

ATTACHMENT B

May 5, 2002

Honorable Clifford R. Anderson III
Presiding Judge, Santa Barbara Superior Court
P.O. Box 21107
Santa Barbara, CA 93121-1107

Dear Judge Anderson,

The following is our response to the Grand Jury's Children and Families Commission report dated April 10, 2003. This response has been reviewed and approved by the Commission on April 28, 2003.

Finding 1:

The humanitarian spirit has overridden the clear understanding of finance issues such as establishing controls and the acceptance of accountability.

Recommendations 1:

The Commission should designate a Chief Financial Officer to work in conjunction with the humanitarian responsibilities of the Executive Director.

Response:

The Commission agrees partially with the finding. The recommendation will not be implemented.

The Commission has determined that the designation of a Chief Financial Officer would be an unnecessary expenditure, and be duplicative of the fiscal coordination that is in place. Rather than attempting to justify and establish a Chief Financial Officer position for the Children and Families Commission, a collaborative working relationship is being developed to include the Commission and the departments of the Auditor-Controller and the County Administrator.

Since the Children and Families Commission of Santa Barbara County was established in February 1999, program and fiscal accountability have been a top priority for the Commission. The Commission chose to work under the administrative structure of the County of Santa Barbara rather than establishing a separate 501©3 as has been done in many counties throughout the state. This gave the Commission the opportunity to utilize the services and support of the County Auditor-Controller, County Counsel, General Services, Risk Management and the County Administrator.

At the completion of each fiscal audit, the Commission staff has worked closely with the County Auditor's office to assure that any findings and recommendations coming from the audit are

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addressed thoroughly. The Commission is very cognizant of their fiscal responsibilities and continuously works to strengthen and enhance the structure of accountability.

From its inception, the Commission has worked with the Auditor-Controller to establish a system of fiscal accountability for the Commission and its grantees from. This has included coordination between the Offices of the County Administrator, Auditor-Controller, the Commission's evaluator and Commission staff. Specific fiscal oversight is provided by a fiscal analyst, a ½ time administrative services clerk and the Commission Executive Director.

Additionally the Commission has established an extensive and detailed work plan with the Auditor-Controller's office and the County Administrator's office that delineates roles, functions and responsibilities for fiscal overview and contract administration (please see Attachment #1). This provides a concrete fiscal monitoring plan at a much lower cost than hiring a Chief Financial Officer.

In fiscal year 2002-2003, the Commission established a Contract Support Committee with representation from the Commission, commission staff, the Commission's advisory board and county counsel, to review and to make recommendations on contractual issues. This committee reports all recommendations regarding contract compliance to the Commission for review and approval. A representative from the County Auditor Controller's office and County Counsel sits on this committee as departmental liaisons.

In the fall of 2002 the Commission adopted a ten-year fiscal plan, which projects revenue and allocations. The offices of the Commission, Auditor Controller and County Administrator, as well as the Commission Fiscal Committee closely monitor this plan.

Hiring a Chief Financial Officer has not been included in the staffing plan for the Commission, which seeks to optimize the expertise of existing staff within the Commission office and the County structure rather than adding additional staff.

Finding 2:

The Commission currently over utilizes outside sources and consultants in lieu of specifically designated staff who have accountability and responsibilities.

Recommendation 2:

Specifically designate a member(s) of the Commission staff to assume responsibilities currently outsourced.

Response:

The Commission disagrees with this finding, and the recommendation will not be implemented.

The Commission has determined that hiring additional staff would decrease available funds to direct service programs, and would be redundant to current staffing assignments. The current staff is working at full capacity and adding additional responsibilities would not be possible.

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The Commission has contracted for services in areas where there is specific expertise needed to support the Commission's work. Utilizing consultants has made it possible to obtain this expertise without hiring full-time staff at a significant cost. Contracted services have been directed at improving the capacity of the staff and the Commission's funded partners. A consultant is able to focus his/her time on the specific task requiring maximized focus and expertise on an as-needed basis. For example, a nationally recognized fiscal leveraging specialist has been under contract to work with the Commission staff and funded programs to identify additional revenue sources to support and sustain programs serving young children and their families. This has been a highly successful process.

Individuals and agencies under contract to provide consulting services to the Commission are bound by time certain contracts with specific deliverables to which they are held accountable.

Finding 3:

The WIND software data-reporting program is ineffective and difficult to use.

Recommendation 3:

Because WIND is ineffective and difficult to use, the Commission should designate one member of staff to be responsible for implementation, training and supervision of community based organizations using the WIND program.

Response:

The Commission partially agrees with the finding, and the recommendation has been implemented.

The Commission recognizes that the WIND system has been challenging for agencies to use but is an effective system structurally.

There are currently both Commission and PranInfotech staff that provide training and technical assistance to Commission funded programs using the software. The Program Analyst position has been designated as the primary support staff for WIND.

