education

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

Consultants: Larry Cabaldon, Patti Larson, BoardRoom Solutions

Board of Supervisors, Legislative Team Member to Supervisor Stone Robin Reid

B. Morning Session – Financial Workshop

1. Chair and Commission Member Comments

Chair welcomed Supervisor Stone to the Commission.

2. Executive Director Comments – Harry Freedman

Mr. Freedman welcomed Supervisor Stone and provided an introduction to the financial workshop. Mr. Freedman explained the financial workshop is a follow up to the October Commission workshop. A summary of the October discussion was reviewed including:

- a. First 5 California (F5CA) funds for Initiatives diminishing
- b. First 5 Riverside cannot continue to sustain services at existing levels. This is the result of two factors;
 - Proposition 10 revenues are diminishing at the state level, and
 - The fund balance which F5R has been using to supplement service levels as described in the 5 year allocation plan are also diminishing.

As a result of the current fiscal crisis, Mr. Freedman recommends that the Commission reduce the Sustainability Fund by 10 million to make funds available for additional service provision once local needs are established in the county. He emphasized that since these funds are coming from F5R's fund balance, and State Proposition 10 revenues are diminishing, this \$10 million is not sustainable.

3. Financial Workshop – Sandy Duncan, Administrator Fiscal Services

Ms. Duncan provided a presentation on Prop 10 Revenue through 2007/2008 and Prop. 10 revenue estimates from F5CA through 2011. When F5CA Initiative funding ends there will be a continual decline in revenue and service levels will decrease. Commission Vice-Chair, Loew asked for clarification on estimating the revenue. Ms. Duncan explained the Prop 10 estimate was not changed from the conservative estimate in the original plan in Resolution 06-04. Based on estimates from the F5CA, it is possible that First 5 Riverside will receive an additional 6.5 million over three years through 2011 in Prop 10 revenues, depending on State budget outcomes.

Ms. Duncan clarified for Supervisor Stone that there are F5CA initiatives that will expire by fiscal year 2010/2011.

Mr. Freedman further explained that F5CA will decide what they will fund as legacy programs over the next two years. Once new initiatives are determined, counties can apply for available funding. First 5 Riverside currently has four F5CA initiatives.

All F5CA initiatives require local matches. Some are one-to-one matches such as School Readiness and some are one-to-four e.g., Healthy Kids and CARES. All of these dollars are terminating beginning June 2009 by the end of 2011 with the exception of two SR School Districts that will expire in 2012.

The issue before the Commission is whether or not to backfill the F5CA funded portion of initiatives.

Options are to:

1. Eliminate the programs entirely.

2. Maintain programs at the local funding level (i.e. reduce them by the F5CA funding amount).
3. Backfill F5CA portion of the programs.

Commissioner Frykman requested when fiscal information is discussed that the Commission receive updated numbers for the budget. He suggested a third line in Ms. Duncan's spreadsheet that shows where First 5 Riverside is currently. The Commission agreed that it would be useful to have this information.

Revised Projected 5 Year Fiscal Plan.

Ms. Duncan reviewed the current year revenue. Money coming from F5CA initiatives and fund balance reserves are used to fund F5CA initiatives both F5CA and local matches. Riverside has four initiative programs.

State Initiatives

When the F5CA initiative funds expire, the fund balance reserve will have to be used to make up the difference through 2010/2011.

This scenario will decrease reserves.

Fund Balance Analysis

Based on the F5CA estimates for Prop 10 and the 6% allocation rate, First 5 Riverside's Proposition 10 revenue could be approximately 25 million per year in Fiscal Year 2009/1010 and Fiscal Year 2010/2011. The estimated impact would be additional revenue of approximately 6.5 million.

First 5 Riverside has 5.5 million dollars additional available to designate since it is currently undesignated. A total of 11 million dollars is accessible for programs available for the Commission to decide how to fund.

Ms. Duncan explained:

The year began with 61 million dollars in the Fund Balance Reserve

- Of the reserve, 26.7 million dollars is in the Sustainability Fund account. The Sustainability account is capped and is set aside to sustain operations in an emergency or loss of revenue.
- Out of the remaining fund balance 29.1 million dollars is reserved and is designated by board resolutions for specific programs.
- 10% Set-Aside for response to new F5CA initiatives was rescinded previously and the funds have been re-allocated primarily to one time projects.
- A restricted fund for operational cash has remaining funds
- Playground Initiative fund monies are available for re-allocation

When the original Five Year Plan resolution was approved, Fiscal Year 2006/2007 was representative of actuals and Fiscal Year 2007/2008 were estimates. Based on actuals F5R will not fully expend funds estimated for operational contracts.

Fund Balance Pie Chart

Ms. Duncan shared the Fund Balance designation pie chart. Commissioner Oltean pointed out the pie chart showed an additional million dollars. Ms. Duncan noted the

amount pointed out by Commissioner Oltean on the pie chart was a typo; it should be 61 million dollars. Ms. Duncan will make this correction.

Ms. Duncan requested the Commission to take formal action to move dollars from one category to another in the Fund Balance.

Commission Vice-Chair, Loew requested guidance from Deputy County Counsel, Lucy Furuta on Ms. Duncan's request.

Following Ms. Furuta's suggestion, Commission Vice-Chair, Loew directed staff to prepare the resolution that will modify the designation of 5.5 million dollars and move it to an undesignated Fund Balance for future allocation purposes. Per Chair Wengerd's direction, staff will bring back the presented documents as an attachment to the resolution.

Commissioner Benson suggested moving available playground money in the same resolution to create one line item in the amount of 11 million.

Supervisor Stone inquired as to the Commission's plans for the undesignated 11 million dollars. He expressed he wanted to work collaboratively with the Commission and assign undesignated monies to provide services to children 0-5 years of age.

Mr. Freedman responded that today's session is designed to discuss this very issue. He noted there are agenda items to address the child care discussions. The Commission is working to ensure additional revenue is provided for child care and preschool and that monies would be used to most effectively increase child care/preschool capacity in the County. The Commission wants to defer designating available funds until the impact of the state budget is known. Supervisor Stone agreed with Mr. Freedman's statement.

New Program Options

Ms. Duncan reported that the available 11 million dollars cannot fully meet child care needs. In the county. Commission Chair, Wengerd noted there is no previous commitment for the unexpected revenue.

Mr. Freedman expressed the goal today is to discuss how many dollars to commit to additional services. The Commission may want to delay deciding where to fund items until the impact of state budget is known. He further noted that the only formal action on the agenda today is funding assistance for the Healthy Families Program.

Funding Opportunities Bar Charts

No questions

Considerations

Ms. Duncan shared the following considerations:

1. First 5 Riverside cannot maintain existing service levels indefinitely based on anticipated revenue levels.
2. If we continue to fund operational contracts at the Fiscal Year 2010/2011 level in Fiscal Year 2011/2012 it is anticipated that First 5 Riverside would use at least 5 million dollars of the \$11 million dollars in surplus.

3. If operational contracts are reduced to the level of spending not to exceed current year Prop 10 revenue, less administrative expenses, the full 11 million dollars available for other programs.

Fund Balance designations

Ms. Duncan shared fund balance designations templates. This information will be provided with resolutions for moving balances to designated funds to allow Commissioners a visual reconciliation of where the funds are located.

Contracts funded

Ms. Duncan shared contracts funded. The Mental Health Initiative was not executed. All child care and education contracts are funded.

On page three of the Budget Plan, Commissioner Vice-Chair, Loew identified a gap in child care and early education budgeted with contracted amounts. She asked if these funds are going to be allocated. Ms. Duncan responded would look into the differences between the original Five Year Plan and the current contract log used for today's presentation. She will reconcile the log and provide the answer for any differences by the next Commission meeting. Commission Vice-Chair Loew agreed that was acceptable. She requested Ms. Duncan also identify if today's presentation is complete and accurate and if F5R is heading towards underutilizing funds.

Ms. Schoenberg added the one-time funds may have come from the early education or child care allotments. Commission Vice-Chair, Loew requested that staff research if the funds have been allocated or if First 5 will underutilize what is budgeted.

