MINUTES – ORGANIZATIONAL STRUCTURE WORKSHOP
Facilitated by Mike Smith, Social Entrepreneurs, Inc
Monday, December 5, 2005 – HHS Conference Rm. Bishop Plaza

1. Call to Order, Establish Quorum, Public Comment

Commission Chair Griffith opened the meeting at 8:50 am. A legal quorum was present with Commissioners Karen Harrison, Michele Dossey, Margaret Petersen, and Jeff Griffith in attendance as well as Jean Dickinson who was present via phone conference call. Also present were Jara Halfen (First 5 Inyo County Staff) and facilitator Mike Smith from Social Entrepreneurs, Inc.

Commissioner Griffiths opened the meeting for Public Comment; no public comment was received. Commissioner Griffith then opened the workshop session.

2. Recent Legislative Changes Affecting First 5 Commissions

In 2003, the State Auditor conducted an audit of the State Commission as well as 5 County Commissions to look at organizational structure and finances. This brought about the creation of two recent bills, SB35 and AB109, which impose requirements on Children and Families Commissions. Both bills were signed by the Governor in September 2005 and will become effective.

The legislation requires that by July 2006, the new reporting and evaluation framework, adoption of written policies and procedures, as well as expansion of the independent audit process will need to be implemented by the County Commissions.

Reporting and Evaluation:

The PEDS evaluation system will continue to be utilized by the state although possibly modified as new regulations take place. Mike Smith suggested we continue to work closely with the other Commissions in the NE Region to insure we are collecting the appropriate information for reporting and evaluation requirements; a benefit to this would be the possibility of partnering with these other Commissions to build joint data collection/recording systems.

At minimum, Commission needs to identify programs funded, populations served and what are the measurable outcomes of programs funded by First 5 dollars.

Adoption of New Policies and Procedures:

Commission will need to establish written policies approved during a public hearing on the following topics:

- Adopt a policy on how outcomes will be reviewed and presented along with the strategic plan on a yearly basis to the public. Mike suggested the Commission continue to annually review the strategic plan and include, as part of the process, a review of the long range financial plan as well as develop the budget based on the long-range financial plan.
- Adopt a limit on the percentage of its operating budget that may be spent on administrative functions. Mike suggested that a time study sheet be created and maintained to track First 5 Staff time during each payroll cycle.
- Adopt policies and processes establishing the salaries and benefits of its employees.
- Adopt a policy, consistent with state law, on conflict of interest of Commission members.
- Adopt a policy, consistent with state law on contracting and procurement practices.

Expansion of the Independent Audit Process:

Mike reviewed new elements that need to be added to the annual audits. These can be reviewed in the meeting packet handout from the meeting.

Mike suggested that once the State Controller issues the new audit guidelines (by April 30, 2006), our Commission share the information with Bartig, Basler and Ray and establish deadlines for draft report, final report, etc.

3. Commission Cost Structure and Support Services

Reviewed the current cost structure for the Commission to operate under the HHS department. Reviewed both the narrative and estimated expenditures provided by Commissioner Peterson. The salaries and program costs appeared to be in line with what is standard; however, the combined services, supplies and Administrative salary costs were higher than most other county commissions.

Mike suggested the Commission consider building in an hourly rate for administrative support rather than paying a percentage of salaries as is currently being done.

4. Effect of Operating Structure on Strategic Plan Implementation

Commission was lead through a cost/benefit analysis of current operating structure of First 5 Inyo County program being housed in the Health and Human Services Dept. The following is a summary:

Benefits of Current Structure	Costs or Inhibitors of Current Structure
Collaboration	Bureaucratic hurdles
Contracts are well written and well structured	Staff inflexibility
Technical expertise Includes Commissioner Peterson's time	Commission has no direct involvement with performance evaluations
Use of County infrastructure such as office; motor pool; equipment; risk management services, County Council, etc.	Even simple line item changes to contracts need to go through an extensive, time consuming review process
Better able to leverage funding with HHS	Ability to do public fund raising is limited
	More time consuming to get things done due to multiple approval requirements, sign-off, etc.
	Inhibits contracting with HHS
	Loss of Autonomy for Commission

~~5.~~ Analysis of Possible Alternative Organizational Structures

OPTION 1: County Agency directly reporting to County Administrator with an established MOU

Staffing Choices under Option 1:

a. Contract with HHS for Staff
b. Contract with an Outside agency for staff (i.e. IMACA)
c. Employ own staff

PROS:

- Could lower HHS charges, especially if utilizing Staffing Choice "c";
- Minor efficiency gain due to one less sign-off on contracts;
- Relationship between First 5 and HHS becomes negotiated rather than dictated;
- Circumvent county personnel policies if utilizing staffing choice "b"

