

2011 DISBANDING OF THE HUMAN SERVICES COMMISSION

SUMMARY

Every year the Sonoma County Board of Supervisors (BOS) allocates a portion of the General Fund (GF) in the form of grants to various non-profit agencies considered to be critical local safety net programs for the vulnerable. Between 1978 and July 2011, the Sonoma County Human Services Commission (HSC) oversaw the expenditure of those monies. In fiscal year 2010-2011 the HSC, under the Sonoma County Human Services Department, allocated \$588,137 in GF grants to 19 community-based organizations to support programs related to homelessness, hunger, domestic violence, rape, legal services, and short-term counseling. These services benefitted over 11,000 community residents.

In preparation for fiscal year 2011-2012, each department in Sonoma County was ordered to prepare a budget reflecting a 25% reduction. In April 2011, the Human Services Department proposed eliminating the HSC, transferring HSC funding and contract administration to the Sonoma County Community Development Commission (CDC) to meet the budget reduction. Additionally, they proposed adjusting the HSC funding to nine months from twelve (to align with the federal fiscal calendar) thus saving an immediate 25% and reducing administrative costs on a one-time basis.

As of July 2011, the HSC was disbanded and the duties of selecting and approving grantees, and administering and distributing future allocated GF grant money were transferred to the CDC.

A Sonoma County resident filed a citizen complaint with the Sonoma County Civil Grand Jury expressing concern that the CDC did not have the interest or expertise that the HSC had in dealing with the community partner agencies. Also, the types of services provided by the HSC were different from the CDC's focus on redevelopment and housing programs. The citizen wanted assurance that the "partnerships between the public and private systems of care" previously funded by the HSC would remain intact.

The Grand Jury investigation revealed that the CDC had similar grant processes in place to award other county assistance funds to some of the same and similar agencies. The CDC assumed the administration of the funds for the community partners. The CDC developed a procedure to ensure that the prior HSC grantees were assisted in the new process.

Although the county experienced a significant budget cut, the opportunity still exists for community partners to receive grant funding through the CDC. Disbanding the HSC and consolidating its functions with the CDC's process enabled the county to save money.

According to California state law, the CDC has the ability to expand their committee and include up to two additional members. It could be beneficial to consider including individual(s) with prior community partner and/or local safety net funding experience.

The CDC now refers to the former community partners as community services funding (CSF) grantees. With oversight and their continued involvement, the BOS can ensure a smooth grant process to the CSF grantees.

Additionally, the Grand Jury recommends that the succeeding Grand Jury review the next fiscal year funding recommendations from the CDC.

APPROACH

Interviews were conducted with former and present Human Services Department employees, past members of the HSC, the Executive Director of an agency that received grant monies from the HSC, and the Executive Director of the CDC. Additionally, the official Sonoma County website was referenced.

An extensive number of county documents were reviewed as well. See the complete list in the Bibliography.

DISCUSSION

The Grand Jury believed it was important to look into the dissolution of a volunteer community oversight committee. Over 11,000 county residents per year utilized the services provided by the HSC agencies. The HSC was established by the BOS in 1978 to address a lack of coordination among local funding agencies and service providers, and to improve service delivery. In its 33 years, the HSC has survived recessions and changes in the makeup of the BOS and county administrators. It was comprised of volunteer citizen members who were appointed representatives from Sonoma County's five supervisorial districts. These members acted as a bridge between GF grants and community partner agencies. The volunteer members of the HSC had specialized skills and training, as well as experience in evaluating, monitoring, and working with the community partners. Working without compensation, the commission had the arduous task of reviewing an average of 50 grant requests per year from various non-profit organizations within the county. The members of the commission had the responsibility of making on-site visits, needs assessments, and performing follow-up with the agencies.

The recent economic downturn has reduced the resources available to Sonoma County to provide services, while at the same time increasing the need for those services. Devaluation of property values led to less property tax being collected in the GF. Only a portion of the money in the GF can be used at the complete discretion of the BOS. The HSC budget for community partner agencies was made up entirely from the discretionary portion of the GF and was subject to reduction.