On page 12, Commissioner Oltean asked if ABC slots are fully filled. As a clarification on to one time only funding, Commissioner Carrillo asked how many of the 540 child care funded slots shown are being used. Mr. Freedman noted it varies daily. Commissioner Carrillo wanted Supervisor Stone to be aware that although many of the slots are funded they are still underused.

Mr. Freedman noted that there are four elements to the child care/preschool capacity issue; quantity, quality, affordability, and accessibility. F5R has concentrated on quantity and quality in the past, but recognizes that parents not having adequate income play a significant part in child care slots not being utilized. Staff conducts a monthly review of agencies. In some cases some slots are funded partially by parents; and other funds go toward funding teachers for the slots. Ms. Schoenberg estimated 95% of child care slots are currently being utilized. Commissioner Frykman asked if staff could provide data at the afternoon meeting. Staff will provide this information during the child care data discussion in the afternoon session.

Dr. Hoffman noted the dashes in the funded contract document may suggest that the program listed has a contract that is funded for child care slots. Many contracts are funded to fund other service areas.

Final Requests for follow up included:

Ms. Duncan will create a worksheet that shows:

1. Updated numbers for the budget
2. Research if the funds have been allocated or if First 5 will underutilize funds that are budgeted for child care and early education.

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

4. Healthy Kids, Michelle Burroughs, Administrator Health and Community Programs

Ms. Burroughs provided an executive summary on the Healthy Kids Program. The goal of this program is to provide access to affordable and comprehensive healthcare coverage for all children in Riverside County.

Ms. Burroughs highlighted full capacity at 2,500; currently there are 1,800 enrolled.

Reasons to support

First 5 Riverside is working with IEHP to provide more assistance to fund families with 0-5 children enrolled to reach full capacity.

Staff recommends continuing First 5 Riverside's support of the Healthy Kids Program at the current local funding level of up to \$2 million per year as included in the existing 5 year allocation plan, and increase funding to make up for the elimination of the F5CA allocation of \$500,000 based on actual enrollment, to ensure children in Riverside County have access to comprehensive health insurance

Commissioners agreed this is an important program to maintain. Commissioner Frykman motioned to approve staff recommendations contingent on Commission receiving data providing actual premiums First 5 Riverside is paying for children.

Commission directed staff to request Dr. Gilbert of IEHP present data at the next Commission meeting. Mr. Freedman will request the utilization costs data be provided by IEHP. He noted in terms of expenditure funds provided are tied to enrollment. Staff will bring back the recommendation in the form of a resolution at the next Commission meeting.

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

5. CARES, Special Needs Project and School Readiness, Laurie Schoenberg, Administrator Early Care & Education

The Commission opted to break for lunch at 12:30 p.m.

Funded Agency Comment:

Commission Chair will hold the request to speak for Mr. Benavidez until the afternoon session because Mr. Benavidez had left the conference room.

The morning session adjourned at 12:30 p.m. for lunch.

**Minutes
Morning Session Continued
1:05 p.m.**

B. Call To Order

The continuance of the Morning Session meeting of the Commission was called to order at 1:05 p.m. by Commission Chair, Jerry Wengerd.

C. Morning Session Continued – Financial Workshop, CARES, Special Needs Project and School Readiness, Laurie Schoenberg

Mr. Freedman informed the Commission of First 5 California's strong interest in maintaining the Healthy Families program.

Special Needs Project (SNP) Initiative (Lake Elsinore Unified School District LEUSD)

Ms. Schoenberg offered reasons to maintain support. First 5 California and First 5 Riverside's investment in the SNP Initiative has resulted in 1,600 developmental screenings in less than four years. The program receives \$250,000.00 in funding annually from F5CA. First 5 Riverside provides a one-to-one match.

An overview of result outcomes from Lake Elsinore was shared. Early identification of children with developmental delays or disabilities as a result of SNP has lessened the impact and often diminished the delay by the time he or she reaches kindergarten. LEUSD had the 5th highest gain of all K-12 districts in the state in 2008.

Mr. Freedman added since the action on the Mental Health Initiative award is recommended to be rescinded there will be no funds awarded to Lake Elsinore School District until the Commission takes further action. If the Commission maintains the process of the Mental Health Initiative, these kinds of services will be included in the Mental Health Initiative no matter which agency is awarded.

Chair Wengerd declared conflict on this subject.

Ms. Schoenberg reported there are nine other demonstration models. She is recommending that First 5 Riverside look at all nine sites and compare the increase in the Academic Performance Index (API) scores to School Readiness sites without special needs programs.

Staff recommends maintaining the local funding included in the existing 5 Year Allocation Plan but not use reserves to make up for the elimination of the F5CA share which will be terminating, contingent on the Mental Health Initiative remaining in place. If the Mental Health Initiative does not continue, staff will come back with a recommendation regarding matching F5CA funding.

School Readiness Initiative Summary

Ms. Schoenberg reported on the intent of the School Readiness Initiative. In 2001, F5 California launched School Readiness (SR) Initiative in partnership with F5R County to improve capability of families, schools & communities to prepare children to enter school

ready to succeed. The key critical outcomes of the program have been: Improved-Family Functioning, Child Development, Health, and Systems of Care.

Ms. Schoenberg noted an increase of 8.6% growth rate in schools with School Readiness. Charts of API charts were shared. She shared data on school readiness showing an increase in API scores. Two of F5R School Readiness programs Coachella and Lake Elsinore are showing point changes. Four out of the five top school districts are districts that F5R are funding. Lake Elsinore moved from 11th place to number four. She noted Riverside County had a higher improvement then San Bernardino.

Commission Vice-Chair, Loew asked if there is data to demonstrate the school readiness initiative is correlated to the increases. Ms. Schoenberg replied that data is not available to prove this. The national education goals panel does not believe students should be tested in preschool. Prior to kindergarten, it is not the right time in the stages of a child's development to test. Ms. Schoenberg is looking into assessment tools that can be used upon kindergarten entry to determine if the programs are making difference.

Commissioner Carrillo asked what ranking of remaining schools First 5 is funding. Ms. Schoenberg replied they did not make the First 5 ranking. Ms. Schoenberg will find out where they rank.

Commissioner Frykman inquired about the graph of the growth index. Ms. Schoenberg clarified the chart is of API.

Commissioner Frykman suggested the following research:

1. Going to specific schools that are comparable to see if their scores had a change.
2. He recommended staff pursue determining if the school districts can find leveraging so the funds be used more efficiently.
3. If funded districts did not show improvement investigate why. He further suggested looking at cutting districts that are not making progress and,
4. Focus on schools that are succeeding.

Commissioner Frykman offered assistance from the Department of Health to work with First 5 Riverside on this analysis project.

Ms. Schoenberg provided reasons maintain support and reasons to end support. She reported staff recommends the Commission continues to fund the School Readiness Initiative. She suggested reviewing sustainability in the school districts so dollars can be extended and quality can be maintained. Revise focus of program to a higher number of direct scholarship spaces vs. indirect program enhancements

Ms. Schoenberg provided information on scholarship spaces being reviewed. The majority of the slots shown in Ms. Duncan's presentation are scholarship spaces. The majority are 100% funded. Some have a parent fee.

Mr. Mc Dannel noted agencies providing full scholarships are at full capacity with the exception of The Wylie Center. Many agencies have waiting lists. Ms. Schoenberg added some have a waiting list of 600 children.

Mr. Freedman reminded the Commission that the current recommendation is to maintain local level funding not to backfill contingent on negotiations with districts about what level of sustainability they can maintain.

June 30, 2010 Perris and Palm Springs end. Two school districts end in 2011, and three school districts in 2012.

Commissioner Frykman noted the Commission rarely hears successful stories and he recommended backfilling funding. Commissioner Frykman does not believe school districts will come up with a way to back fill. Commissioner Frykman reminded the Commission of his previous recommendations:

1. He recommended staff pursue determining if the school districts can find leveraging so the funds are used more efficiently.
2. If funded districts did not show improvement investigate why. He further suggested looking at cutting districts that are not making progress.
3. Focus on schools who are succeeding.