CONS:

- Office relocation would be necessary
- Limited infrastructure
- If utilizing staffing choices "b" and "c", staffing needs could be difficult to meet due to lower pay and benefits

OPTION 2: Remain as a County agency but under Inyo County Office of Education

PROS and CONS:

- Same Variables as Option 1; improvements or problems would be dependent upon ICOE personnel and cost structures; would also have different contracting procedures

OPTION 3: Continue operating under the HHS umbrellas but contract out for staff

PROS and CONS:

- No advantages or savings to doing this could be identified

OPTION 4: Become an Independent, stand-alone public entity

PROS:

- Autonomy
- Flexibility
- Possibly easier to raise funds from private sources

CONS:

- Rewrite all contracts
- Create a completely new infrastructure
- May not have risk management access to risk pool
- More work for Commissioners
- Harder to collaborate with HHS

OPTION 5: Create a Multi-County agency

PROS:

- Less Duplication and more efficiency of scale
- More Commissioners to draw upon

CONS:

- Need to invent something new
- Distance issues and Communication issues
- Differences in community needs and cultures
- May lose autonomy and flexibility

OPTION 6: Maintain current structure but negotiate an MOU with BOS

PROS:

- Less downtime and disruption
- More certainty
- Positive budget impact

CONS:

- No assurance of success with negotiations
- Could create hard feelings
- Limited opportunity for cost savings

OPTION 7: Form a non-profit organization and contract with it for staff support

PROS:

- Doesn't trigger measure A
- More control over personnel
- Possible reduction in admin costs
- More fund raising flexibility

CONS:

- Doesn't resolve contracting challenges
- Need to create a completely new infrastructure
- Competition with other priorities for staff time

6. **Next Steps: Note, highlighted options indicate options Commission wishes to pursue**

OPTION 1: County Agency directly reporting to County Administrator with an established MOU

- Define/refine staff job descriptions

- Prepare a brief for BOS and CAO
  - Background
  - Desired action
  - Rationale
  - Costs and other implications
- Draft an MOU
- Research whether or not this action would trigger Measure A

OPTION 2: Remain as a County agency but under Inyo County Office of Education

- Gather Information
  - Personnel
  - Cost structures
  - Contracting processes
- Contact Office of Education to see if they would even be interested in doing this

OPTION 3: Continue operating under the HHS umbrellas but contract out for staff

- Commission saw no advantages to this and ruled out as a consideration

OPTION 4: Become an Independent, stand-alone public entity

- Make policy changes on how entity would operate (i.e. personnel, fiscal)
- Cost analysis and feasibility analysis
  - Gather data from other county commissions that have budgets similar to Inyo County First 5; get information from other agencies within Inyo County
  - Feasibility analysis would include review of start-up costs, transition time required, salaries and benefits, identifying whether or not all necessary support services can be obtained, office space availability, ability to get competitive employee benefits.

OPTION 5: Create a Multi-County agency

- Commission saw no advantages to this and ruled out as a consideration

OPTION 6: Maintain current structure but negotiate an MOU with BOS

- Determine what is desired in the MOU

OPTION 7: Form a non-profit organization and contract with it for staff support

- Commission saw no advantages to this and ruled out as a consideration

DRAFTING AN MOU: THINGS TO CONSIDER

1) Cost

Goals: to establish a certainty of costs; to lower costs and to establish Commission involvement in determining charges

Approaches:

- **Change allocated costs to direct charges; pay for actual level of services used. If governed under HHS, approach for First 5 must be consistent with other departments.**
- **Apply for "Grants in Support" from the Board of Supervisors**
- **Set a cap on county charges – HHS Admin, A-87 charges and any other allocated charges**

2) Access to services

- **Be explicit about what county would provide**

3) Personnel

- **Identify Commission involvement in interviewing staff; selection of staff; performance evaluation process;**

- **Anticipate worst case scenarios (i.e. discipline issues) and how Commission would be involved in coaching, counseling, disciplining, etc.**

4) Define role of HHS as Liaison between Commission and other County departments

5) Contracting

- **Expediting the contracting process by asking negotiating for the ability of the Commission to approve some line item changes**
- **Commission will discuss contracting processes with other like counties to see if ways of expediting the process in Inyo County can be identified.**

Meeting adjourned at 4:12 p.m.

NOTICE: The next Regular Commission Meeting date is scheduled for Thursday, December 15 at 8:30 a.m. The meeting will be held in the Health and Human Services Conference Room at 1351 Rocking W Drive, Bishop, CA