

**Staff Report First 5 Staffing and Administrative Costs****Background**

When the Commission was established in 1999, it was determined by the Board of Supervisors that the Butte County Department of Public Health (BCPH), *on a temporary and interim basis*, would provide the staff for the Commission. In 2020, the Commission entered into a [Memorandum of Understanding with BCPH](#) both to formalize the terms of the relationship and gain a clearer understanding of the indirect charges paid by the Commission to BCPH. As a result of the negotiation, BCPH agreed to reduce their indirect charge from 15% to 10% of First 5 staff salary and benefits.

In late 2023, staff prepared to renew the MOU with BCPH to update language about office space and services, and did an analysis of the indirect charges. Staff determined that the indirect charges paid to BCPH continue to be high and will only increase as the cost of staff increase. Staff have reached out to BCPH to inquire if there is a way to reduce charges to “actual costs” but BCPH leadership was unable to renegotiate the rate, and recommended that staff explore whether another County department could provide the staffing at a lower cost. Staff subsequently began discussions with Commissioner Boston to understand if there is a more economical option within the Department of Employment and Social Services.

Director Bauer and Commissioner Boston have begun to lay the groundwork for a transition, including securing consent from BCPH Director York and Butte County Chief Administrative Officer Pickett. Any further exploration or action by Bauer and Boston requires the approval of the Commission. Next steps are mostly procedural, such as updating salary ordinances, modifying job descriptions, updating county data systems and IT services. While there is nothing specific in the [local Ordinance](#) that places the Commission in any particular County department, there is a reference to BCPH in the [Contract for Butte County Services](#), which may necessitate an update. A new MOU would be established between the Commission and DESS and would require additional Commission approval at a subsequent meeting. A transition as of July 1, 2024, is ideal.

**Executive Committee Recommendation**

Commission take action to authorize Director Bauer and Commissioner Boston to continue to explore and take action steps towards transitioning the staffing of the Commission from Butte County Public Health to the Department of Employment and Social Services by July 1, 2024.