Ms. Furuta noted that Commissioner Hoffman had a conflict on this matter and that he did not participate in the discussion.

When looking at School Readiness programs internally it is the mandated job for the program specialist and Ms. Schoenberg to make sure that standards are in place for the evidence based models and the children are receiving the appropriate services.

Supervisor Stone commented that he recognizes the value of testing but expressed the districts should be held accountable to find money on their own and First 5 Riverside could be used to match them. His goal is to provide as much service for as many children as possible without the F5R Commission funding the program entirely.

Commissioner Stone noted being new to the Commission he needs to reacquaint himself with the capital requests of the Commission. He questioned that if funding this program will result in other programs suffering.

Mr. Freedman suggested returning to the original recommendation for First 5 Riverside to maintain the local level funding without a recommendation to backfill the State funding until staff can gather more information and the Commission can ask to bring back additional information. Supervisor Stone commented that he liked the recommendation but questioned whether the program was going to fulfill its goal with just F5R local participation if there is no participation from anyone else.

Commissioner Chair Wengerd commented he did not have enough information to vote personally. He commented that if the Commission was ready to vote he would.

Supervisor Stone made the motion that Commission is willing to provide a local share as long as there is a accompanying by another governmental agency to accomplish the goals the Commission would like to see accomplished. This will put the responsibility on the school district to find funding internally or alternatively through grants to partner with First 5 to serve the children.

Commissioner Chair Wengerd supported the motion if there is a partner.

Ms. Schoenberg added part of School Readiness funding includes Parents As Teachers programs. They are not included in the numbers shown. Many school readiness programs served high need areas where there is not a school close by or the parent opts to not have their child attend a preschool program. A parent educator goes into the home in that instance. These numbers are included in the full scholarship spaces. In addition, many of the districts already had State funded preschool programs, Head Start programs and general child care programs prior to the School Readiness Initiative. State funded preschool programs receive a daily reimbursement of \$21.00 which makes it difficult for them to run a quality program. Instead of paying for slots, First 5 provides funding enhancement services to bring these programs up to quality level.

Mr. Freedman added local funding is in place through 2011. State funding is not going away for a year. There is no action required by the Commission today. Staff will gather more information from the districts and bring it back to the next Commission meeting.

Commission Chair Wengerd asked if there was anything critical in the CARES discussion that needed to be addressed today. Ms. Schoenberg responded that there was not. Commission Chair Wengerd held the CARES discussion over until the next Commission meeting.

Mr. Freedman requested putting over the discussion of the sustainability fund and releasing the 10 million dollars.

(Commissioner Hoffman left the meeting at 1:50 p.m.)

Public Comment:

Ms. Lolita Barnard read letter as noted below on behalf of Peter Benavidez, CEO of Blindness Support.

To Riverside First 5 Commission from Peter Benavidez, CEO Blindness Support Services Inc. Subject Supervisor-Commissioner, Jeff Stone. Dear Commissioners, although I have not had the opportunity to meet Supervisor-Commissioner Jeff Stone. I would like to take this time to acknowledge his courage for bringing to the surface the perception of conflict of interest within this commission. Many cases those of us who are recipients of funds to perform services do not make such claims because of the fear of reprisal. The lesson should be our program should stand on their own merit, not what we think or what we say. Again, I would like to acknowledge Commissioner Stone for his courage and leadership. Respectfully, Peter Benavidez.

Morning session ended at 1:50

**Afternoon Session
1:50 p.m.**

D. Call To Order

Commissioners Present: Chair, Jerry Wengerd, Vice Chair, Susan Loew, Supervisor Stone, Connie Beasley, Jean Benson, Yolanda Carrillo, Dr. Frykman, Vicki Oltean

Commissioners Absent: Jay Hoffman

Advisory Committee Members Present: Chair, Carla Lidner, DDS; Donna Johnston, Lynne Craig

Staff Present: Harry Freedman, Executive Director; Stella Smith, Deputy 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; Michelle Burroughs, Administrator, Health & Community Programs; Sherry Watkins, Facilities & Operations Specialists; Cindy Brandon, Administrative Secretary; Jamie Ayala, Public Information Specialist; Uniqua Burgess, Program Specialist, Health & Community Programs; Deborah DeForge, Program Specialist, Outcomes Management; Cassandra Adams, Contract Specialist, Grants & Contracts; Robert Martinez, Contract Specialist, Grants & Contracts; Maria Hernandez, Secretary, Early Care & Education

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

Consultants: Larry Cabaldon, Patti Larson, BoardRoom Solutions

Board of Supervisors, Legislative Team Member to Supervisor Stone Robin Reid

E. Commission Business – Commission Chair

1. Commissioner Comments:

Chair noted his conflict with agenda items related to the Mental Health Initiative resolutions and discussion. Supervisor Stone asked if he has conflict with items on the agenda and if he is able to participate in any discussion that will have financial benefit for County programs.

Ms. Furuta replied that Board of Supervisors members serve as an Ex Officio Member when on the Commission. He does not have conflict and may participate in the vote. However if desires he can note a conflict. Any Commissioner declaring a conflict means they cannot participate as a Commissioner in the discussion or the voting unless their vote is reactivated due to the Rule of Necessity when a quorum is not present. He can speak as a member of the audience by completing a Request to Speak.

Ms. Furuta clarified the Commission needs a quorum of 5 to perform an action. It does not mean the action will pass. Once a quorum is established, 5 affirmative votes are required to pass an action. It is the Commissioner's choice as to how to vote.

No Executive Director Comments.

2. Approval of December 1, 2008 Special Commission Meeting Minutes

Commissioner Benson moved to approve the minutes of the December 1, 2008 joint meeting of the Commission and Advisory Committee. Commissioner Vice Chair Loew seconded the motion. Following is the vote of the Commission members present: [Five

(5) in favor (Loew, Beasley, Benson, Frykman, Oltean), Three, (3) Abstain (Wengerd, Stone, Carrillo; One (1) absent (Hoffman), Zero (0) opposed]

Ms. Furuta stated Commissioners do not have to abstain if they are not present at the meeting the minutes are being approved for.

E. Resolution Report (Action) – Stella Smith

Ms. Smith facilitated the action on the resolutions presented for approval. A copy of the entire Report is on file at the Commission business office. Ms. Smith noted conflicts have been noted in the Report for Commission review. Resolutions 09-01 through 09-05 were presented as a block motion.

Resolution 09-04 Healthy Families was pulled due to conflicts.

Following is a record of action(s) taken by Commission on Resolutions 09-01 through 09-08:

Resolutions 09-01, 09-02, 09-03, and 09-05 were presented for block approval. See the record of the vote below.

Commissioner Chair Wengerd pulled 09-02 for further discussion.

09-01: Adoption of Order of Succession for Presiding Over Commission Meetings

Recommended Action: That the Commission adopt staff recommendations as stated in the Resolution and authorize the Executive Director or his designee to take the necessary action to effectuate this action.

09-03: Approving the Award of Funds to Inland Empire Small Business Development Center for Training and Technical Assistance Services and Authorizing the Executive Director to Move Forward with Negotiations

Recommended Action: That the Commission approve the award of funds to Inland Empire Small Business Development Center (SBDC) not to exceed \$40,000.00. Further, that the Commission authorize the Executive Director or his designee to move forward with contract negotiation and development with the final Professional Services Contract to be brought back to the Commission for approval and ratification during the February meeting

09-05: Approving and Ratifying the Second Amendment to the Contract Between the Riverside County Children and Families Commission and BoardRoom Solutions Group

Recommended Action: That the Commission approve the second amendment to the agreement with BoardRoom Solutions Inc; ratify the action back to December 1, 2008 and authorize the Executive Director or his designee to execute the necessary documents/actions to effectuate this resolution.