For the 2010-2011 fiscal year, the HSC was operating under the assistant director of the Human Services Department and was included in the department's budget. The HSC's total costs in fiscal year 2010-2011 were \$588,137 in community service funds and \$242,863 in administrative support costs for a total of \$831,000. The BOS had considered elimination of the HSC in the 2010-2011 budget before restoring it with one-time stimulus money. Facing further cuts to the GF portion of its 2011-2012 budget, the Human Services Department again recommended eliminating the HSC and transferring duties to the CDC. In June 2011, the HSC convened for its final time, ending its 33-year history with a vote to disband.

The CDC has contract administration procedures in place based upon three decades of allocating and administering federal, state, local, and private grant funds. The CDC program staff and CDC accounting staff both track the flow of funds to ensure accuracy and adherence to internal controls. Federal regulations mandate that the CDC undergo an independent financial audit annually.

By having procedures in place already, the CDC agreed to administer the grants to the community partners at a cost of \$80,000. This saved the county \$162,863 (\$242,863 - \$80,000) in the 2011-2012 fiscal year. An additional one-time savings of \$147,000 was gained by adjusting the 2012-2013 community partners grant period to align with the federal fiscal calendar currently in use by the CDC.

The Grand Jury found that appropriate actions were being taken to allow for current and future CSF grantees to submit grants. The new CDC process was found to be somewhat different from the prior HSC process. The community partners who were not familiar with the new CDC process were offered technical assistance training in order to bring them into compliance. The CDC will continue to integrate the new and former HSC community partners into their existing CDC grant process.

The plan to move the county funding monies previously dispersed by the HSC to the community partners and now being overseen by the CDC has been implemented. The transition appears to be smooth and successful. The Grand Jury received and reviewed the 2012-2013 CSF funding recommendations from the CDC and found them to be in line with the past grants given out to the community partners.

COMMENDATIONS

The Grand Jury commends both the HSC and the CDC for ensuring that CSF grantees continue to receive funding in Sonoma County to assist at-risk and in-need members of the community despite the economic downturn.

FINDINGS

F1. The disbanding of the HSC and consolidating its duties into the CDC was a fiscally prudent decision by the BOS.

F2. It may benefit the CDC committee to expand from seven to nine members as allowed by California state law.

F3. Despite the loss of the expertise, commitment and experience that the prior HSC volunteers brought to the grant process, efforts are being made by the involved county agencies to ensure that CSF grantees, both past and present, can continue to be a part of the funding process.

F4. Appropriate steps are being taken to help the former community partners transition to CSF grantees.

RECOMMENDATIONS

R1. The Sonoma County Board of Supervisors continue its review of the Community Development Commission grant fund process to the Community Services Funding grantees.

R2. The Executive Director of the Sonoma County Community Development Commission consider expanding the CDC committee to eight or nine members.

R3. The Executive Director of the Sonoma County Community Development Commission annually provide to the Grand Jury the CSF funding recommendations once they have been approved by the Board of Supervisors.

REQUIRED RESPONSES

Pursuant to Penal Code Section 933.05, the Grand Jury requires responses from the following:

- Sonoma County Board of Supervisors - R1
- Executive Director, Sonoma County Community Development Commission - R2 and R3

The governing body indicated above should be aware that the comment or response of the governing body must be conducted subject to the notice, agenda and open meeting requirements of the Brown Act.

BIBLIOGRAPHY

- A large sampling of the grant proposals and the methodology used to rank and prioritize grantees
- Health & Human Services General Fund Reduction budget recommendation priority ranking spreadsheet
- Final Actions of the Board Budget Hearings worksheet – dated June 15, 2011
- Transition of Community Services Funding letter that was sent to all current community partners – dated July 1, 2011
- 2011-2012 Community Partners Funding Allocations – Public Services (no date)
- 2012-2013 Community Partners Funding Allocations – Public Services, 5-8-2012
- HSC Final Community Services Funding Recommendations
- Funding policies of the Community Services Funding (CSF) program
- Sonoma County budgets for the periods 2009-2010 and 2011-2012
- Budget Hearing packet – dated June 11, 2011
- Sonoma County HSC Annual Report to the BOS for fiscal year 2009-2010
- Alternative Models for the HSC and Provisions of Community Services Funding, Memo Human Services Department Assistant Director, April 22, 2011
- Press Democrat article, dated 5-31-2011, entitled “County Budget Would Cut Programs Large And Small”

Reports issued by the Civil Grand Jury do not identify individuals interviewed. Penal Code Section 929 requires that reports of the Grand Jury not contain the name of any person or facts leading to the identity of any person who provides information to the Civil Grand Jury.