Developing a computerized system for program evaluation and monitoring outcomes, where there are a large variety of strategies and indicators has been a large challenge. This process has provided similar challenges throughout the state in the implementation of Proposition 10. Through the developmental and implementation process, contracted agencies and Commission staff have experienced difficulties in application. PranInfotech, the software vendor, has made every effort to be responsive to these challenges, spending extensive time providing one-on-one support to agencies and Commission staff, as well as making program revisions to meet the requirements of the Commission and the service providers.

Over the last several months the Commission has developed a user work group of agencies to help refine the utilization of WIND and has provided support and recommendations for technical assistance. This process has led to the development of a much more user-friendly system which

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will be piloted this spring for implementation in the 03-04 fiscal year. Already the degree and level of contract reporting by agencies has significantly improved.

A UCLA staff person, who has been contracted by the State to provide statewide evaluation technical assistance, reported at a recent local meeting that Santa Barbara County is one of the leaders in the state in developing an information system of contract evaluation and results based accountability. By developing our own software system the Commission has been making a long-range investment that will prove to be cost saving in the long run.

Finding 4:

Because of end user problems with WIND, funds have been expended for repeated training and problem solving at the data entry level.

Recommendation 4:

Contracts must be required to have a provision that data entry operators and direct supervisors are fully trained in the operation of the program.

Response:

The Commission agrees with the finding, and the recommendation will be implemented.

The contract template for services funded through the Commission currently includes language requiring participation in the WIND system for all direct service contracts. The commission will review this contract language to include the requirement of training participation for the next fiscal year contracts. The Commission is currently developing a technical assistance schedule for providers, which includes training on the utilization of WIND and its many functionalities for internal and external reporting and evaluation.

Finding 5:

The perception of allocations to North County versus South County blurs the reality of how allocations are indeed distributed. The Commission acknowledges that the primary need for services is in North County. However, in the reported allocation to “county Wide” programs, the Jury has not been provided with sufficient information to support the breakdown.

Recommendation 5:

The Jury is unable to confirm or deny countywide breakdown figures as reported by the Commission in its “Geographical Distribution of Funding” stated in its Annual Report 2001-2002.

Response:

The Commission disagrees with the finding. The recommendation implies a request for information, which was previously submitted, to the Civil Grand Jury on March 11, 2003.

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The Commission maintains client information by zip code for all programs.

Detailed information has been provided to the Grand Jury with geographical client totals and allocations for programs serving clients countywide (please see Attachment #2). All figures provided in the Annual Report on geographical distribution of funding are based on the actual funding allocations of the Commission and are readily available.

Finding 6:

Commission overhead expenses exceed mandated levels.

Recommendation 6:

An accurate statement of the Commission's 15% overhead must include costs currently charged to programs.

Response:

The Commission disagrees with the finding and the recommendation will not be implemented.

Although no state mandate exists through Proposition 10, the Commission adopted guidelines to maintain administrative costs at or below 10% within the first months of its existence. The Commission has been able to work within those guidelines and keep internal administrative costs at a minimum.

The Commission recognizes a difference between general administration and program development, support, evaluation and civic engagement. General administration includes all work involved in supporting the Commission and Advisory Board, strategic planning, fiscal planning, work with the State Commission, budgeting, and contract monitoring. The focus of Prop. 10 has been to implement improved systems for families, which are integrated, accessible, inclusive and culturally appropriate. This involves extensive community outreach, coordination and program implementation. The Commission sees itself as a "Community Partner, Catalyst, and Convener" in reaching that goal. A variety of community activities and events have been coordinated involving active program development, capacity building, civic engagement and evaluation. Due to the expanded role of the Commission in active community participation, these activities have fallen within the area of "program" in budget monitoring and planning.

It has consistently been the goal of the Commission to maximize funds available for meaningful and accountable services for young children and their families. In that process it is mandatory that the Commission maintain an infrastructure to provide support for program development, implementation and accountability. It is also important to realize that agencies providing comprehensive and coordinated services must have an infrastructure that allows for program supervision, fiscal and program accountability, and the ability to secure additional funding for sustainability.

In regard to funded programs, the Commission does not charge overhead to programs. The Commission has established the maximum allocation that funded agencies can request for overhead at 15%. This policy was developed since many organizations charge up to 30-35% overhead for contracts. By developing this policy the Commission has limited the overhead

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request of all applicants while respecting the need for contracted agencies of major programs to support their infrastructure.

The Request for Proposal released by the Commission clearly states, " Indirect costs shall not exceed 15% of the total grant amount awarded. Equipment and capital expenditures shall be excluded from indirect cost." This amount must be divided between all funded entities and cannot be duplicated by a contractor and subcontractor.

It would be highly unusual for organizations, such as foundations or governmental departments that fund programs to include overhead costs that fall within a grant award into their administrative calculations of the operational budget. We have not been able to find any instance where this is done. It would not be an accurate financial statement to include funded agency overhead costs into the Commission administrative budget.