Commission Vice-Chair, Loew moved to approve Resolutions 09-01, 09-03 and 09-05. Commissioner Oltean seconded the motion. Following is a vote of the Commission members present: [Eight (8) in favor (Wengerd, Loew, Stone, Beasley, Benson, Carrillo, Frykman, Oltean), One (1) absent (Hoffman), Zero (0) opposed]

09-02: Approving the Award of Funds to Child Care Planning Associates for the Child Care Center Design and Siting Guidelines Booklet Project and Authorizing the Executive Director to Move Forward with Negotiations

Recommended Action: That the Commission approve the award of funds to CCPA not to exceed \$69,655.00. Further, that the Commission authorize the Executive Director or his designee to move forward with contract negotiation and development with the final Professional Services Contract to be brought back to the Commission for approval and ratification during the February meeting.

Ms. Smith provided overview of Resolution 09-02.

Commission Chair, Wengerd moved to approve Resolution 09-02. Commissioner Frykman seconded the motion. Following is a vote of the Commission members present: [Eight (8) in favor (Wengerd, Loew, Stone, Beasley, Benson, Carrillo, Frykman, Oltean), One (1) absent (Hoffman), Zero (0) opposed]

09-04: Approving the Allocation of Funds for Healthy Families Premiums for Eligible Riverside County Children Ages, Birth through 5 years

Recommended Action: That the Commission approve funding up to \$1,379,375.00 for the expansion of the Healthy Families Program (HFP) for Riverside County Children from birth through 5 years who would not be enrolled in the HFP due to the implementation of a waiting list, contingent on the development of an agreement ensuring demonstration that funds are utilized for aged 0-5 children from Riverside County. Further that the Commission authorize the Executive Director or his designee to execute the necessary documentation and action to effectuate this Resolution.

Commission Chair Wengerd and Commissioner Frykman whose agencies are Healthy Families program providers both have disclosed conflict to Ms. Furuta.

Commission Vice-Chair, Loew moved to approve Resolution 09-04 Commissioner Carrillo seconded the motion. Following is a vote of the Commission members present: [Six (6) in favor (Loew, Stone, Beasley, Benson, Carrillo, Oltean), One (1) absent (Hoffman), Two (2) conflicts (Wengerd, Frykman), Zero (0) opposed]

09-06: Approving Formal Action of the Riverside County Children and Families Commission Action of May 27, 2008, Concerning Contract Extensions

Conflicts Declared:

1022 OP-08

Riverside County Department of Public Health - Loving Support/
Commissioner Frykman, Director of Public Health

1028 OP-08	Riverside County Department of Public Health – Immunization/ Commissioner Frykman, Director of Public Health
1032 OP-08	Riverside County Department of Public Health – IPS/ Commissioner Frykman, Director of Public Health
1112 OP-08	Nuview Union School District - Parent As Teachers/ Commissioner Hoffman, Superintendent Nuview Union SD
1212 OP-08	Nuview Union School District - Romoland Wrap/ Commissioner Hoffman, Superintendent Nuview Union SD
1214 OP-08	Nuview Union School District - Infant and Toddler Expansion/ Commissioner Hoffman, Superintendent Nuview Union SD
1413 OP-08	Nuview Union School District - Preschool For All/ Commissioner Hoffman, Superintendent Nuview Union SD
1807 OP-08	Riverside County Child Care Consortium/ Commissioner Oltean, Board President Riverside County Child Care Consortium

Recommended Action: That the Commission formally adopt its action taken on May 27, 2008 as listed above and approve contract extensions for the remaining agencies carried over from the action of December 1, 2008. Further that the Commission authorize the Executive Director or his designee to execute the necessary documentation and actions to effectuate this resolution.

Supervisor Stone noted a significant amount of funding going to Nuview School district. He inquired how school programs were prioritized against other school district proposals. Mr. Freedman provided a summary of the contract approval process. The contracts were initially awarded 3 or 4 years ago based on recommendations of an independent reading panel, and additional review panel. The Commission determined to extend these contracts for the final two years of the 5 year allocation plan. Supervisor Stone suggested resubmitting the RFP to allow other school districts apply for funding.

Mr. Freedman noted the contracts of other previously funded school districts were extended in a previous resolution presented at the December 1, 2008 Commission meeting. There was not a re-issue for the RFP for any district. It was noted that the Commission has historically extended contracts for up to 5 years without implementing a new RFP process. Commissioner Oltean noted there was not a quorum to vote on extending all the agencies at the December Commission meeting.

Commissioner Carrillo noted that the significant amount of funds awarded to the Riverside County Public Health. Commissioner Stone noted there aren't many other agencies able to perform the services the Department of Public Health provides.

Commission Vice-Chair, Loew moved to approve Resolution 09-06 in its entirety Commissioner Benson seconded the motion. Following is a vote of the Commission

members present: [Six (6) in favor (Wengerd, Loew, Stone, Beasley, Benson, Carrillo,), Two (2) Conflicts (Frykman, Oltean) One (1) absent (Hoffman), Zero (0) opposed

Supervisor Stone questioned the difference in funding amounts for districts compared to Nuviev School District. Mr. Freedman noted all applicants applied for the amount of funding they needed. Readers recommended reductions in some applications and full funding in others. All of the applicants were free to apply for what they desired. Some were competitors for what Nuviev applied for. The RFP and contract award process predates Commissioner Hoffman's appointment to the Commission. There was not a Commissioner representing Nuviev at the time of the original applications approval. Ms. Furuta noted Dr. Long was Superintendent on the Commission at that time. Supervisor Stone noted the Commission wants to ensure the funds were given out appropriately without any question of influence.

09-07: Rescinding December 1, 2008 Approval of Staff Recommendations Granting Funds for the Mental Health Initiative to the Riverside County Department of Mental Health

Ms. Smith reported there were requests to speak on this matter. Supervisor Stone reported that the Interim County Counsel, Pam Walls, requested he abstain on Resolutions 09-07 and 09-08 today. Since this is a matter of potential litigation, the Interim County Counsel would like to have time to review all documents. Supervisor Stone abstained on this matter, and on Resolution 09-08.

Vice-Chair Chair Loew took over the meeting as Commissioner Wengerd declared a conflict. Ms. Furuta noted the following conflicts on this matter: Wengerd, Frykman, Beasley, Hoffman who is not present. The abstention of Supervisor Stone was noted.

Ms. Furuta noted the conflict declared on Resolution 09-08 by Wengerd, and the abstention of Supervisor Stone.

Commission Vice-Chair Loew noted there has been an issue raised as to whether she has a conflict. Her Agency provided a letter of support for the Mental Health Department's proposal. She consulted with County Counsel and it was determined that her agency's support letter does not constitute a conflict. She further noted that she does not have any financial interest in how the contract is awarded, and had no influence in recommendations coming forward from the independent panel convened to review the proposal. The second proposal did include funding that is contracted through her agency. She stated she may have reason to have bias towards both proposals but has no actual conflict.

Supervisor Stone asked Deputy County Counsel if conflicted Commissioners are required to leave the table during discussion.

Ms. Furuta noted typically the consensus of Commission is Commissioner with conflict does not need to leave the meeting but may do so if they choose to.

Commissioner Chair Wengerd and Commissioner Frykman left the meeting at 2:25 p.m. during Resolutions 09-07 and 09-08 discussion. They did not participate in the discussion or vote.

Recommended Action: That the Commission rescind the action taken on December 1, 2008 in Resolution 08-65 and authorize the Executive Director or his designee to take the necessary action to effectuate this action.

Public Comments

1. Mr. James Manning, attorney with Reid & Hellyer representing Family Service Association (FSA). He stated that previously Sandy Freedman, wife of Harry Freedman, had worked for Reid & Hellyer. He introduced Dom Betro, CEO of FSA.
2. Mr. Betro asked if First 5 Riverside has a quorum to proceed. Ms. Furuta replied the remaining non-conflicted and non-abstained members were under five. The Attorney General has rendered an opinion that a body may be reactivated to the number of members necessary to bring the quorum up to the number to take the vote. This will be done under the Rule of Necessity at the time of vote.

Mr. Betro noted for the record that the letter Ms. Loew mentioned that was provided by DPSS indicates that DPSS will receive services from the Mental Health contract. It is not money but services that translate into money. There was not a match requirement on the grant. The money documented by Family Services coming from DPSS is to refer clients from DPSS, not to leverage funds or to use DPSS funds to benefit the proposal or contract it services. Mr. Betro read a letter from Family Service Association to the Commission as noted below.

It is with a great deal of mixed emotions that I come before you today. First 5 and Family Service have enjoyed a very good and productive relationship for many years resulting in child care services to hundreds of children. As well as support of services for them and their families. I come before you representing an agency whose mission is not only to render high quality services to those in need but also to advocate on behalf of those in need who cannot otherwise be here today to do so for themselves. This is a difficult situation we all find ourselves in but is one that can be resolved.

By rescinding the award of the mental initiative grant it makes possible the opportunity to award the grant to family service and our partners, thus adhering to your own guidelines practices and precedence. As reflected in the minutes of your December Commission meeting your own reviewers cited that both qualified proposals were fundable. I wish there had been more discussion of such an outcome at that time. We have always thought it best to have two models delivering these services, a community based approach and an institutional approach so that first 5 could evaluate the results most of all so the children could benefit from a diversity of responses.

Nevertheless by taking the action to rescind the previous award this leaves you with the one ethical, legal and appropriate action. To award the grant to the one qualified proposal remaining. Such an action will short circuit this embarrassing and unnecessary fiasco and result in a central service as prioritized by the Commission to get out there serving over 23,000 children and their family members over the next three years.

It is the right and ethical thing to do. And it should not take an appeal or a legal process to make this happen. It is within your authority to make this so. I strongly urge you to not undermine or maneuver around such an outcome. Family services should not be tainted by what you have done to yourself.

And more importantly the children and their families who would be served should not be punished by your actions or lack of action. I hope you can get passed whatever feelings of regret, remorse or ruffled feathers that exist. Rather move on in the spirit of transparency, fairness and cooperation making sure that the children and families of Riverside County are the winners because of what you do here today.

3. Mr. Manning addressed the Commission regarding Resolutions 09-07 and 09-08 and Agenda Item G-1 Mental Health Appeal Sub-Committee. He expressed he hopes the process is open and FSA exhausts its administrative remedies. He hopes litigation will not be necessary. He hopes that Commission does the right thing and awards a grant to FSA either on an interim or permanent basis in whole or in part. He reserved comments in regard to the quorum until he can read materials provided by Ms. Furuta. He thanked Ms. Furuta on documentation she submitted to him.

4. Ms. Becky Foreman – President of Agency Executive Association
Ms. Foreman made a statement urging the Commission to consider the value of including community based organizations as significant partners in meeting First 5 goals and objectives with all future funding proposals. She noted with community based organizations forced to compete for funds, partnering with non-profit agencies is efficient, and can produce quality programs at a lower cost per unit of service. She pointed out non-profits are usually able to get programs up and running quickly with low start up costs. Non-profits have well established relationships which make it easier to provide services. They know how to collaborate and maximize strengths. A strong non-profit presence is essential to the health of the community. By partnering with community based organizations First 5 can expand the spear of influence beyond immediate program services and create long lasting stability which will ultimately benefit the community.

5. Craig Lambdin – MFI Recovery Center
Mr. Lambdin expressed he has been colleague to Commissioner Wengerd, Commission Vice-Chair, Loew, Commissioner Beasley and Mr. Freedman. He believes that the coalition has the mission of First 5 in its heart. Every County employee he has worked with is competent and caring. He does not have concerns about conflict of interest. He believes this is a situation that is striking and gives an example of what many non-profit agencies have been saying. He provided an example that county government does not always see what the non-profit agencies see in the community. Non-profits need to exceed expectations. The County is their biggest competitor. He asked the Commission to appreciate the position non-profit agencies are in when they have to compete. The two proposals differ on pricing. He noted the cost per treatment is less for FSA. He asked what the tipping point was. He suggested leveraging dollars was a factor. Mr. Lambdin noted Mr. Todd Sosna worked on this project.

He suggested the problem with Family Service's proposal is the competition has a lock on the leverage of funds. He noted he did not think the tilt in approval was intended by Commissioners. He asked the Commission do hard work of negotiating and back up and look at the price difference from the point of view of the consumer and tax payer. He asks that they look at the wording in the RFP-cooperation collaboration and partnership.

6. Dr. Carla Lidner – Speaking as member of the public

Dr. Lidner disclosed all of her time is donated. She volunteers on approximately twenty boards in the community. Dr. Lidner declared no conflict. She serves as the FSA Chair, First 5 Riverside Advisory Committee Chair, and runs a dental program free of charge for First 5 Riverside.

Dr. Lidner noted several conflicts on Commission. She expressed her belief that there would not have been enough members without conflicts so the vote happened with the Commissioners who had conflicts in the Mental Health Initiative voting at the December 1, 2008 meeting.

Dr. Lidner asked why the letter of support from Commissioner Loew was written if it wasn't to influence the readers and add credibility to the application. As a member of the non-profit listening in the audience she expressed she became biased at today's meeting after hearing about all of the reserves First 5 had discussed being moved around. She stated there are significant flaws in the proposals but did not comment further because the item may go to litigation. Dr. Lidner concluded her comment by noting she felt it is hard for a community agency as large as Department of Mental to meet the needs of four and five year olds. Community based organizations that run day care centers like FSA does, would be the more likely applicant, even if she did not think the proposal was written better or the service cost per unit delivery was cheaper.

This concluded the speakers on Resolution 09-07.

Ms. Furuta suggested the Commission take Resolution 09-07 separately from Resolution 09-08. Ms. Furuta noted the following conflicts declared – Commissioners Wengerd, Frykman and Beasley and abstention from Supervisor Stone. Four Commissioners are not conflicted or are abstaining. The quorum is 5.

Noting the abstention of Supervisor Stone, the only commissioner currently conflicted that could be brought back to vote under the Rule of Necessity is Commissioner Beasley. It was Ms. Furuta's opinion that Commissioner Beasley should be brought back to vote so there would be five Commissioners who could vote on Resolution 09-07. Commission agreed.

Commission Vice-Chair, Loew asked for comments. She clarified the Resolution before the commission was to rescind the prior Commissioner action of December 1, 2008 to approve staff recommendations to grant funds for the Mental Health Initiative to the Riverside County Department of Mental Health.

Commissioner Carrillo moved to approve Resolution 09-07. Commissioner Beasley seconded the motion. The Commissioners in favor voted "aye". Commissioner Benson opposed the motion. The motion failed.

Commission Vice-Chair Loew asked for clarification from Ms. Furuta on the next steps. Vice-Chair Loew's understanding is that the Commission needs five affirmative votes to move forward. Ms. Furuta confirmed this, and informed the Commission that the vote fails if there are not five affirmative votes.

Ms. Furuta suggested tabling Resolution 09-08 to allow staff to determine further steps.

Commission Vice-Chair Loew noted the original contract award will remain in place, but no further action will be taken to implement the award. Staff will review what other possibilities exist and return to the Commission at a future meeting for future action.

Ms. Furuta advised the Commission review the appeal on agenda from Family Service Association and let it run its course before the Commission moves forward.

Commission Vice-Chair Loew noted in the absence on having an agreement for the Mental Health Initiative to proceed with executing a contract based on the prior Commissions action to award the Mental Health Initiative to the Department of Mental Health, Resolution 09-08 would allow for staff to extend the existing contract with the Department of Mental Health to allow for services to continue pending resolution of a decision with regard to the Mental Health Initiative proposals.

Ms. Furuta reminded the Commission that Commissioners Wengerd and Frykman (both out of the room at the time of discussion and vote) have a conflict with Resolution 09-08 in addition to Resolution 09-07.

Supervisor Stone reiterated his abstention was based on the recommendation of Interim County Counsel, Pam Walls who has not come up with a conclusion. If he receives the legal go ahead to vote on this issue he will vote at the next meeting.