Fiscal accountability and accessibility of information have been cornerstones of this Commission. Our Advisory Board and Commission play an active role in the oversight and monitoring of the work of the Commission's strategic and fiscal planning, and all other areas of the Commission's work.

Finding 7:

The location of the Commission's primary office in downtown Santa Barbara encourages the perception that allocations between North and South County are unequal.

Recommendation 7:

The establishment of the primary Commission in North County would alleviate the perception of allocation inequality, would be closer to the targeted population and be fiscally responsible.

Response:

The Commission disagrees with the finding, and the recommendation will not be implemented.

The Commission maintains both a North and South County office with staff working throughout the county from Cuyama to Carpinteria. Additionally the Commission meets monthly throughout the county to provide equal access to the meetings, and hosts community conversations with parents and providers in communities throughout the county.

Having the primary office in the North County would not support the need to readily access Auditor-Controller, County Counsel and County Administrator services.

The Commission will continue to provide meaningful accessible services throughout the county.

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In conclusion, the Children and Families Commission would like to express appreciation to the Civil Grand Jury for their interest and consideration. Many Civil Grand Jury observations and suggestions will support the process of continuous improvement of the Commission as we continue to serve the needs of our children and communities.

Sincerely,

Naomi Schwartz, Chair
Santa Barbara County
Board of Supervisors

SANTA BARBARA COUNTY BOARD AGENDA LETTER



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: 5/12/03
Department Name: General County Programs
Department No.: 990
Agenda Date: 5/27/03
Placement: Administrative
Estimate Time: 20 minutes on June 3, 2003
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Naomi Schwartz, Chair
Children and Families Commission

STAFF CONTACT: Patricia Wheatley, Executive Director
884-8085

SUBJECT: Board of Supervisors' Response to the 2002-03 Grand Jury Report "*Up In Smoke*"

Recommendation(s):

That the Board of Supervisors:
Set June 3, 2003 as the date to:

1. Adopt the responses of the Children and Families Commission (Attachment B) as the Board of Supervisors' responses on "*Up In Smoke*", and
2. Authorize the Chair to sign the letter from the Board of Supervisors (Attachment C) forwarding these responses to the Presiding Judge of the Superior Court.

Alignment with Board Strategic Plan:

The recommendations are primarily aligned with Goal No. 7. A Community that Fosters the Safety and Well-Being of Families and Children, and Goal No. 1. An Efficient Government Able to Respond Effectively to the Needs of the Community.

Executive Summary and Discussion:

The Grand Jury Report "*Up In Smoke*" was released on April 10, 2003 and contains seven findings and seven recommendations. The Report requires responses from the Board of Supervisors, the Children and Families Commission, and the Auditor Controller, who was required to respond to one finding. In accordance with Section 933 (b), the Board of Supervisors must respond within 90 days after issuance of the Grand Jury Report. Consequently, the Board of Supervisors' response must be finalized and transmitted to the Presiding Judge of the Superior Court no later than July 9, 2003.

The Children and Families commission requests that the Board of Supervisors adopt its responses (Attachment B) as the Board of Supervisors responses to the Grand Jury Report, "*Up In Smoke*".

Board of Supervisors
Agenda Date: June 27, 2003
Grand Jury Report Response – “*Up In Smoke*”
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Mandates and Service Levels:

California Penal Code Section 933(c) requires that comments to the Grand Jury Findings and Recommendations be made in writing. These comments, in themselves, do not change existing programs or service levels.

Fiscal and Facilities Impacts:

There are no fiscal or facility impacts associated with the recommendations.

Special Instructions:

The response of the Board of Supervisors must be transmitted to the Presiding Judge of the Superior Court no later than July 9, 2003. It is requested that the Clerk of the Board return the signed letter to Jennie Esquer, County Administrator’s Office, for distribution to the Superior Court. The signed letter, written responses, and a 3.5” computer disc with the response in a Microsoft Word file must be forwarded to the Grand Jury.

Attachments:

- A. Grand Jury Report – “*Up In Smoke*”
- B. Response of the Children and Families Commission (Proposed Board of Supervisors response)
- C. Cover letter from the Board of Supervisors to the Presiding Judge
- D. Response from Auditor-Controller

Cc: Robert Geis, Auditor Controller

June 3, 2003

Honorable Clifford R. Anderson III, Presiding Judge
Santa Barbara Superior Court
118 E. Figueroa Street
Santa Barbara, CA 93101

William M. Andersen, Foreperson
2002-2003 Santa Barbara County Grand Jury
1100 Anacapa Street
Santa Barbara, CA 93101

**Board of Supervisors' Response to the 2002-2003 Grand Jury Report on:
*"Up In Smoke"***

Dear Judge Anderson and Grand Jury Members:

During its regular meeting of June 3, 2003, the Board of Supervisors adopted the Children and Families Commission responses to the Grand Jury Report – *"Up In Smoke"* (Attachment B) as its required response to the same Grand Jury Report.

The Board thanks the Grand Jury for its report on this matter.

Sincerely,

Naomi Schwartz
Chair, Board of Supervisors