Supervisor Stone noted there have been instances where quorums have not been maintained due to conflicts of interest and by law they were able to pick straws. Ms. Furuta acknowledged in this case it would be the Rule of Necessity. If Commissioners Wengerd and Frykman had remained in the meeting and there was a need to reactivate one of the votes, she would have used the Rule of Necessity to reactivate one of them. to vote. Since they did not remain Commissioner Beasley's vote was reactivated. If the three conflicted Commissioners had remained, they would have all drawn lots, and one would have been reactivated to vote

Supervisor Stone stated that the law requires that the conflicted Commissioners cannot speak but can vote if their vote is reactivated. Ms. Furuta clarified that the Commissioners can speak as a member of the public, but cannot speak as a Commissioner.

Mr. Freedman clarified that although the Resolution that was previously passed and was not rescinded from December 1, made the award to the Department of Mental Health, authorized the Executive Director to execute a contract contingent on successful contract negotiations, he has not signed the contract. Although the motion to approve exists there is no contract and there will be no contract until there is successful contract negotiations occur, whenever that is.

Mr. Freedman clarified that with respect to Resolution 09-08, it references the existing Mental Health contract that provides services, not speaking to the provider, that would have been provided under the Mental Health Initiative. The existing contract contemplated under Resolution 09-08 expired December 31, 2008.

Commissioner Carrillo moved to approve Resolution 09-07 Commissioner *Beasley seconded the motion. Following is a vote of the Commission members present: [Four (4) in favor (Loew, Beasley, Carrillo, Oltean), Conflicts Three (3) (Wengerd, (Beasley's vote was reactivated by the Rule of Necessity), Frykman), One (1) absent (Hoffman), One (1) abstain (Stone), Zero (0) opposed] Due to insufficient affirmative votes the Motion failed*

09-08: Approving the Extension of the Mental Health Contract #9347 through June 30, 2009, or until implementation of the Mental Health Initiative and Authorize the Executive Director to move forward with the Execution of the Professional Services Contract Template

Recommended Action: That the Commission approve the extension of the contract between the Commission and the Riverside County Department of Mental Health for the continued implementation of the Parent, Child Interaction Therapy (PCIT) Program. Further that the Commission approve the contract not to exceed \$566,767.00 and authorize the Executive Director or his designee to execute the necessary documents to effectuate this action.

Ms. Furuta clarified that there are 2 members who have declared conflicts and have left the room – Commissioners Wengerd and Frykman. There is an abstention from Supervisor Stone. 5 members are eligible to vote.

Public Comment:

1. James Manning , Reid & Hellyer, attorneys for Family Service Association. Family Service Association objects to approval of this Resolution extending the Department of Mental Health contract number 9347 through June 30, 2009, on the basis that it is prejudicial. It tilts the table in favor of Mental Health. There are concerns with moving funds around. It's a shell game to a certain extent, and is a foregone conclusion to a certain extent and prejudged that Mental Health will get the contract. There was just a four to one vote where the previous resolution was not rescinded. This means that Mr. Freedman can negotiate a contract, and can sign a contract, that authority has not been withdrawn. Unless there is another motion to withdraw that authority under the previous resolution which was approved on or about December 1, 2008, the horse may be out of the barn. Resolution 09-08 helps the horse get out of the barn that much quicker. He recommends that Mental Health contract 9347 not be extended at this juncture. He reserves his comments on item G1 for later in the agenda.
2. Carla Lidner-Personal Representative
Ms. Lidner expressed concern there is another conflict of interest, that when appealing an award to F5R, the public cannot figure out who can represent the agency, who can defend them, and how to make their appeal because it's confusing. She noted some commissioners stated they will not be controlled by the Riverside County Board of Supervisors at the last meeting, and they are an independent Commission, detached from the Board of Supervisors. The Commission is separate, do what the strategic plan, and implement things as the Commission wants to do so.

Then, when the conflicts of interest came out about the vote, immediately the Commission went to the Board of Supervisors, and are using their legal counsel and representation to defend them. She does not understand how this can be done both

ways, and it is very confusing. Even Board of Supervisors members have expressed some confusion about whether they have to take responsibility for First 5 or whether they have to defend them. She doesn't think anybody is clear on this, and we keep seeing these conflicts even today. It's really hard to appeal something which is very unfair. They don't know who they're appealing to and who is representing them and how to appeal. To go ahead and award an extended contract to Mental Health, and how many years has this been happened, she will have real issues with this, and even if everyone else drops the appeal, she will not. She is very concerned about this.

Lucy Furuta clarified the legal representation. She is a Deputy County Counsel. The office has represented the Commission and has since the implementation of the Commission. The Commission is a separate public entity. They may choose to use the Office of County Counsel, they may choose get their own independent counsel, it is their choice. Supervisor Stone's references has been to the current Interim County Counsel who is her supervisor, Ms. Pamela Walls, who is also counsel to the Board of Supervisors. She noted the Office of County Counsel provides counsel to independent public entities if established by BOS and they choose to use the County Counsel.

Commission Vice-Chair, Loew commented on Mr. Manning's statements that Resolution 09-08 tilts the table in favor of Mental Health. She noted the objective of the resolution is to continue services. It is the continuation of the existing contract that the Commission approved many years ago. In these difficult times, in terms of assessing how best to proceed with the Mental Health Initiative it is in the best interest of the county to continue to make available Mental Health services to the community.

Mr. Freedman added the intent of the extension is to maintain existing services for existing children. There will be existing programs that will be forced to close immediately is not extended. The intent is not to influence the appeal in any way. The intent is to simply maintain existing services until the Mental Health Initiative issue is resolved. The services are continuing at this time. If there is not extension of the contract the department will have to pay the costs themselves.

Ms. Smith noted the resolution requests the contract be extended and ratified back to January 1, 2009.

Commission Vice-Chair, Loew moved to approve Resolution 09-08 Commissioner Benson seconded the motion. Following is a vote of the Commission members present: [Three (3) in favor (Loew, Benson, Oltean), Conflicts Two (2) (Wengerd, Frykman), One (1) absent (Hoffman), Abstain One (1) (Stone), Two (2) opposed (Carrillo, Beasley)]
Due to insufficient affirmative votes the motion failed

Supervisor Stone announced he had asked his legislative aide to call the Interim County Counsel to see if she has a conclusion on his ability to vote. If legislative aide comes back with approval for him to vote he will ask for reconsideration on Resolution 09-07 and 09-08.

Ms. Furuta noted an alternative would be for staff to bring back the two resolutions back at the next Commission meeting to allow Supervisor Stone to get clarification on his voting ability.

Supervisor Stone noted his concern with taxpayers paying for services in the county that there have been questions raised if the county will be reimbursed for the services. He doesn't want to send the wrong message to county departments that they are providing services and are not going to be reimbursed. He would like the ability to make a vote today if he is legally able to.

This resolution was deferred until Supervisor Stone received clarification. Supervisor Stone will have the Office of County Counsel do an analysis on the legitimacy on his ability to vote as an ex officio member.

At this time the Commission Vice-Chair, Loew's vote stood and Supervisor Stone may make the recommendation to bring resolution 09-07 and 09-08.

Commission Vice-Chair, Loew recommended taking item G1 out of order, Approval to establish an Appeal Committee to evaluate the appeal of the December 1 2008 decision to award Mental Health Initiative contract to Department of Mental Health.

F. Discussion/Action This item was taken out of order of the agenda

1. Approval to establish an Appeal Committee to evaluate the appeal of the December 1 2008 decision to award Mental Health Initiative contract to Department of Mental Health

Public Comment:

1. Mr. Manning of Reid & Hellyer spoke on behalf of FSA. He would recommend that the appeals sub-committee be approved unless one is going to grant the appeal and award the contract to FSA today. With regard to the appellate process, he requested that it be full and open, that all interested parties be interviewed in full, and that no prejudicial action be taken in the interim. Specifically, he expressed concern that Mr. Freedman has the authority to sign contract, and to award the funds that were previously awarded in December. He expressed concern that the appeal may be a hollow thing, and the horse may be out of the barn. That needs to be dealt with somehow because otherwise they have no remedy. They go through this process that's meaningless, and then if they have to file suit, which hopefully they don't, but if they do then the Judge says he is too late since the contract has been awarded since Mr. Freedman had the authority to sign the contract. Mr. Manning would respond that yes he did have the authority. So what was done wrong? They deprived FSA of the rights to exhaust its administrative remedy. What remedy would be sought. It's not clear since the vote wasn't anticipated on Resolution 09-07. At this point, he respectfully requested that Item G-1 be approved, and with an addendum that Executive Director's authority to sign a contract be rescinded while the appeal is pending. This is the minimum, fair outcome on this agenda item.

Mr. Freedman asked if action can be taken leaving the vote alone, but limiting his ability to enact a contract until the appeal is final.

Ms. Furuta noted the appeal committee needed to be established first. Typically there are three members. An appeal has been received from FSA. Generally there would be a two level appeal, the Executive Director would review the actions, issue his answer, and if he upheld the actions of the Commission staff, then the appellant

would have the ability to request a second level appeal which would go to the Commission. In this instance the Executive Director wishes to expedite the process, the Executive Director believes it would be faster to get to the Commission review of this matter as expeditiously as possible.

At this time Supervisor Stone requested a five minute break at 3:07 p.m.

Commission Vice-Chair Loew adjourned the meeting for break at 3:07 p.m.

Commission Vice-Chair Loew called the meeting back to order at 3:21 p.m.

Supervisor Stone announced Pam Walls, Interim County Counsel has reviewed all documents and contends Supervisor Stone does not have a legal conflict of interest. He may have a perceived conflict of interest so it is up to him if he would like to participate in the vote. Supervisor Stone stated that he's never been afraid to vote his conscience or heart on issues he feels strongly about and we have to deal with people who feel there are alternative motives for any vote made. He asked the Commission to reconsider Resolutions 09-07 and 09-08 and withdrew his abstention on both matters.

Commission Vice-Chair Loew clarified the next steps with Ms. Furuta for reconsidering Resolutions 09-07 and 09-08.

G. Reconsidering Resolutions 09-07 and 09-08
(This item was taken out of order of the Agenda)

09-07: Rescinding December 1, 2008 Approval of Staff Recommendations Granting Funds for the Mental Health Initiative to the Riverside County Department of Mental Health

Conflicts noted for Commissioners Wengerd, Frykman and Beasley. Supervisor Stone withdrew his abstention. 5 members are eligible to vote.

Commissioner Carrillo moved to approve.

At this time Supervisor Stone commented the contract for Department of Mental Health is large. He stated there may be more important services that can be provided. On behalf of County of Riverside he apologized for votes taken that may have had conflicts of interest. He expressed his support rescinding contract in the best interest of all citizens served.

Final Motion for Resolution 09-07:

Commissioner Carrillo moved to approve Resolution 09-07, Commissioner Stone seconded the motion. Following is a vote of the Commission members present: [Three (3) in favor (Loew, Stone, Carrillo), Conflicts Three (3) (Wengerd, Beasley, Frykman), One (1) absent (Hoffman), Abstain Zero (0), Two (2) opposed (Benson, Oltean)]

Vice-Chair Loew noted the Commission needs five affirmative votes for this item to move forward as noted in Bylaws of the Commission. It was noted Commissioner Beasley could not be brought back by the Rule of Necessity because there were already five Commissioners who could vote.

Due to insufficient positive votes the motion failed.

(Commissioners Wengerd and Frykman left the meeting and were not present when discussion took place or when vote was taken.)

09-08: Approving the Extension of the Mental Health Contract #9347 through June 30, 2009, or until implementation of the Mental Health Initiative and Authorize the Executive Director to move forward with the Execution of the Professional Services Contract Template

Final Motion for Resolution 09-08:

Commissioner Stone moved to approve Resolution 09-08, Commissioner Vice-Chair Loew seconded the motion including making it retroactive to January 1, 2009. Following is a vote of the Commission members present: [Four (4) in favor (Loew, Benson, Oltean Stone), Conflicts Two (2) (Wengerd, Frykman), One (1) absent (Hoffman), Abstain One (1), (Beasley), One (1) opposed (Carrillo)].

It was noted Commissioner Beasley was not conflicted on this Resolution so she was ok to vote.

Due to insufficient positive votes the motion failed.

(Commissioners Wengerd and Frykman left the meeting and were not present when discussion took place or when vote was taken.)

H. Revisiting Discussion/Action (This item was taken out of order of the Agenda)
1. Approval to establish an Appeal Committee to evaluate the appeal of the December 1 2008 decision to award Mental Health Initiative contract to Department of Mental Health

Commission Vice-Chair Loew provided a recap. She asked for Commissioner volunteers for the appeal sub committee. A secondary issue to consider was if the Commission would take any further direction relative to the authority of the Executive Director to execute the contract of the Mental Health Department as approved in December, pending negotiations.

Commissioner Carrillo and Supervisor Stone declared they had no conflicts and volunteered for the appeal sub-committee. Ms. Furuta recommended having three Commissioners on the committee. Commission Vice-Chair Loew noted she is willing to volunteer but expressed there continues to be a concern regarding her bias.

Commissioner Benson is not concerned about Commissioner Loew's bias, but is concerned by procedures. She voted no the first time, and does not feel she has to defend her vote, but she will because there is a procedure for doing things. She's tired of losers who don't get it, bringing in appeals. There's always a loser. She's been in government for 28 years, and there's always someone who didn't get it who finds a fault with the system. We have a good system. We've gone through the system. We've got good readers. Instead of leaving it up to the Commission to decide, we had readers qualified in those areas to make the decision. Their decision

was Mental Health Department. That's the way it went, I think was an honest mistake. The fact is that there is a procedure, and if the Commission doesn't follow its procedure every time somebody doesn't get the money, then we're going to appeal. And we've seen it over and over again on this Commission and I think it has to end. I agree with Jeff Stone, I feel I have to say what I think is my integrity as well, and I know that being through this how appeals work. It's perfectly alright for them to appeal but don't be a sore loser. And if you are, then it's too bad.

So I do not wish to be on the appeals committee because I am biased. I do not feel the appeal is just, I think it was read by responsible people. If we don't trust their judgment then let's get rid of them.

Ms. Benson stated she is biased and does not feel the appeal is just. She noted the Commission has a good system. The procedure was completed with qualified readers. She thinks it was an honest mistake when Commissioners Frykman and Wengerd voted.

She suggested not using the readers if the procedures were not going to be followed by using their recommendations. Commissioner Benson agreed it was acceptable for agencies to appeal if they felt an award was unjust.

Supervisor Stone expressed his respect of Commissioner Benson's acknowledgment of bias. That certainly wouldn't be an appropriate role for Commissioner Benson to participate in. He assumes that the readers when they read these proposals it is their recommendations to the Commission to vote a certain way, The Commission is not bound by their decision.

Mr. Freedman clarified that it's a step removed, the readers make recommendations to the Executive Director and he makes recommendations to the Commission.

Supervisor Stone noted that Commissioners can vote the way they feel is in the best interests of the children that we're all trying to serve.

He noted there is a due process incorporated as part of the Commission for any appeal that has to be followed. They have a responsibility to review any appeals irrespective of perceived motivations.

He asked if the appeal body is mandated to be three. Ms. Furuta replied that the appeal subcommittee is three, but Commissioner Oltean has not responded yet.

Commissioner Oltean reminded the Commission she was involved in the last appeal from FSA from the first round of the MHI appeal. Her issue would be how much time it would take to serve on the new appeal committee.

Ms. Furuta informed the Commission they will proceed with Commissioner Carrillo and Supervisor Stone as the Appeal Sub-Committee since there are no other Commissioner volunteers.

Mr. Freedman added he is in agreement with Mr. Manning's suggestion to limit his authority to sign a contract with the Department of Mental Health for the Mental Health Initiative. He asked if there is approval for him to not be able to sign the

Mental Health Initiative contract if that would mitigate Commissioner feeling to approve extending the existing Mental Health contract in Resolution 09-08 so children can continue to be served.

Commission Vice-Chair Loew noted it was her observation and assessment that was not the basis for the decision on the extension on the Mental Health contract resolution. Unless there is someone on the Commission wishes to revisit that motion, she would not recommend that be done. Commission Vice-Chair Loew asked if there is concern about passing a motion rescinding authorization for Mr. Freedman to sign the Mental Health Initiative contract.

Mr. Freedman stated that still leaves the issue of limiting or eliminating the Executive Director's ability to sign the contract. He stated that he's not going to sign the contract. If passing a motion which confirms this helps in any way he's happy to have that occur.

Commission Vice-Chair Loew asked legal counsel if there is any concern the Commission has to be aware of with taking such an action.

Ms. Furuta replied there is no concern.

Supervisor Stone inquired where there were any statutory requirements of signing a contract within a certain time period of approval by the Commission. Ms. Furuta replied she was unaware of any such requirement. The concern would be the reverse, if the Executive Director was directed to sign a contract and didn't do so and the Commission had to bring an action to force an action. The discussion is regarding limiting the ability of the Executive Director to sign the contract which he has stated he is in agreement with.

Supervisor Stone noted this is a public meeting, with respectable people, and the Executive Director has been directed not to sign any contracts until the appeal is resolved. The County of Riverside will continue to provide the mental health benefits for children although there has not been a vote, in the hopes that an interim contract will be approved and the County will be reimbursed for services in the future. If the Commission deems that is not appropriate, then the County has provided services for free for some very needy children in this community, and it won't be the first time the County has provided needed services for people. He feels comfortable with the direction of the Commission and he regrets we had the abstentions, so we can put to rest some of these issues today.

Commissioner Vice-Chair Loew stated that she didn't hear any need for a formal action which is necessary. The agenda was structured in such a way to recognize and give due process to the appeal itself. If the Commission wanted to do otherwise, we could have had a motion to approve the contract again, and that was clearly not our desire. In fact, we wanted to take the recommendation of the Executive Director to bypass the first level of appeal and allow for that to be heard by the Commission right away.

Public Comment:

Mr. Manning, Reid & Hellyer, on behalf of FSA.

Mr. Manning stated that given Mr. Freedman's assurances that he's not going to sign the contract, and it is in public, this is good enough for him and FSA. They will rely on the good faith of Mr. Freedman, in whom they have the upmost respect, and also members of this Commission. They do believe that everyone is acting in good faith and they hope that continues because they don't want their rights prejudiced by the appeal being rendered moot because a contract has been signed. He is satisfied.

At this time the Commission returned back to the normal order of the Agenda.

I. Advisory Committee Update – Lynne Craig, Appointee Second District of the Advisory Committee and Member of RCOE Board of Education

Advisory Committee Member Lynne Craig provided the Commission with an update of the Advisory Committee. Ms. Craig reported the Advisory Committee met last month. She reported on attending 0-5 holiday celebrations. Speaking for Carla Lidner and Chair the Advisory Committee requested Commission continue to focus on services for children.

Public Comment:

Advisory Committee Member Craig shared a letter she sent to the editor which is attached to the minutes. She requested First 5 Riverside continue working on ways to improve publishing more on the services funds allocated in the County.

(Commissioner Frykman returned to the meeting at 3:38 p.m.)

Commission Vice-Chair Loew noted Larry Cabaldon and Patti Larson were in attendance to provide a brief presentation of the organizational assessment. She noted Commission Chair Wengerd had to leave for another meeting. She and Chair Wengerd wanted to recommend scheduling a special session in February for the presentation from BoardRoom Solutions. Commission Secretary will query the Commission for a date for the special commission meeting.

J. Presentations

- 1. Swearing in of First 5 Service Corps Members for Project Year 2008-2009 – Michelle Burroughs, Administrator, Health and Community Programs and Lucy Furuta, Deputy**

This Agenda item was postponed to the February 2009 Commission meeting.

K. Discussion/Action Items

- The proposed 2009 Commission meeting schedule was reviewed. Conflicts in some of the proposed dates were noted by Commissioner Carrillo. Commission Secretary Lynn Stephens will poll the Commission for availability and bring back a proposal to the special February Commission meeting.
- 2. Organizational Assessment Interim Report – Larry Cabaldon and Patti Larson, BoardRoom Solutions (BRS)**

Patti Larson and Larry Cabaldon from BRS provided an overview on First 5 Riverside's Organizational Assessment. They are now at the analysis and findings stage.

Mr. Cabaldon noted the purpose of the assessment is to assist with optimizing ability of First 5 Riverside to serve the children in Riverside County. Only sixty-six percent of the group completed the online assessment.

Mr. Cabaldon provided key issues for Commission consideration:

Effective allocation of resources
Raise the bar on performance
Gain broader community support
Meet deadlines and doing reports well
Programs not recognized appropriately for impact
Perceived conflicts of interest
Composition of the Commissioner
Undefined roll of the Advisory Committee
Stronger leadership in the community from the Commission and Executive Director

Mr. Cabaldon requested the Commission take responsibilities for actions and agree on a plan of action. The full report involving interactive discussion will be presented at the February Commission meeting.

Supervisor Stone left the meeting at 3:50 p.m. and did not return.

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

At this time Commission Vice-Chair Loew asked if there were items that needed to be covered today or if the remaining agenda items can be carried over until the February Commission meeting. Mr. Freedman suggested all remaining items be carried over until the February meeting.

3. Child Care Comprehensive Data and EIR Proposal-Recommendation – Harry Freedman, Executive Director/Laurie Schoenberg, Administrator, Early Care & Education

Mr. Freedman informed the Commission staff will move forward with the Advancement Project. contract to assist the Commission to determine most strategic use of funds to address child care/preschool capacity needs. Laurie's presentation will be was carried over until the February Commission meeting.

4. State Budget – Harry Freedman, Executive Director

Mr. Freedman reported on State Budget. He announced there is a proposal to eliminate F5CA and leave 50% of current funding at the County levels. Mr. Freedman encouraged Commission read his ED Report and call him with any questions.

L. The following Information Items were tabled until the February Commission Meeting:

1. **Public Relations Information – Jamie Ayala, Public Information Specialist**
2. **November 2008 Financial Statements – Sandy Duncan, Administrator Fiscal Services**
3. **Public Information Request – Harry Freedman**
4. **SCALAR Oral Health Brief – Johnathan McDannell, Administrator Outcomes Management**
5. **Executive Director Report – Harry Freedman**
6. **Website Update – Jamie Ayala, Public Information Specialist**

M. **Funded Agency Public Comments**

None

N. **Public Comments**

Dr. Carla Lidner stated that, in her opinion, for an agency who files an appeal to be called a sore loser is not the kind of public relations Commissioners should want. She commented on FSA's previous appeal. She reminded Commissioners that FSA did not appeal previously for not being funded or for their proposal not being good enough. They appealed because their proposal was not accepted due to their RFP being two minutes late. She expressed concern at First 5 Riverside previously trying to fund Department of Mental Health when readers scored them below the level of fundability. She asked the Commission follow the protocol of listening to the reader's recommendations. She noted the readers ranked the other proposals too low for funding so the RFP was put out to bid again. Dr. Lidner added the comments made today towards FSA was an unfair characterization of what has happened at Commission meetings. She feels the money should be spent on child care rather than mental health.

Vice Chair Loew commented that her recollection is that the Commission was presented with a recommendation not to award funding to the Mental Health Department through the first round of proposals because they were not adequate. The Commission agreed and staff was directed to revise the RFP. This is what led to a second round of proposals under the review of a different group of readers. The Commission never agreed to vote to approve the original proposal that came forward earlier in the year.

Mr. Freedman agreed the Commission never voted to approve the original RFP. He noted Dr. Lidner may be referring to the suggestion that staff research why the proposal did not reach the level of fundability, and if the issues could be remedied. Commission Vice-Chair Loew added staff was also directed to see what led to low scores and review what needed to be clarified and/or modified in the RFP process going forward so the same results would not recur.

O. **Future Agenda Items**

No discussion

- P. Commission Adjournment**
Adjourned at 4:20 p.m. to the Special Meeting scheduled in February on a day and time to be determined.

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